Business

DHAKA TUESDAY NOVEMBER 10, 2026, KARTIK 25, 1433 BS
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Banks cool on buying StanChart's retail arm

Weak loan growth and a requirement to keep 1,500 staff are deterring bidders, as City Bank weighs its options



Banks back off race to buy StanChart's retail business

- Six lenders showed interest in previous months
- They are: City Bank, BRAC Bank, Pubali Bank, Mutual Trust Bank, Dhaka Bank and Dutch-Bangla Bank
- Only City signed a confidentiality deal with StanChart



Why

- Private sector credit growth at lowest levels on record
- Potential buyers reluctant to take on 1,500 highly paid staff
- They say trade and commerce in poor shape

Standard Chartered Bangladesh

- 120 years in the country
- Says retail exit for more focus on corporate
- The transition to take up to 24 months

MD MEHEDI HASAN

Most of the top local banks that lined up to buy the retail business of Standard Chartered Bangladesh are now leaving the race, officials at the banks say, indicating that the business sale by the foreign lender announced last month might be challenging.

For taking over the local retail business of the British multinational bank, at least six commercial lenders showed strong interest over the months. They include BRAC Bank, City Bank, Pubali Bank, Mutual Trust Bank, Dhaka Bank and Dutch-Bangla Bank.

So far, only City Bank has signed a non-disclosure agreement (NDA) with Standard Chartered Bangladesh.

Officials of BRAC, Pubali and Mutual Trust told The Daily Star that their banks have decided in principle not to engage with the deal under its current conditions. Officials at other lenders said Dutch-Bangla Bank does not have the capacity under current conditions for the takeover.

The main attraction for most of the local commercial lenders was the low-cost deposits portfolio of Standard Chartered Bangladesh's retail banking. They now ask what they would do with that money if lending keeps sliding.

In September, credit to the private sector grew by just 4.17 percent, down from 4.75 percent in August, according to Bangladesh Bank. Senior central bank officials said they cannot recall such a slump, and that growth has not been this weak since at least 1993.

"We have decided not to proceed now," said a top official at one of the banks that lined up for the retail business buying.

"Private sector credit growth is at a historic low. What would we do with their low-cost deposits? Where would we lend? That is why we have backed away from their plan," he said.

"It is not a good time for Standard Chartered to sell its retail business because trade and commerce are in poor shape," he added, while speaking on condition of anonymity.

The size of the retail banking staff at Standard Chartered Bangladesh is also another issue.

The foreign lender has around 1,500 employees on high salaries and has made it a condition of the sale that the buyer takes them on. Many potential buyers said they would struggle to absorb such a large, highly paid workforce.

"What would we do with such a large payroll? What outcome would we get?" the official of the potential buyer asked.

Another senior official said his bank has also stepped back for the same reason. "We do not want to take over the bank's retail business. We have stepped back because of the 1,500 employees, whose salary packages are very high."

Selling the retail business is not easy, he said, and taking it over along with 1,500 employees would be difficult. "Many banks simply do not have the capacity to bear the cost of these staff."

In a statement in early October, Standard Chartered Bangladesh announced the sale of its wealth and retail banking business as it sharpens its focus on corporate and investment banking. Many local lenders had been in talks with the bank for a long time before the formal announcement.

Standard Chartered Bangladesh said the transition of the Wealth and Retail Banking (WRB) business is expected to take 18 to 24 months, subject to the deal process and regulatory approvals.

The first official said Standard Chartered makes decisions from a global perspective, but circumstances differ from country to country.

"Its plan should be customised. A plan that succeeded in Sri Lanka cannot simply be replicated in Bangladesh. Every country's situation is different," he said. "If it cannot find a buyer, it may put its plan on hold. But backing out after announcing a decision would damage its reputation."

Meanwhile, a City Bank official, who also asked not to be named, said the bank is the only one to have signed an NDA but is still watching the situation before making any further decision.

Abdul Hai Sarker, chairman of Dhaka Bank, told The Daily Star, "We are thinking it over. They have 1,500 employees who are highly paid."

"We haven't moved forward yet. Discussions are ongoing. We are trying to see whether this would be profitable. Taking on 1,500 employees would be a burden. That is one issue," he said.

READ MORE ON B3

Inflation edges down, but living costs remain high

Slower wage growth adds to household pressure

MD ASADUZ ZAMAN

Inflation eased only marginally in October as a sharp rise in non-food prices offset a decline in food prices, keeping the overall rate above 8 percent for another month.

Slower wage growth has added to the pressure on household budgets, making it harder for low-income families, daily wage earners and people on fixed incomes to cope with the rising cost of living.

Point-to-point inflation fell to 8.27 percent in October from 8.34 percent in September, but remained higher than the 8.17 percent recorded in the same month last year, according to Bangladesh Bureau of Statistics (BBS) data released yesterday.

Food inflation dropped to 6.40 percent from 7.22 percent in September, its lowest level in 54 months. The last time it was lower was in April 2022, when it stood at 6.23 percent.

However, non-food inflation climbed to 9.89 percent from 9.30 percent, its highest in 41 months and close to the 9.96 percent recorded in May 2023.

BBS officials said the fall in food prices had been offset by rising non-food costs, keeping overall inflation high.

Zahid Hussain, former lead economist at the World Bank's Dhaka office, said rising non-food prices were now the main driver of inflation.

He said the fuel price adjustment in September would continue to push up prices for another month or two, as its full impact would take time to reach consumers. Changes in electricity tariffs, supply shortages and higher import costs would add to the pressure.

"The petroleum price adjustment made in September definitely has an impact, and that will persist for the next month or two, because the full effect doesn't come all at once," he said.

Mohammad Lutfor Rahman, a professor of economics at Jahangirnagar University, said favourable weather and improved seasonal supplies of vegetables, potatoes and onions had helped bring down food inflation.

However, higher transport, education and medical expenses continued to push up non-food inflation. The recent fuel price hike had increased transport costs, with operators quickly passing the additional burden on to passengers through higher fares.

"Transport operators have raised fares almost immediately, passing a disproportionate burden on to consumers," he said.

Wage growth slows, squeezing households

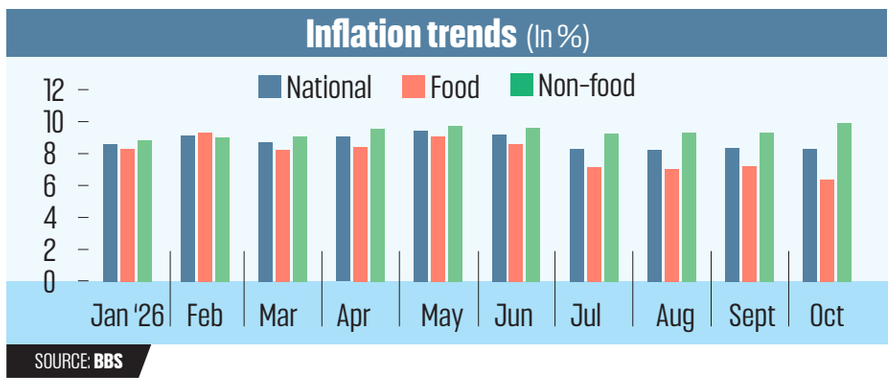
Wage growth also lost pace in October, falling to 7.63 percent from 7.9 percent in September. It had remained above 8 percent for several months, according to BBS data.

Zahid said the slowdown meant workers were losing purchasing power even as inflation eased.

"Even though inflation has fallen, real wages have not increased. Instead, the rate at which they are falling has accelerated," he said.

The wage index covers 63 low-skilled occupations, mainly involving daily labour.

Inflation trends (In %)



SOURCE: BBS

Zahid said the figures reflected the financial struggles of a large section of the population.

"At least eight to ten crore of our 18 crore people fall within this group, so at least half the population is affected," he said.

"For those who depend on wages, survival is becoming even more difficult. Our vulnerability is increasing," he added.

Lutfor said persistently high inflation was forcing low-income households and daily wage earners to cut spending, even on essential items.

"People are cutting spending not only on non-essential items but also on basic needs. Many are struggling to pay for food, children's education and medical bills. Some are even using their savings to meet these costs," he said.

The pressure on household budgets was also hurting businesses, as consumers were spending less on clothing, shopping and other non-essential goods, he added.

Zahid questioned whether the government's inflation target of 7.5 percent was achievable, saying even that level would be too high to ensure international competitiveness.

"Even if the target is achieved, I won't be very comfortable. With 7.5 percent, you cannot be internationally competitive," he said.

He acknowledged that bringing inflation down within a year might not be realistic but

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SPOTLIGHT

Shwapno plans to reach 5,000 farmers by 2030

STAR BUSINESS REPORT

Shwapno, the country's largest retail chain, plans to expand its sustainable agriculture network to more than 5,000 farmers, increase direct sourcing of fresh produce and reduce energy consumption by 2030.

The commitments were outlined at the launch of the company's first sustainability report at Lakeshore Grand in Dhaka yesterday, according to a press release.

Arif Dowla, group managing director of ACI PLC, the parent company of Shwapno, said the retailer had placed farmers and inclusive growth at the centre of its operations since its inception. It was increasingly using artificial intelligence (AI) to improve supply chain efficiency, cut carbon emissions, boost productivity and improve livelihoods, he added.

Sabbir Hasan Nasir, managing director of ACI Logistics Limited, which operates Shwapno, presented the 2030 sustainability targets.

"This report is a baseline, not a finish line. From today, we can be measured, and in 2030 we will show you what we did with our promise," he said.

Covering July 2021 to June 2025, the report details progress in sustainable agriculture, responsible sourcing, food safety, resource efficiency, waste management and inclusive employment.

More than 2,000 farmers have received training on Global GAP

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Panel formed to develop defence industry

STAR BUSINESS REPORT

The government has formed a high-powered committee to guide the development of the country's defence industry and promote exports of defence equipment.

Prime Minister Tarique Rahman will head the 11-member National Defence Industry Committee, according to a notification issued by the Cabinet Division earlier this month.

Other members include the finance, industries and commerce ministers, the adviser to the defence ministry, the chairman of the Bangladesh Investment Development Authority, the chiefs of the army, navy and air force, the principal staff officer of the Armed Forces Division and the defence secretary.

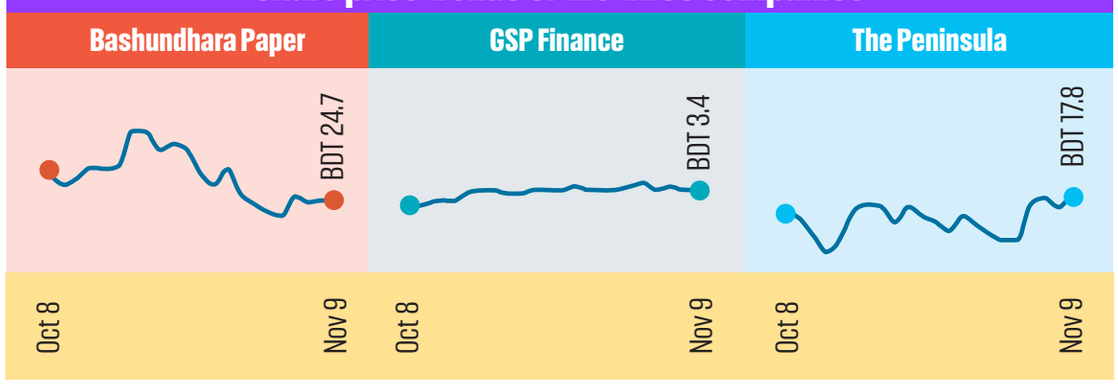
The move comes as the government considers setting up a defence industrial zone to develop domestic military production, reduce reliance on foreign suppliers and achieve long-term self-sufficiency.

In July, responding to a question from Akhter Hossen, a lawmaker from the National Citizen Party, in parliament, the prime minister said the government had taken various initiatives to develop the domestic defence industry, encourage technological innovation and promote research.

Earlier, in January, the interim government decided to earmark 850

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Share price trends of the three companies



Auditors question viability of three listed companies

STAR BUSINESS REPORT

Auditors of Bashundhara Paper Mills PLC (BPMPLC), GSP Finance and The Peninsula Chittagong have expressed uncertainty about the ability of the three companies to continue as going concerns, according to disclosures posted by the Dhaka Stock Exchange (DSE) yesterday.

The auditors raised concerns as the companies have been incurring losses, which, in their assessment, cast doubt on their ability to continue regular operations. The auditors also pointed to difficulties in opening letters of credit (LCs) to import raw materials.

Under stock market rules, listed companies must have their accounts audited by independent firms every year and make the audit reports public. The disclosures by the three companies were made in line with this requirement.

In its audit opinion, Zoha Zaman Kabir Rashid & Co, a chartered accountancy firm, said Bashundhara Paper Mills incurred a net loss of around Tk 743 crore in the year ended June 30, 2026, compared with a loss of around Tk 330 crore in the previous year. The company had accumulated losses of more than Tk 1,070 crore as of the reporting date.

The company was listed on the stock exchange in 2018, with a premium of Tk 70 per share, as investors bet on its business potential, according to DSE data. A stock premium refers to the amount by which a share's issue price exceeds its face value.

BPMPLC faces operational difficulties due to restrictions on opening LCs to import essential raw materials, coupled with higher borrowing costs and uncertainty over its ability to meet financial obligations as they fall due, according to the auditor.

"These conditions indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter," the auditor added.

Contacted, BPMPLC Company Secretary M Mazedul Islam said, "I have nothing to say beyond what the auditor has reported. The auditor has stated the findings based on their investigation and audit."

Explaining the reasons behind the company's substantial losses, he said it was not being allowed to open LCs.

"If we cannot open LCs, how can we manufacture products? And if there are no products, how can we make sales? On top of that, demand for our products in the market has also declined."

Besides, the company has a substantial loan burden.

"Given the significant increase in financial expenses, it is not unreasonable for the auditor to raise doubts about our going-concern status," he said.

Asked why the opening of LCs had been restricted and what steps the company was taking to resolve the issue, he said, "There is nothing we can do about it. It is part of the government's rules and policies."

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Overseas medical payment limit raised to $30,000

STAR BUSINESS REPORT

Bangladesh Bank (BB) has doubled the amount banks can send abroad for medical treatment without prior regulatory approval, raising the limit from $15,000 to $30,000.

The central bank has also eased rules on overseas education and tightened conditions for depositing foreign currency, according to a circular issued yesterday.

Previously, banks needed prior approval to send money for school-level education abroad. They can now release funds without approval for secondary- and higher secondary-level or equivalent studies, after checking whether free education is available.

Banks could already release foreign currency for certification and professional courses abroad. The facility has now been extended to regular academic programmes offered through correspondence courses.

Resident Bangladeshis can deposit foreign currency brought from abroad into Resident Foreign Currency Deposit (RFCD) accounts only if they declare it to customs using the Foreign Money and Jewellery declaration form.

The central bank said the changes were made alongside an expansion of facilities for sending money abroad for private travel, medical treatment, education and other permitted purposes.

WB debars Bangladeshi consultancy for 19 months

TASNEEM TAYEB

The World Bank has debarred a Bangladeshi consultancy firm for 19 months over fraudulent practices under a government food-storage project, which had earlier come under scrutiny in a government audit over a Tk 17.07 crore contract involving the firm.

Modern Engineers Planners and Consultants Ltd (MEPC) submitted false financial documents during procurement and fabricated invoices for internet expenses during contract implementation under the Modern Food Storage Facilities Project, the World Bank said in an October 28 statement.

According to the lender, MEPC admitted responsibility for the misconduct under a settlement agreement that allowed a reduced debarment period in recognition of the company's cooperation and remedial measures.

Effective from October 27, the sanction bars MEPC from participating in World Bank-financed projects for 19 months, subject to conditions for release. The debarment also makes the firm eligible for cross-debarment by other multilateral development banks.

The firm had earlier faced allegations of faulty design work at Khulna Railway Station.

GOVERNMENT CONTRACTS

MEPC secured government consultancy contracts worth nearly Tk 135 crore between 2019 and September 2026, according to official procurement records.

On December 31, 2019, the Roads and Highways Department (RHD) awarded a Tk 117.65 crore contract to a joint venture between India's RITES Ltd and MEPC for project management services to upgrade the Ashuganj-Akhaura highway into a four-lane national highway.

RHD's April 2018 expression of interest required applicants to disclose their previous performance and any history of litigation or arbitration.

In November 2021, the Directorate General of Food signed a Tk 17.07 crore consultancy contract with a joint venture involving Ukraine's NOFEAR and MEPC to supervise silo construction under the Modern Food Storage Facilities Project.

In a December 2022 report, the Foreign-Aided Projects Audit Directorate (FAPAD) questioned the award, citing MEPC's alleged previous debarment and blacklisting. Auditors said the award violated Rule 48(2)(e) of the Public Procurement Rules 2008 and recommended recovering the contract amount from those responsible.

The audit recorded that the project authority had not submitted a response at the time. The subsequent status of the objection remains unclear.

Separately, Bangladesh Public Procurement Authority records show that the Bangladesh Rural Electrification Board awarded MEPC a Tk 22.84 lakh consultancy contract for the proposed Gazipur PBS-2 headquarters complex in September 2026.

The three contracts had a combined value of approximately Tk 135 crore. Two were awarded to joint ventures, and MEPC's individual share could not be established. All three awards predated the World Bank's debarment.

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MEPC'S RESPONSE

In its latest written response to The Daily Star, MEPC said its settlement agreement with the World Bank barred it from sharing further information with third parties without the lender's consent, which it had not received.

ACI Motors, GWM partner to distribute vehicles in Bangladesh

STAR BUSINESS DESK

ACI Motors Limited, an automobile company and a business unit of Advanced Chemical Industries (ACI) PLC, has signed an authorised distributorship agreement with Chinese automobile manufacturer Great Wall Motor (GWM) to introduce its passenger vehicles in Bangladesh.

Subrata Ranjan Das, managing director of the automobile company, and Andy Zhang, vice-president of GWM, signed the agreement at the latter's global headquarters in Baoding, China recently, according to a press release.

Under the agreement, ACI Motors will distribute GWM's brands, including HAVAL, TANK, ORA, WEY and POER, in Bangladesh.

The portfolio will include sport utility vehicles (SUVs), electric vehicles (EVs), plug-in hybrid electric vehicles (PHEVs) and premium vehicles.

The partnership aims to bring advanced automotive technology, modern designs, enhanced safety features and environmentally friendly mobility solutions to the local market.

ACI Motors will provide after-sales services and genuine spare parts through its nationwide sales and service network.



Arif Dowla, managing director of Advanced Chemical Industries (ACI) PLC, and Andy Zhang, vice-president of Great Wall Motor (GWM), exchange signed documents of an agreement at the latter's global headquarters in Baoding, China recently. PHOTO: ACI

Arif Dowla, managing director of ACI PLC; Mu Feng, group CEO of GWM; Tavi Qi, country manager; and Asif Faisal Rumy, business director of ACI Motors, among other senior officials, also attended the signing ceremony.



Badiur Rahman, chairman of Al-Arafah Islami Bank PLC, attends the bank's 31st annual general meeting (AGM) at Kurmitola Golf Club in Dhaka yesterday. Liakat Ali Chowdhury, vice-chairman of the bank, joined the meeting virtually. Mohd Rafat Ullah Khan, managing director, and Mohammad Moniruzzaman, company secretary, along with the bank's directors, were also present at the AGM. PHOTO: AL-ARAFAH ISLAMI BANK



PHOTO: SHIMANTO BANK

Hafizur Rahman Khan, chairman of Runner Group, and Md Nurul Azim, managing director and CEO of Shimanto Bank PLC, pose for a photograph after signing a memorandum of understanding in Dhaka recently.

Shimanto Bank clients to get benefits on BYD car purchases

STAR BUSINESS DESK

Shimanto Bank PLC has signed a memorandum of understanding (MoU) with BYD Bangladesh, a distributor of global high-tech company BYD and a business unit of CG Runner Bd Ltd, to offer special benefits to the bank's customers.

Md Nurul Azim, managing director and CEO of the bank, and Hafizur Rahman Khan, chairman of Runner Group, signed the MoU at a ceremony held in Dhaka recently, according to a press release.

Under the agreement, clients will enjoy special benefits, including zero processing fees and attractive interest rates, when purchasing BYD vehicles.

Md Sahidul Islam, head of business at the bank; Mohammad Masud Sajjad, head of retail; Sharif Zahirul Islam, head of cards and alternative delivery channel (ADC); and Mehmud Rahman, senior relationship manager of corporate banking, attended the programme.

Md Ferdowsur Rahman, chief financial officer of the automobile company, and Methun Bhattacherjee, head of business development at BYD (CG Runner Bd Ltd), along with senior officials from both institutions, were also present at the signing ceremony.

NCC Bank gives farm inputs to 1,500 farmers in Nilphamari

STAR BUSINESS DESK

NCC Bank PLC has distributed free agricultural inputs among 1,500 marginal farmers in three upazilas of Nilphamari district as part of its corporate social responsibility (CSR) initiatives.

The inputs included different varieties of high-yielding rice seeds and fertilisers. The initiative aims to boost agricultural production, improve farmers' financial capabilities and support the country's food security, the bank said in a press release.

The distribution programmes were held in Nilphamari Sadar, Dimla and Domar upazilas.

Mohammed Nurun Newaz Salim, chairman of NCC Bank, said agriculture was one of the key drivers of Bangladesh's economy and that the bank was supporting farmers in response to the prime minister's call to increase agricultural production.

The bank plans to extend similar support to marginal farmers in other districts, alongside facilitating better storage facilities for agricultural produce and promoting modern farming technologies, he added.

M Shamsul Arefin, managing director of NCC Bank, said the initiative was expected to encourage farmers to cultivate high-yielding rice varieties, reduce production costs and improve overall agricultural productivity.

Engineer Shahrin Islam Chowdhury Tuhin, former member of parliament from Nilphamari-1, attended the programmes as the chief guest. Salim was present as the guest of honour, while Arefin chaired the events.

Advocate Md Mizanur Rahman Chowdhury, administrator of Nilphamari Zia Parishad, attended as a special guest.



PHOTO: NCC BANK

NCC Bank distributes free agricultural inputs, including high-yielding rice seeds and fertilisers, among 1,500 marginal farmers in Nilphamari.

Jalalabad Gas Transmission & Distribution System Ltd.
(A Company of Petrobangla)
(Gas Bhaban, Mendibag, Sylhet-3100)

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বিনা কারণে গ্যাসের চুলা জ্বালিয়ে রাখা আর বিপদকে ডাকা একই বিষয়

Ref. No: 28.16.9100.098.07.002.26.728 Date: 09-11-2026

e-Tender Notice

This is to notify all concerned that the following International Tender has been published through the National e-GP portal (http://www.eprocure.gov.bd) as stated below:

SL. No.	Tender ID, Package No & Tender Publication Date	Description	Tender Document Last Selling Date & Time	Tender Closing Date & Time	Tender Opening Date & Time
01.	Tender/Proposal ID :1340855 Re-Tendered ID: 1244223 Tender Package No: 28.16.9100.098.07.002.26.05 Tender Publication Date: 09-November-2026 Time: 14:00	Procurement of API 5L ERW Line Pipe & Casing Pipe	22-Dec-2026 Time: 16:00	23-Dec-2026 Time: 15:00	23-Dec-2026 Time: 15:00

This is an Online tender, where only e-Tenders will be accepted in the National e-GP portal and no offline/hard copy will be accepted. Interested tenderers may Visit the website http://www.eprocure.gov.bd to obtain the detailed tender notice and Tender Documents. To submit an e-Tender, registration in the National e-GP portal (http://www.eprocure.gov.bd) is required. The fees for downloading the e-Tender Document from the National e-GP system portal shall be deposited online through any Bank registered in the e-GP System.
Further information and guidelines are available in the National e-GP System portal or from the e-GP help desk (helpdesk@eprocure.gov.bd).

(Engr. Md. Masud Rana)
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GD-2715

Government of the People's Republic of Bangladesh
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Memo No.: 46.02.0918.000.07.004.26- 722 Date: 8-11-26

e-Tender Notice: (LTM)
Notice no: 02/2026-2027

e-Tender is invited in the national e-GP system portal (http://www.eprocure.gov.bd) for the procurement of:

Sl. No	Tender ID	Description of Works	Tender Publication (Date & Time)	Tender Last selling (Date & Time)	Tender Closing (Date & Time)	Tender Opening (Date & Time)	Tender Method
01	1367411	Repair work for Bhola Press Club under Bhola Sadar, Bhola.	09-November 2026 10:00	25-November 2026 17:00	26-November-2026 14:00	27-November-2026 12:00	NCT, LTM
02	1368264	Furniture Supply For Bhola Press Club under Bhola Sadar, Bhola.	09-November 2026 10:00	25-November 2026 17:00	26-November-2026 14:00	27-November-2026 12:00	NCT, LTM

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8.11.26

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GD-2712

Govt forms task force to boost leather exports

STAR BUSINESS REPORT

The government has formed a 31-member task force to recommend measures and prepare an action plan for developing the country's leather industry, with a focus on boosting production capacity, diversifying products and expanding export markets.

The industries minister will head the task force, while the commerce minister and the environment, forest and climate change minister will serve as members, according to a notification published on November 2.

The committee also includes the chairman of the Bangladesh Investment Development Authority, the principal secretary to the prime minister, secretaries of several ministries, representatives of Bangladesh Bank, the Export Promotion Bureau (EPB), the Bangladesh Small and Cottage Industries Corporation (BSCIC), the Bangladesh Standards and Testing Institution (BSTI), and industry associations.

An additional secretary or joint secretary of the relevant wing of the Industries Ministry will serve as member-secretary.

The task force has been asked to assess the industry's production capacity, rawhide processing, product diversification and preparedness for Bangladesh's graduation from the least developed country (LDC) category.

It will also recommend ways to improve the sector's competitiveness, attract investment, expand exports and strengthen its position in the global value chain.

Environmental compliance is another key area of focus. The committee will review the performance of the Central Effluent Treatment Plant (CETP) at the Savar Tannery Industrial Estate and recommend measures to help factories meet international environmental and compliance standards, including those set by the Leather Working Group (LWG).

The task force will also examine ways to introduce traceability across the leather supply chain, from rawhide collection and preservation to finished products, while promoting environmental, social and governance (ESG) standards and sustainable supply chain practices.

It will recommend measures to improve access to finance, technology and infrastructure, as well as identify opportunities to expand Bangladesh's presence in international markets through branding and stronger integration into the global value chain.

The committee has been directed to submit a preliminary roadmap, action plan and recommendations to the government within 60 days of its formation.

It may co-opt additional members and form subcommittees to seek expert opinions and carry out its responsibilities. The Industries Ministry will provide secretarial support to the task force.

The move comes as Bangladesh seeks to unlock the export potential of its leather and footwear industry, which has long struggled to translate its raw material advantage into higher-value exports.

Banks cool on buying StanChart's

FROM PAGE B1

The London-based multinational has operated in Bangladesh for 120 years. Five years ago, it had 24 branches and around 90 ATM booths.

It now has 18 branches and 70 self-service terminals, including ATMs and cash recycling machines, according to its website.

When contacted, Bitopi Das Chowdhury, head of corporate affairs, brand and marketing at Standard Chartered Bangladesh, said the bank will not comment because of the need to maintain confidentiality under the NDA with prospective buyers.

Last year, HSBC Bangladesh announced winding down its retail banking operations in the country.

STAFF SEEK 10 YEARS' PAY AS SEVERANCE

Employees of Standard Chartered Bangladesh have formally asked for an enhanced settlement package after the proposed sale of the WRB business to another bank, according to a letter seen by The Daily Star.

In the letter, dated October 5, 2026 and addressed to the bank's chief executive, an "Affected Employee Group" acknowledges that strategic decisions rest with the global group but says the impact on staff warrants transparent and fair talks.

The group demands severance equal to 120 months of last drawn gross salary and full payment of the 5 percent Workers' Profit Participation Fund.

It also demands a waiver of outstanding loans and credit card liabilities, with the bank covering any extra interest once staff lose the employee rate after their loans move to another bank.

It asks for protection of performance bonuses and quarterly incentives for 2026-28, and for settlement of share-plan benefits and gratuity, including for staff with less than five years of service.

The group also wants promotions and fair increments for those who have spent three or more years in one role. During the transition, it says, no employee should be placed on a performance improvement plan or terminated, except for disciplinary reasons.

It wants standard messaging for clients about the transfer and direct consultations with affected employees before any final arrangements are made.

Auditors question

FROM PAGE B1

He said the company should be given special consideration, taking into account its status as a corporate entity and the sharp decline in market demand.

"A listed company should be entitled to some special benefits," he added.

Meanwhile, the company is trying to minimise costs to improve its financial situation, he said.

BPMPLC's long-term bank loans stood at Tk 2,149 crore, while its short-term borrowings amounted to Tk 601 crore, according to the company's financial report for FY26.

Similarly, Hoda Vasi Chowdhury & Co, auditor of The Peninsula Chittagong, a four-star hotel, raised concerns about the hotel's ability to continue as a going concern.

The well-known hotel in the port city of Chattogram has long-term bank loans of Tk 219 crore and short-term borrowings of nearly Tk 30 crore.

It incurred a net loss of Tk 2 crore in the financial year ended June 30, compared with a profit of Tk 69 lakh in the previous year.

Md Shamsul Arefin Maruf, company secretary of The Peninsula Chittagong, said the hotel was already receiving an extension of its loan repayment tenure from one lender.

He expressed hope that the company would be able to turn around if such extensions are provided by others.

Regarding GSP Finance, its auditor, SK Barua & Co, cited persistent losses and indicators such as negative equity, a negative capital adequacy ratio and negative operating cash flow.

The auditor said the finance company had several financial, operational and other indicators that might cast significant doubt on its ability to continue as a going concern.

GSP Finance's net loss stood at Tk 139 crore in calendar year 2025, compared with Tk 185 crore in the previous year.

Share prices of the three firms remained unchanged yesterday at the DSE.

Inflation edges

FROM PAGE B1

said meeting the target would at least signal progress. However, the latest figures suggested that even reaching that level could be difficult.

Zahid also ruled out strong demand as a major cause of inflation, pointing to weak credit growth despite Bangladesh Bank's policy rate cuts. He said inflation was largely being driven by higher production and operating costs rather than rising consumer demand.

He also blamed weak market oversight for allowing additional costs to build up, including through extortion by influential groups.

Expressing concern over the rapid expansion of Bangladesh Bank's balance sheet and the growth of high-powered money, he warned that any money flowing out of the banking system could add to inflationary pressure.

Md Deen Islam, research director at Dhaka-based think tank RAPID, said weak investment demand and slower wage growth had kept overall demand subdued, limiting inflationary pressure despite higher energy prices.

He cautioned that the full impact of higher energy costs might not yet have been reflected in consumer prices. As economic activity returns to normal, the pressure could become more visible.

Deen also credited favourable weather, good agricultural production and government incentives for farmers for easing food inflation.

A relatively stable exchange rate and steady global commodity prices had helped contain import costs, he added.

"Inflation in Bangladesh depends considerably on global price movements. During this period, the exchange rate remained relatively stable at around Tk 122 to Tk 123 per dollar, while global commodity prices were mostly stable or falling, limiting pressure from imports," he said.

বাংলাদেশ বিদ্যুৎ উন্নয়ন বোর্ড
Bangladesh Power Development Board
Directorate of Purchase
Bidyut Bhaban (12th Floor), 1 Abdul Gani Road, Dhaka
E-mail: dir.purchase@bpdb.gov.bd www.bpdb.gov.bd

e-Tender Notice

The Following International e-Tender is invited in the e-GP System Portal (http://www.eprocure.gov.bd) for the procurement of:

SL No	Tender ID No.	Package No	Reference No.	Description of Goods/ Works	Last Selling Date and time	Closing Date and time	Opening Date and time
1.	1369173	SYL225-GRL- 34 FY 26-27	27.11. 0000.304. 27.305.26	Procurement of Insulations and Other Necessary Materials for Gas Turbine, Compressor, Combustion Chamber, Diffuser Duct, Different Pipelines etc. with Related Works for Gas Turbine Major Overhauling of Sylhet 225 MW CCPP, BPDB, Kumargaon, Sylhet, Bangladesh.	29.11.2026 13.00	29.11.2026 16.00	29.11.2026 16.00

This is an online tender, where only e-Tender will be accepted in the National e-GP portal and no offline/ hard copies will be accepted.
To submit e-Tender, registration in the National e-GP System Portal (http://www.eprocure.gov.bd/) is required.
The fees for downloading the e-Tender Documents from the National e-GP System Portal have to be deposited online through any registered Bank Branches.
Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd).
For more details, please contact to the PE's Support Desk (01717713020).

Thanking you

বিদ্যুৎ/জন-৩৩৭(২)/০৯/১১/২৬

Yours faithfully
(Md. Shahedul Azim)
ID No.1-01460
Director
Directorate of Purchase
BPDB, Dhaka

GD-2724

Government of the People's Republic of Bangladesh
Office of the Executive Engineer, RHD
Rangamati Road Division, Rangamati
Phone: 02333304971
e-mail: eerangarhd@gmail.com

Memo No. 35.01.8400.466.07.004.26-2699 Date: 09-11-2026

Tender Notice (OTM)

This is to notify for all concerns that e-Tender is invited and will publish on 09 November 2026 in the National e-GP Portal (http://www.eprocure.gov.bd) for procurement of works for the following Tender. Interested persons/firms can see details by visiting the website www.eprocure.gov.bd.

SL.	Tender ID	Tender Reference No.	Name of Work	Date & Time
01	1358986	RRD/DEV/RMK/WP/01	Widening and Improvement of Rangamati (Manikchhari)-Mohalchhari-Khagrachhari Regional Highway (R-162) to appropriate standard from Ch. 00+000 Km to Ch. 12+000 Km Under Rangamati Road Division.	Last Selling 07.12.2026, 12:00 Closing 07.12.2026, 14:00

09.11.2026
Sabuj Chakma
ID No. 602314,
Executive Engineer (CC). RHD
Road division, Rangamati.

GD-2713

Shwapno plans to reach 5,000 farmers

FROM PAGE B1

standards, while 150 have obtained certification covering 22 crops. The company has brought more than 450 hectares of farmland under Global GAP-aligned practices.

By 2030, it aims to train more than 3,000 farmers on the standards, extend certification to over 300 farmers and 40 crops, and introduce responsible land management across 700 hectares.

Shwapno directly sources around 60 percent of its vegetables, 53 percent of its fish and 47 percent of its chicken through more than 142 sourcing points. This has reduced post-harvest losses from around 25 percent to 5 percent, while generating an estimated 8 percent to 11 percent in value.

The retailer aims to raise direct sourcing to 80 percent of vegetables, 70 percent of fish and 65 percent of chicken by 2030.

Fresh-produce wastage currently stands at around 0.9 percent, supported by demand forecasting and inventory optimisation.

Its "Buy Only What You Need" initiative allows customers to purchase smaller portions. Selling watermelons in portions cut wastage from 5.03 percent to 1.76 percent, a reduction of around 65 percent. The company plans to extend the initiative to pumpkins, papayas and jackfruit.

Store electricity consumption fell 27.5 percent year-on-year in FY2024-25, according to the report. Shwapno has introduced LED lighting, energy-efficient refrigeration and smart air-conditioning, alongside solar power at selected outlets.

By 2030, it aims to reduce electricity consumption intensity by a further 30 percent and explore sourcing 5 percent to 10 percent of its electricity from renewables.

The retailer operates more than 1,000 stores across all eight divisions and 64 districts, employs over 10,120 people and serves more than six million customers monthly.

It has also introduced a 10 percent employment quota for people with disabilities through a programme with the Bangladesh Business and Disability Network and BRAC.

By 2030, it aims to raise women's representation in leadership to 30 percent and strengthen environmental, social and governance monitoring.

Farooq Sobhan, chairman of the CSR Centre Board of Trustees, said sustainability reporting was about transparency, accountability and building trust.

Yoshida Aya, minister and deputy chief of mission at the Embassy of Japan in Bangladesh; Kenichiro Kawamoto, country chairperson of Mitsui & Co (Asia Pacific) Pte Ltd; Farzanah Chowdhury, managing director and CEO of Green Delta Insurance Company Limited; and Shahamin S Zaman, CEO of CSR Centre, also attended.

Panel formed to develop defence industry

FROM PAGE B1

acres of land in Mirsharai, Chattogram, for a Defence Industrial Zone.

The initiative aims to strengthen domestic military production capacity and tap into the growing global defence manufacturing market.

According to the latest Cabinet Division notification, the committee will guide the planning and development of the defence industry and issue directives for implementing its recommendations.

It will also provide policy guidance on the production and export of defence equipment.

The committee will oversee the formulation and implementation of short- and long-term plans and assess the need for defence equipment production and research at different levels.

It will also advise the government on setting up a full-fledged Defence Industry Division.

The committee may co-opt additional members if necessary, the notification said.

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
কাস্টমস হাউস, চট্টগ্রাম।
www.chc.gov.bd
[প্রশাসন শাখা]

নথি নং-এস-৪/২৫/প্রশাসন/যানবাহন অকেজো/২০১৯-২০/৩২৮২৬ (কাস) তারিখ: ০৯/১১/২০২৬ খ্রি.

০৮ (আট) টি অকেজো গাড়ী জরুরি নিলাম বিক্রয়

অভ্যন্তরীণ সম্পদ বিভাগের ০১-০৯-২০২৬ খ্রি. তারিখে যানবাহন ও অফিস সরঞ্জামাদি অকেজো ঘোষণা সংক্রান্ত কমিটির সিদ্ধান্ত মোতাবেক কাস্টমস হাউস, চট্টগ্রামের নিম্নবর্ণিত অকেজো গাড়ীগুলো যেখানে যে অবস্থায় আছে ভিত্তিতে বিক্রয়ের নিমিত্তে আগ্রহী ক্রেতাদের নিকট হতে সীলমোহরকৃত খামে দরপত্র আহবান করা যাচ্ছে।

ক্রমিক নং	রেজিস্ট্রেশন নম্বর	প্রস্তুতকাল ও প্রস্তুতকারীর নাম	যে স্থানে আছে
১.	চট্ট মেট্রো-ঘ-১১-১৩৪২	মডেল- ২০০৯, Mitsubishi Pajero Jeep-09 তৈরি দেশ: জাপান।	কাস্টমস হাউস, চট্টগ্রাম প্রাঙ্গণে।
২.	চট্ট মেট্রো-ঘ-১১-০৪৮৯	মডেল- ২০০৪ Mitsubishi Pajero Jeep তৈরি দেশ: জাপান।	কাস্টমস হাউস, চট্টগ্রাম প্রাঙ্গণে।
৩.	ঢাকা মেট্রো-খ-১১-৮৯২৬	মডেল- ২০০০ Mitsubishi -2000 তৈরি দেশ: জাপান।	কাস্টমস হাউস, চট্টগ্রাম প্রাঙ্গণে।
৪.	চট্ট মেট্রো-ঘ-০২-০০১৪	মডেল- ১৯৯৫ Mitsubishi Pajero Jeep তৈরি দেশ: জাপান।	কাস্টমস হাউস, চট্টগ্রাম প্রাঙ্গণে।
৫.	চট্ট মেট্রো-ক-০২-২৭৭২	মডেল- ১৯৯৬ Toyota Saloon তৈরি দেশ: জাপান।	কাস্টমস হাউস, চট্টগ্রাম প্রাঙ্গণে।
৬.	চট্ট মেট্রো-ক-০২-২৭৭৩	মডেল- ১৯৯৬ Toyota Saloon তৈরি দেশ: জাপান।	কাস্টমস হাউস, চট্টগ্রাম প্রাঙ্গণে।
৭.	চট্ট মেট্রো-ক-০২-২০৬৬	মডেল- ১৯৯৫ Toyota Saloon তৈরি দেশ: জাপান।	কাস্টমস হাউস, চট্টগ্রাম প্রাঙ্গণে।
৮.	চট্ট মেট্রো-ঘ-০২-০৩০২	মডেল- ১৯৯২ Toyota Land Cruiser তৈরি দেশ: জাপান।	কাস্টমস হাউস, চট্টগ্রাম প্রাঙ্গণে।

শর্তাবলী:

১. দরপত্রসমূহ আগামী ২৫/১১/২০২৬ খ্রি. তারিখ বেলা ১২.০০ ঘটিকার মধ্যে নিম্নস্বাক্ষরকারীর অফিস কক্ষে রক্ষিত দরপত্র বাক্সে ফেলতে হবে এবং একই দিন বেলা ১২.৩০ ঘটিকায় উপস্থিত দরপত্র দাতাদের সম্মুখে (যদি কেহ উপস্থিত থাকেন) তা খোলা হবে।

২. দরপত্র দাখিলের বেলায় প্রতিষ্ঠানের ক্ষেত্রে প্রতিষ্ঠানের নিজস্ব প্যাডে এবং ব্যক্তিগত পর্যায়ে সাদা কাগজে কোটেশন দাতার নাম ও পূর্ণ ঠিকানা (স্থায়ী ও বর্তমান) টেলিফোন নম্বরসহ (যদি থাকে) উল্লেখ করতে হবে। দরপ্রস্তাবের সাথে দরদাতার হালনাগাদ ট্রেড লাইসেন্স (প্রযোজ্য ক্ষেত্রে), আয়কর সনদপত্র, ভ্যাট রেজিস্ট্রেশন সনদপত্র (প্রযোজ্য ক্ষেত্রে) এবং জাতীয় পরিচয়পত্র (NID)-এর অনুলিপি দাখিল করতে হবে। দরপত্র দলিল যথাযথভাবে পূরণ করতে হবে এবং দরমূল্য সংখ্যা ও কথায় (TAX ও VAT ব্যতীত) উল্লেখ করতে হবে। অন্যথায় দরপত্র বাতিলযোগ্য হবে। একজন ব্যক্তি/প্রতিষ্ঠান একটি অথবা একাধিক গাড়ীর জন্য ভিন্ন ভিন্ন আবেদনপত্র দাখিল করতে পারবেন।

৩. টেন্ডার সেল এর ক্যাটালগ দরপত্র আগামী ১০/১১/২০২৬ খ্রি. হতে ২৪/১১/২০২৬ খ্রি. তারিখ পর্যন্ত অফিস চলাকালীন সময়ে ক্যাটালগ ও দরপত্র দলিলসহ [তফসিলের (সিডিউল) মূল্য প্রতিটি গাড়ির জন্য ৫০০/- (পাচঁশত) টাকা (অফেরতযোগ্য)] কমিশনার অব কাস্টমস, কাস্টমস হাউস, চট্টগ্রাম বরাবর এ চালান (কোড: 1110203102008-110000000-11001000-1422328) মাধ্যমে পরিশোধ করতে হবে। পরিশোধিত এ চালান কপিসহ অ্যাসিস্ট্যান্ট কমিশনার অব কাস্টমস (প্রিভেন্টিভ ও প্রশাসন) বরাবর দরপত্র দলিল ক্রয়ের জন্য আবেদনপত্র দাখিল করতে হবে।

৪. এছাড়া, দরপত্রে উল্লিখিত মূল্যের ১০% (শতকরা দশ ভাগ) হারে জামানত হিসাবে (ফেরতযোগ্য) কমিশনার, কাস্টমস হাউস, চট্টগ্রাম-এর অনুকূলে পে-অর্ডার আকারে প্রতিটি গাড়ীর জন্য পৃথক পৃথকভাবে দরপত্রের সাথে সংযুক্ত করে দিতে হবে।

৫. নির্বাচিত দরদাতাকে Letter of Acceptance (LOA) প্রাপ্তির তারিখ হতে ০৭ (সাত) কার্যদিবসের মধ্যে সম্পূর্ণ গৃহীত দরমূল্য সরকারি কোষাগারে নির্ধারিত কোডে জমা দিতে হবে এবং প্রচলিত আইন অনুযায়ী প্রযোজ্য VAT, AIT, Sales Tax/অন্যান্য কর ও ফি পরিশোধ করতে হবে। অর্থ জমার চালান ও কর পরিশোধের প্রমাণ দাখিল করতে হবে। যানবাহনের মূল্য অংক ও কথায় স্পষ্টভাবে উল্লেখ করতে হবে। সর্বোচ্চ দরদাতা নির্দিষ্ট সময়ের মধ্যে নিলামকৃত যানবাহন সংগ্রহ করতে ব্যর্থ হলে তার জামানত বাজেয়াপ্ত হবে এবং পরবর্তী দরদাতাকে নিলামে যোগ্য বিবেচনা করা হবে।

৬. প্রতি কার্যদিবসে অফিস চলাকালীন সময়ে উপরোক্ত যানবাহনগুলো বর্ণিত স্থানে বেলা ১২.০০টা হতে বিকাল ৪.০০টা পর্যন্ত দেখা যাবে। উল্লেখ্য, অকেজো ঘোষিত যানবাহন পুন: রেজিস্ট্রেশন যোগ্য নহে।

৭. কোন কারণ দর্শানো ব্যতিরেকে যে কোন দরপত্র গ্রহণ বা বাতিল করার ক্ষমতা কমিশনার অব কাস্টমস সংরক্ষণ করেন।

০৯.১১.২৬
শরীফ মোহাম্মদ আল আমিন
অ্যাসিস্ট্যান্ট কমিশনার অব কাস্টমস (প্রিভেন্টিভ ও প্রশাসন)
কমিশনার অব কাস্টমস এর পক্ষে
ফোন: ০২৩৩৩৩১৩৯১৮
Email: customhousectg@nbr.gov.bd

GD-2725

Business activity rebounds after two sluggish months: PMI

Manufacturing and construction rebound, while services return to growth

STAR BUSINESS REPORT

After two consecutive months of slowdown, Bangladesh's economic activity rebounded in October, as manufacturing, construction and services returned to expansion, according to the latest Purchasing Managers' Index (PMI).

The headline PMI had declined for two consecutive months, hitting its lowest level since August 2024 in September. However, it rebounded by 3.2 points month-on-month to 51.8 in October.

The index, jointly developed by the Metropolitan Chamber of Commerce and Industry (MCCI) and Policy Exchange Bangladesh (PEB), showed that all four key economic sectors recorded expansion in the report released on Sunday.

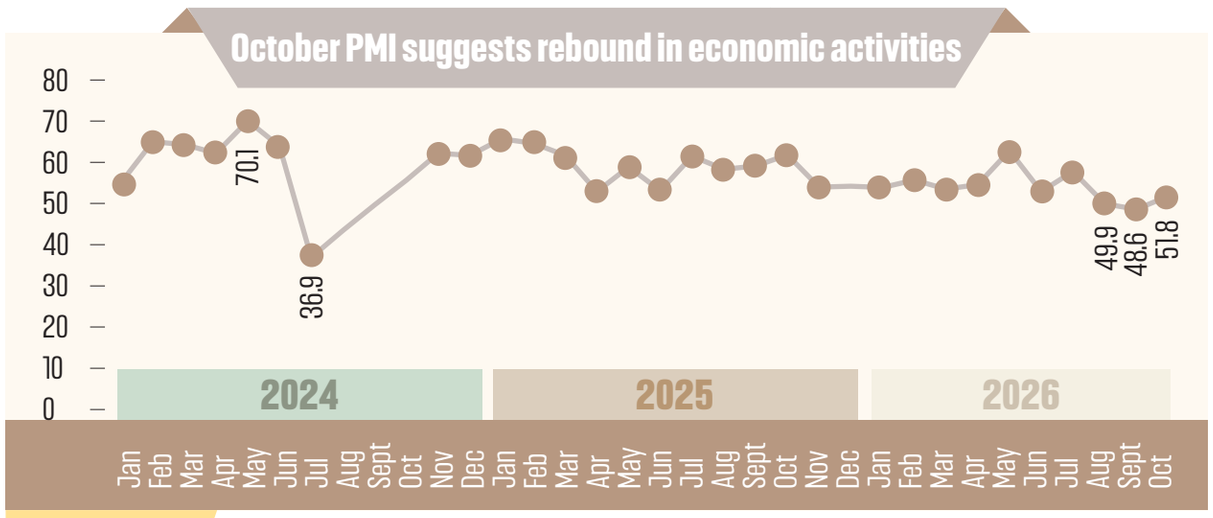
The PMI is a monthly indicator of whether businesses across the economy are growing or shrinking. It is based on a survey of purchasing managers at more than 500 private firms. A score above 50 signals growth, while a reading below 50 indicates contraction. The further the reading moves from 50, the faster the pace of change.

The agriculture sector recorded its 14th consecutive month of expansion, with the pace of growth accelerating by 6.0 points to 61.2, the report said.

The indexes of new business, business activity and employment continued to expand, while order backlogs returned to expansion. The input costs index also remained in expansion.

Meanwhile, the manufacturing sector returned to expansion, rising by 6.1 points to 50.9.

The sector had led July's expansion, jumping 16.6 points to 65.4, the strongest turnaround in the survey's history. However, it reversed sharply in August, falling 18.0 points to 47.4.



SOURCE: MCCI & PEB

Stocks of input purchases, stocks of finished goods and imports returned to expansion, while employment and supplier deliveries remained in expansion.

However, new orders, new export orders and factory output continued to contract. Input prices recorded strong expansion, while order backlogs remained in sharp contraction, the report said. The construction sector also returned to expansion, gaining 2.5 points to reach 51.0.

The sector had remained marginally in contraction throughout July at 49.3 before moving into expansion in August, reaching 52.4. However, it slipped back to 48.5 in September.

Employment in the construction sector returned to expansion after remaining unchanged in September, while order backlogs continued to expand.

However, new business and construction activity remained in contraction, while input costs recorded strong expansion, the report said.

The services sector, which had recorded two consecutive months of contraction, also returned to expansion in October. Its index rose by 1.3 points to 50.3. Employment returned to expansion, while new business, business activity and order backlogs continued to contract. The input costs index also continued to record strong expansion, the report added.

The Future Business Index recorded expansion across all four sectors, indicating positive expectations about business conditions.

"The October PMI reading marks a small but positive development as it expands after two difficult months, supported particularly by stronger agricultural and export performance," PEB Chairman and CEO M Masrur Reaz said in his assessment of the latest PMI readings.

However, the recovery remains fragile, he warned.

"New orders and business activity are still shrinking across manufacturing, construction and services, while input costs remain elevated."

"This divergence suggests that the return to expansion has yet to translate into a broad-based strengthening of demand. Ensuring reliable energy supplies, easing working-capital constraints and containing further elevation in business costs will be critical to sustaining recovery," Masrur added.

"Positive expectations for future business offer some encouragement, but translating confidence into investment and production requires more predictable operating conditions."

Raise garment wages, but don't gamble with jobs

ATONU RABBANI

For the past fortnight, garment workers have blocked roads in Mirpur, Gazipur and Savar, demanding a minimum wage of Tk 30,000. On November 1, the government formed a new wage board. The current minimum of Tk 12,500 was set in late 2023, while inflation has outpaced wage growth for years. A worker on the minimum today is poorer than when the last board sat. The question is not whether wages should rise, but by how much and how the increase is structured. The board should weigh evidence, not opening positions. Studies from the United States, Britain and Germany find moderate minimum-wage increases raise pay with small effects on employment. Germany's first national minimum wage, introduced in 2015, was predicted to cost up to 900,000 jobs. Instead, it raised low wages without reducing employment. US studies that find job losses show them concentrated among the least skilled.

But the literature carries a warning for Bangladesh. Hungary's 60 percent minimum-wage rise in 2001 caused modest job losses because firms passed costs on to consumers. Exporters could not do so against foreign rivals, and lost more jobs. Firms employing only minimum-wage workers had about 10 percent fewer jobs. Developing country studies find job losses clearest where the minimum wage binds, is enforced and covers formal sector workers. That describes our export garment factories. Our factories compete for orders with Vietnam, India and Cambodia.



Job losses are clearest where minimum wages bind, are enforced and cover formal-sector workers. That describes Bangladesh's garment factories

Margins are thin: one costing put a Bangladeshi polo shirt manufacturer's profit at about 10 percent. In the first four months of this year, the average price of our apparel in the EU fell from €15.59 to €13.96 per kilogram, and our market share from 24.4 to 21.9 percent. BGMEA says around 400 factories have closed in three years. Political upheaval, banking stress and weak demand also contributed, but the figures show how little room the sector has.

Labour accounts for a seventh of the factory gate price. Restoring the 2023 wage's real value, estimated at Tk 17,500, would raise that price by perhaps 5 percent; a rise to Tk 30,000 by around 20 percent. The first is within what the industry has absorbed before: the 2013 and 2018 boards raised wages by 76 and 51 percent respectively. The second is beyond the evidence for an export sector competing on basic products.

What should the board do? First, restore lost purchasing power in full. Workers did not cause the inflation that eroded their pay. Second, end long freezes followed by large jumps. An annual review, as Cambodia has adopted, would protect workers without shocking factories. Third, link further real gains to productivity and higher-value products, for which buyers pay more. Fourth, buyers must pay for what they demand. After Rana Plaza, brands required costly safety upgrades, but factory owners paid for most while the prices brands paid fell. Now they demand green buildings, solar panels, wastewater treatment, carbon data, duplicated audits and EU due-diligence reporting. A certified green factory can cost 20 to 30 percent more to build; Bangladesh has more than 200. When standards rise and prices fall, wages bear the pressure.

Brands that champion fair wages and sustainability should price those costs into orders, accept equivalent audits instead of duplicating them, and offer longer contracts to make investment bankable. Finally, decisions must be based on evidence. Bangladesh has no rigorous study of how past wage increases affected jobs. The government should collect anonymised payroll and employment data from factories and commission independent research, so the next board knows what this one did. Workers deserve a raise. They also deserve not to be priced out of the jobs that pay it.

The writer is a researcher at Bangladesh Institute of Development Studies (BIDS)

Nvidia shares slide as chip giant probes CEO over spy claims

REUTERS, *Seoul/Sydney*

Nvidia shares fell sharply on Monday after an internal investigation into whether CEO Jensen Huang had been targeted by a foreign intelligence effort put his future at the AI chipmaker under scrutiny.

The internal probe followed a media report that Huang had a close relationship with a Chinese businesswoman who allegedly passed information to Beijing. Huang told Nvidia's employees that he had been unfaithful to his wife, without disclosing details of the relationship.

The investigation, announced on Sunday, has put a spotlight on Huang's future given Nvidia's status as the world's most valuable chipmaker and the CEO's role as the most prolific salesman of the AI boom.

The leather-jacketed Huang enjoys rock-star status worldwide, particularly in Asia, where he often mingles freely with fans, taking selfies and signing autographs for his devoted followers.



Nvidia CEO Jensen Huang

The fallout from the probe extended to South Korea, where Madison Huang, Huang's daughter and an Nvidia executive, cancelled a planned visit to Seoul for an Nvidia conference that was set to begin on Monday, according to companies she had been scheduled to meet.

Nvidia's shares tumbled more than 6 percent in Frankfurt trading, extending last week's selloff and pushing the stock to fresh multi-month lows. At those levels, the chipmaker stood to lose about $270 billion from its closing price on Friday, according to LSEG Datastream.

"The market's probably telling you now this does no favours to the stock whatsoever in a time when there's a lot of conjecture as to the build-out of data centres," said Chris Weston, head of research at brokerage Pepperstone in Melbourne. But Weston said he did not think Huang, whom he described as the "godfather of AI", would be replaced.

"If we genuinely thought he was going to step down ... the stock would be down — it would be an absolute bloodbath, to be honest," he said.

The New York Times reported last month that Huang had a relationship with Alice Huang, an unrelated former executive of Singapore-based company Megaspeed, who US authorities investigated and concluded was a Chinese intelligence asset.

"The so-called Chinese spy narrative is purely a groundless accusation, slander, and a smear," Chinese Foreign Ministry spokesperson Guo Jiakun told reporters in Beijing.

Fed hike bets support dollar

REUTERS, *Tokyo*

The US dollar held near a 1-1/2-year high versus the euro on Monday after posting its biggest gain in nearly six months on Friday as robust US jobs data pushed up bets for higher interest rates.

The risk-sensitive Australian and New Zealand dollars rallied as a rebound in AI-related stocks buoyed market sentiment.

The Aussie rose 0.4 percent to $0.68875 as of 0517 GMT, rebounding from a more than seven-month low at $0.6855 from Friday, when it tumbled more than 1 percent.

New Zealand's kiwi jumped 0.8 percent to $0.5589, bouncing back after hitting a low of $0.5529 at the end of last week. Japan's tech-heavy Nikkei share average gained 2.8 percent, while Taiwan's Taiex rallied 5.3 percent and South Korea's KOSPI added 0.4 percent.

"With the dust now settling a bit, investors are starting to ease back into risk assets," said Kyle Rodda, senior financial market analyst at Capital.com. "The Aussie is trading with its typical correlation to risk."

China extends suspensions of 24% tariff on US goods

REUTERS, *Beijing*

China on Monday extended the suspension of its additional tariff of 24 percent on US imports and the suspension of special port fees on US-linked ships for two months.

The 24 percent additional tariff on US imports will continue to be suspended for two months from 1:01 p.m. (0501 GMT) on Tuesday, but a tariff of 10 percent will remain, its state council, or cabinet, said

The suspension of special port fees on US-linked vessels will be extended until January 10, 2027, China's transport ministry said in a statement

China is also continuing to suspend a probe into shipping and shipbuilding supply chain security, the ministry said.

After September's Washington summit of their leaders, both sides proposed a $60-billion package of reciprocal tariff cuts, including roughly $17 billion worth of US farm goods that China imported in 2024, though the plan has yet to be finalised

China is extending the tariff suspensions to implement the "outcomes and consensus reached at the Washington meeting between the heads of state of China and the United States", the council's tariffs panel said in a statement

China has "noted that the US side has repeatedly stated that it intends to use Section 301 tariffs to replace the tariffs imposed under the International Emergency Economic Powers Act (IEEPA) that have been held invalid by judicial rulings," it said.

Middle East oil price war heralds post-conflict glut

REUTERS, *London*

Middle East oil producers are slashing prices to attract buyers as a sharp recovery in flows through the Strait of Hormuz tips the global crude market toward oversupply – a preview of the crowded, hyper-competitive oil market that the Iran war may leave in its wake.

Global benchmark Brent crude tumbled more than 17 percent last week to around $97 a barrel, its steepest weekly decline since the 2020 pandemic.

The slump followed the electoral rout of US President Donald Trump's Republican Party in the US midterm elections, which raised expectations that Washington could swiftly de-escalate the war that has upended energy markets since February 28.

Regardless of whether Washington and Tehran secure a durable peace deal in the coming weeks, the market faces the prospect of a crude oil glut – a surprising outcome at the end of a year that has featured one of the biggest energy supply shocks in modern history.

Yet even though crude is flowing out of the Gulf, the global oil market is far from its pre-war normal. Demand remains constrained by elevated prices and limited refining capacity, while global inventories are depleted.

Oil exports through Hormuz have recovered sharply since September, as Gulf producers can now navigate the narrow waterway using tanker convoys protected by the US Navy.

Crude exports through the strait averaged 10.3 million barrels per day in October, up from virtually zero in the first month of the war, excluding Iranian shipments. That compares with a pre-war average of 13.5 million bpd, according to Kpler data.



Employees of Aramco oil company work in Saudi Arabia's Khurais oil processing plant. Oil exports through Hormuz have recovered sharply since September, as Gulf producers can now navigate using tanker convoys protected by the US Navy. PHOTO: AFP/FILE

The recovery looks even more striking when alternative export routes through Saudi Arabia's Red Sea port of Yanbu and the United Arab Emirates' Fujairah terminal are included. Total regional crude exports reached 16.6 million bpd in October, just shy of the pre-war average of 17 million bpd, Kpler data showed.

At the same time, producers outside the Middle East have responded to the wartime supply shock by increasing output, particularly in the US, Brazil and Canada.

Global crude production reached 85 million bpd in October. That's not only the highest since the start of the war, but also above the five-year average of 83 million bpd, according to consultancy Energy Aspects. By almost any measure, the world is set to be awash in crude.

Price signals certainly point to oversupply. Saudi Arabia cut the December price of its flagship Arab Light crude for Asian customers by $2 a barrel from November, pushing the discount against the Oman/Dubai average to $6.50 a barrel, the lowest since the pandemic in May 2020.

Spot premiums for Middle Eastern crude benchmarks have also collapsed. Oman's premium to the Dubai benchmark dropped from $34 a barrel in mid-September to just 95 cents last Tuesday, its weakest since July, before recovering slightly to $1.76 on Thursday, Reuters data showed. The sharp discounts have several drivers, including compensation for elevated freight costs.

Iranian attacks on vessels transiting Hormuz continue on a near-daily basis, despite US escorts, forcing many producers to resort to expensive ship-to-ship transfers in the Gulf of Oman. This has sent tanker freight rates soaring, with shipping costs now averaging around $30 a barrel, compared with roughly $5 before the war.

But the steep discounts Gulf producers are offering also reflect growing competition to attract a limited number of buyers. Global refining capacity has declined significantly this year due to damage in the Middle East and Ukrainian strikes on Russian energy infrastructure.

This, in turn, has reduced refiners' ability to turn much of the recovering crude supply into gasoline, diesel and other fuels. Refiners now have a much wider choice of feedstocks, but their demand remains depressed.

In normal times, such an imbalance would force producers to cut output or push surplus barrels into storage. But storing oil is uneconomical. Continued uncertainty surrounding the Middle East conflict has kept prompt Brent prices at a sharp premium to future-dated contracts, a market structure known as backwardation.