

All Are In Search Of Political Consensus

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# Business Outlook

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# Business Outlook

From the Editor

## LNG Deal Fuels Strong Bangladesh-US Ties

The new administration of Donald Trump has taken charge of the US government, adopting numerous policies that sharply contrast with those of the Biden administration. Among these, two major changes have emerged that are particularly relevant to Bangladesh. The first one is the decision to freeze all foreign aid, with exceptions only for emergency food and military funding to Israel and Egypt. US Secretary of State Marco Rubio sent an internal memo emphasising an 'America First' policy, which includes tightly restricting overseas assistance. The second policy revolves around the broader agenda of making America great again, or prioritising America's interests above all else. A significant development for Bangladesh occurred on the very first day of Donald Trump's presidency. Argent LNG, a company developing a 25 million metric tonnes per annum LNG facility in Louisiana, signed a non-binding agreement with the government of Bangladesh to sell up to 5 million metric tonnes of liquefied natural gas (LNG) annually. While the sweeping order to freeze foreign aid appears to impact everything from development assistance to military aid globally, including Bangladesh, the LNG deal came as a surprise to many. This surprise was particularly felt locally, as no officials from the state-owned Bangladesh Oil, Gas and Mineral Resources Corporation (Petrobangla) were aware of such a deal being signed by Bangladesh. However, Bangladesh Investment Development Authority (BIDA) Chairman Ashik Chowdhury, who signed the deal, has provided clarification on the matter. BIDA stated that the government had signed a Heads of Agreement (HOA) with the US-based Argent LNG to import up to 5 million metric tonnes of LNG annually for 20 years. The HOA is a non-binding agreement, meaning neither party is obligated to adhere to the terms outlined in the document. Any future binding agreement will comply with Bangladesh's legal framework, including the Public Procurement Act of 2006, the Public Procurement Rules of 2008, and the Foreign Private Investment (Promotion and Protection) Act of 1980.

We view this non-binding agreement as a prudent step towards the future, one that will undoubtedly play a vital role in advancing Bangladesh's diplomatic and commercial relations with the new Trump administration. Since the deal is non-binding and carries no immediate obligations, its effects will only materialise after 2030. This leaves ample time to finalise the terms and conditions of any future binding agreement. By signing such a deal, Bangladesh has successfully demonstrated its goodwill and positive intentions towards the new US administration. ■



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### Volume-14

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Cover Story

**22** Dhaka Seizes Trump's 'Drill Baby, Drill'



**18** Beijing Refocuses On Teesta River



**POLITICS**

**05**

**All Are In Search Of Political Consensus**

**11** Comprehensive Reforms Needed To Address Economic Challenges

**13** Yunus Vows To Protect New Entrepreneurs' Investments

**16** Fruit Market In Turmoil As Import Duties Soar

**29** RMG Entrepreneurs Want 'Reforms Commission'

**32** Economy To Make A Turnaround, Dr Zahid Hopes

**42** As Trump Takes Aim At EVs, How Far Will Rollback Go?

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## 2 Lakh Tonnes Of Potatoes To Be Exported To Russia Next Year

Bangladeshi businessmen see strong potential in importing dates, oranges, and other fruits and agricultural products from Pakistan to meet demand during Ramadan and throughout the year. They also believe there is significant scope for exporting various Bangladeshi products to Pakistan. To facilitate this, business communities from both countries have called for the removal of tariff and non-tariff barriers, according to a press release issued. These discussions took place during a meeting between business delegations from the two countries, held on January 22 at the office of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) in Dhaka. Hafizur Rahman, administrator of the FBCCI, said there is a high demand for dates in Bangladesh during Ramadan, alongside increased demand for other fruits. He added that, throughout the year, there is substantial demand for both local and imported fruits in the Bangladeshi market, and Pakistan could serve as a good source of



fruits and agricultural products. Rahman also noted opportunities for expanding trade between the two countries through joint ventures in the private sector and enhanced cooperation. To ease and expand trade between Bangladesh and Pakistan, businessmen from both nations emphasised the need for improvements in logistics, supply chains, cold storage, packaging, and transportation systems. ■

## BSTI To Issue Clearance Certificates For Import

The Bangladesh Standards and Testing Institution (BSTI) has decided to issue temporary clearance certificates for imported industrial raw materials under certain conditions, focusing on service simplification and the issue of port demurrage for businesses. In a notice issued by BSTI on January 21, it was stated that the government brought 299 products under the purview of mandatory quality certification through the issuance of statutory regulatory orders in view of public interest. Among these products, 79 items fall under the mandatory quality certification requirements as per the import policy order. When these products are imported, businesses are required to obtain pre-clearance from BSTI based on the standards before final customs assessment and to submit a copy of the clearance to the customs authorities. As industrial raw materials are not directly sold or distributed in the market, the BSTI has decided to simplify the clearance process for imported industrial raw materials, subject to mandatory testing and certification. ■



## Veon Eyes Space-Based Connectivity In Partnership With Starlink



Veon Ltd, a Dubai-based telecommunications company, is exploring opportunities to bring satellite-powered cellular services to Bangladesh in partnership with Elon Musk's Starlink. The move aims to bridge connectivity gaps in areas where terrestrial networks fall short, particularly during natural disasters such as floods or periods of energy shortages. Veon Chief Executive Officer Kaan Terzioglu revealed the plan during an interview with Bloomberg at the World Economic Forum in Davos. "It's not only about the war situation. Terrestrial networks have their limits," Terzioglu said. "During times of floods or energy deficiencies, which our markets are exposed to, we truly believe that markets need both space-based and terrestrial network coverage." Veon's Ukraine subsidiary, Kyivstar PJSC, has already partnered with Starlink to provide satellite-to-cell services. A Banglalink official stated that if Veon and Starlink partner to enter Bangladesh, the service would be provided through Banglalink. Veon owns Bangladesh's third-largest mobile operator, Banglalink. ■

## BSTI To Develop LED Lamp Standards

The Bangladesh Standards and Testing Institution (BSTI) is planning to formulate "Minimum Energy Performance Standards" (MEPS) for light-emitting diode (LED) lamps to promote energy efficiency and reduce electricity consumption. The MEPS specify the minimum level of energy performance that appliances and equipment must meet or exceed before they can be supplied or used for commercial purposes. The BSTI announced the plan in a workshop titled "Minimum Energy Performance Standards for LEDs and Luminaries" jointly organised by the BSTI and US-based non-profit Clasp at The Westin Dhaka 16, according to a press release. Industry experts, including representatives from LED manufacturers and BSTI technical committee members, shared insights during the technical session. They pointed out the importance of the MEPS in ensuring high-quality, energy-efficient lighting solutions that align with the country's goals for sustainable energy use. Maqsurat Noor, additional secretary to the Ministry of Industries, attended the event as chief guest, along with officials of the BSTI. ■



## RMG Exports Reach \$38.48bl In 2024



Bangladesh's readymade garment (RMG) exports hit an impressive \$38.48 billion in 2024, showcasing the sector's ongoing success. The European Union remained the largest market, accounting for 50.34% of total RMG exports, valued at \$19.37 billion. The United States followed with \$7.2 billion (18.72%), while the United Kingdom contributed \$4.3 billion (11.25%), Mohiuddin Rubel, former director of BGMEA, shared the data. Germany, Spain, and France were key markets within the EU, importing \$4.83 billion, \$3.42 billion, and \$2.14 billion worth of RMG products, respectively. Canada also played a notable role, with exports totalling \$1.24 billion and a 3.23% market share. Beyond traditional markets, Bangladesh is making notable strides in non-traditional regions. Exports to countries like Japan, Australia, India, Turkey, and Russia amounted to \$6.33 billion, or 16.46% of total RMG exports. ■

## BD Showcases Global Leather Excellence At Cairo Int'l Leather Fair

Leading Bangladeshi leather, footwear, and leather goods companies, including A.S Leather, Loretta Leather, Al Madina, Gardenia Footwear, and Nobabee Footwear, are participating in the 19th Cairo International Leather and Shoes Fair 2025, a premier international exhibition for leather and accessories. The event, which commenced on 23 January, will continue until Saturday (25 January) at the Cairo International Convention Center in Egypt. Bangladesh is being represented at Pavilion A52, showcasing its globally recognized leather excellence. This Meet Bangladesh Sourcing Show (MBS) is introduced by Export Competitiveness for Jobs (EC4J) Project under the Ministry of Commerce to showcase the eminent leather, footwear (leather and non-leather) and leather goods sector of Bangladesh. The primary objective of the EC4J project is to strengthen export market linkages for



potential leather and footwear sectors by showcasing Bangladesh as a credible sourcing destination. Bangladesh is a lucrative destination for the global buyer community having competitive workforce boosting exports, having duty-free market access to developed countries, being an established sourcing destination and by having the availability of linkage industries. ■





# All Are In Search Of Political Consensus

*SMS Hasan*

**B**oth Bangladesh Nationalist Party (BNP) and Bangladesh Jamaat-e-Islami have been trying to reach an understanding with like-minded parties to form political alliances ahead of the general election as the interim government has announced that the election will be held late 2025 and mid-2025.

However, leaders of the Anti-Discrimination Student Movement (ADSM) are trying to implement reforms in different sectors and hold the trial of the perpetrators of the fascist Awami League government first and then go for the election. The gap between the parties on the issue of election seems to be narrowing. Now, many believe the election will be held anytime within 2025. So, all are getting ready to contest the election with their respective strengths. As part of it, the BNP held a first open meeting with some of the Islamic parties to build a formal or informal unity or electoral

alliance among them to contest the election. Creating pressure on the interim government to hold the election as early as possible is also part of their parley. With the same goal, the Jamaat met different Islamic political parties. As part of the parley, its Ameer Dr Shafiqur Rahman held a meeting with the leaders of the Bangladesh Islami Andolon Bangladesh, led by the Charmonai Pir. These two incidents give a clear message to political activists about their future role in election-centric politics.

The ADSM is also not sitting idle as they are trying to form a political party soon. Now, the question is whether the gap between the parties is widening and narrowing. Recently, BNP Secretary General Mirza Fakhru Islam Alamgir and Information and Broadcasting Adviser Nahid Islam locked in a debate over the election under a neutral government and brought allegations and counter-allegations on different issues, including the government's neutrality. Admitting

the differences on different issues between ADSM and BNP leaders, Law Adviser Dr Asif Nazrul in a Facebook post said it is not impossible to make a consensus between the parties over different issues. He noted that neither side is rigid on reducing the gap. Despite being in a very odd position politically, the fallen Awami League is not sitting idle.

Rather, they are trying to come back taking advantage of the gap between the BNP, Jamaat and ADSM. They are using Facebook and other social media platforms to launch anti-government campaigns. Their leader Sheikh Hasina is trying to inspire the activists by sending different messages from her exile in India although the International Crimes Tribunal has issued warrants for the arrest of the deposed prime minister and some other leaders for their involvement in the killings of protesters and innocent people during the mass uprising of July-August movement. In such a complicated situation, only building

a quick consensus among the parties can save the politics and the country from a greater crisis.

### **BNP, Jamaat Trying To woo Islamist Parties**

Within a week of Jamaat ameer's meeting with the IAB ameer, the BNP secretary general met him amid various discussions over the election timeframe and institutional reforms. The Jamaat chief met the IAB ameer in Barishal when they talked about an effort of forming an alliance among Islamist parties.

Politicians think there may be polarisation in politics before the next general election. Although the

Sources said the BNP eyes bridging the gap and improving relations with the IAB ahead of the election. However, BNP mainly wants to stop the top leaders of IAB from criticising the party. The IAB leaders have been making remarks since the July uprising which went against the BNP. The issue of Jamaat was also discussed at the meeting.

Although the BNP and IAB did not fully agree on the timing of the next election, they reached consensus on 10 issues, including not taking any decision that goes against Islami Shariah. The declaration made by the leaders of

autocratic Awami League regime, Faizul Karim at a rally in Shariatpur said a certain political party started looting, killing and collecting extortion since the political changeover. While addressing a party rally in Dhaka's Suhrawardy Udyan this month, Syed Rezaul Karim remarked that the people of Bangladesh do not want to see extortionists, usurpers and killers in power any more. On January 24 at an event at the Engineers' Institution, he said, "Efforts are on to bring the Islamic parties under one platform to contest the next general elections." These remarks were supposedly made pointing towards the BNP.

Sources said the meeting mainly targeted stopping such remarks in the run-up to the next election. Both the parties agreed on this issue. The two parties declared to 'refrain from making remarks that hurt each other within the anti-fascist camp'.

The IAB leaders brought up the issues of 'usurpation and extortion' and said acting BNP Chairman Tarique Rahman and senior BNP leaders took a stern stance against such wrongdoings but also alleged their stance is doing little to prevent the grassroots of the party. In response, BNP leaders admitted that it is happening in some places, but if specific complaints are received, the party is taking immediate action. A political government is needed to stop these. Once the election is over, such crimes can be brought under control.

### **Row Over Election Method And Timing**

A source present at the meeting said the BNP did not agree with the IAB on the issue of holding the election under the Proportional Representation (PR) system. Apart from this, both parties could not fully agree on the timing of the election. The IAB is in favour of the PR system. BNP leaders have



*BNP Secretary General Mirza Fakhrul Islam Alamgir: If representatives of the students are part of this government, neutrality cannot be maintained.*

date of the election has not been announced yet, the election-oriented activities of the political parties have become visible. Efforts to woo Islamist parties by BNP and Jamaat are visible. A few days before the meeting with the IAB ameer, BNP held another meeting with Khelafat Majlish.

Mirza Fakhrul met IAB ameer and Charmonai Pir Syed Muhammad Rezaul Karim at the party's central office in Purana Paltan on January 27. They agreed on 10 issues during a long meeting. Mirza Fakhrul performed Zohr prayers at the IAB office and had lunch with its chief.

BNP and IAB had an inkling that the existing gap between the parties had been somewhat minimised.

Jamaat and IAB are two of the major parties whose differences with BNP on various issues, including reform and election, came to the fore after the student-led uprising. Alongside Jamaat, IAB's Ameer Rezaul Karim and senior Nayeb-e-Ameer Syed Muhammad Faizul Karim made scathing remarks about 'usurpation and extortion' in different places since the fall of the Awami League, pointing fingers at the BNP. Within a month of the fall of the



argued against it, saying there will be no seat-based candidates under the system. As a result, people will become disinterested in voting. Apart from this, there is an issue of bringing voters to centres during the election. If there is no candidate, no one will show any interest in bringing the voters to the polling centres, the BNP argued. Besides, the BNP wanted the national election in July or August. The IAB wants the election as soon as possible after completing the necessary reforms. In response to questions from journalists at a joint briefing on this matter, Syed Rezaul Karim said, "We have used the word 'in quick time'. And we are against too much delay, we have said that the reasonable time is within one to one and a half years. As six months have almost passed, we want a fair national election to be arranged within a year. This is what we want." Mirza Fakhru Islam refrained from replying to questions on this issue.

### ***Jamaat Issue In Meeting***

Sources said the Jamaat issue was discussed at the meeting while the issue of criticising each other among the political parties that took part in the anti-fascist movement came up for the discussion. BNP leaders said the continuation of this mudslinging will only benefit Awami League. At that moment, a senior leader of IAB retorted, "It is you who patronized Jamaat and made them ministers". A BNP leader said that was a mistake.

### ***Consensus On 10 Points***

Their agreements are: Building national unity to form an independent, sovereign, and sustainable state, free from hegemony, expansionism, and imperialism; bringing corrupt individuals, terrorists, murderers, and money launderers to justice and ensuring exemplary punishment to them; fostering national unity to protect all human rights, including

voting rights; holding a fair and acceptable national election in the quickest possible time after carrying out minimum reforms; controlling the rise in commodity prices; establishing the rights of all deprived people; restoring law and order, and promptly removing remaining associates of Awami fascism from the administration. Both parties also decided to work together in unison with all anti-Awami-fascist forces to build the country; refrain from making remarks that hurt each other within the anti-fascist camp; and remain politically united to prevent any other fascist force, like the Awami League, from coming to power in the future.

### ***First Jamaat, Then BNP Meets IAB***

Jamaat Ameer Shafiqur Rahman went to Barishal to attend a party rally on 21 January. Before attending the rally, he went to meet

January, BNP secretary general and standing committee member Nazrul Islam Khan held a meeting with Amir and secretary general of Khelafat Majlish. BNP is likely to hold meetings with some other parties. Political analysts think the BNP has started a series of meetings with religion-based political parties to counter a similar move by Jamaat ahead of the next election. However, following the meeting with Khelafat Majlish, BNP said it has started expediting relations with all anti-fascist political parties, especially religion-based parties.

### ***If Govt Fails To Be Neutral, It Can't Hold Election: Mirza Fakhru***

If the interim government fails to remain neutral, it cannot hold the election, Mirza Fakhru Islam Alamgir has said, adding that it will necessitate a neutral government. He added that questions of neutrality might arise as "what we



*The Jamaat-e-Islami chief meets his Islami Andolan counterpart in Barishal's Charmonai*

the Charmoni Pir. Since the two Islamist parties have differences on many religious issues, the meeting between the top leaders created a ripple in the arena of Islamist parties. Within a week, BNP Secretary General Mirza Fakhru Islam went to the IAB office to meet its Amir. Earlier on 22

are now seeing is that students are considering forming a political party. "If representatives of these students are part of this government, neutrality cannot be maintained. If they think they can hold elections keeping their representatives in the government, political parties will not accept it,"

Fakhrul said in an interview with BBC Bangla. He said the BNP wants the election as early as possible. "Based on our past experiences with caretaker governments, we believe this is not an impossible task. If the government wants to hold an election in June, July, or August, it will be able to do so." He, however, did not mention any specific time

is the parliament. Without parliament, constitutional reforms would be difficult. There are some other issues that require constitutional amendments, and these cannot be possible without parliament. That's why we think the sooner the election is held, the better it will be," Fakhrul said. Talking about supporting the interim government, Fakhrul said

And does it make any sense to declare it five months after the uprising? "As students, they have every right to do so. But as a nation and as a party, we cannot be part of that. We have our own narrative," he said, adding that over the last 15 years, the BNP has fought. "And 1971 is our very existence, our Liberation War. Neglecting these and emphasising only 2024 will not be acceptable. "I've said this before. I somehow feel that there is an attempt by a group to downplay 1971. "I can't exactly tell you, but I feel there might be some thoughts or efforts to push 1971 into oblivion. "You all know who will benefit by doing so. I don't want to say it," he said. In his interview, Fakhrul said the issue of banning the Awami League is entirely up to the people.



*Information and Broadcasting Adviser  
to the interim government Md Nahid Islam*

### ***The Demand Hints At Another 1/11 Episode: Nahid***

Information and Broadcasting Adviser Nahid Islam said Mirza Fakhrul's demand for a neutral government actually hints at forming another 1/11 government. "The Awami fascism had emerged from the settlement of 1/11 [installation of a military-backed government in 2007]. In the BNP secretary general's remarks, there are signs of another 1/11 government, a continuation of a parliamentary majority and a knee-jerk foreign policy, and the lack of justice for enforced disappearances, killings and the July massacre," he said. Nahid, also posts, telecommunications and information technology adviser, made the remarks in a status posted on his verified Facebook account. He said the plan to minus the students and the leadership of the uprising had begun on August 5. "On August 5, when the students and the people were fighting on the streets and police were firing constantly, many of our compromising national leaders were busy planning to form a new

frame for the polls. Asked what their course of action will be if the election is not conducted within their time frame, the BNP leader said in that case, they will discuss within their party and the like-minded parties to reach a decision.

He said if the interim government wants to implement all the reforms, these will not be completed even in 10 years, adding that reforms are an ongoing process.

Fakhrul said the BNP declared a 31-point plan for rebuilding the state two years ago. These include reforms to the constitution, the Election Commission, and the formation of a judicial commission. The party also proposed a bicameral parliament. "Another thing is, even if you propose reforms, who will approve them? Only those who have legal authority can do so and it

they are doing it. "We are cooperative. So far, we have not spoken against the government. But, of course, we have pointed out some mistakes."

Asked about the BNP opposing some issues raised by the Students Against Discrimination, like the removal of the president and the proclamation of the July uprising, the BNP secretary general said, "The reasons are very logical."

"We are under a constitution. This government has taken the oath under that constitution. Who will remove the president? That is one point. Secondly, who will appoint the next president?... There is no parliament. Therefore, we think this is unrealistic. We also think this will create a new crisis." Over the proclamation of the July uprising, Fakhrul said, "We were not consulted in this regard beforehand.

government in the cantonment excluding the people (but many of them also talked about the students there)," Nahid wrote. He added: "We have been saying since August 3 that we will not accept any kind of military rule or emergency. We were repeatedly asked to go to the cantonment, but we refused to do that. Finally, through discussions and bargaining at Bangabhaban, it was decided to form an interim government with Prof Muhammad Yunus as its head". Noting that they wanted a national government comprising the anti-fascist political parties and civil society members, Nahid said, "If there was a national government, perhaps the students had no need to join the government".

Considering that the national government would last for a long time, he said, the BNP did not agree to form the national government. The information adviser said there was immense necessity for a national government in the country just after the uprising but the BNP is talking about forming a national government after the upcoming elections. Nahid said students are the "only factor" for this government and the existing reality that completely separated the current government from the 1/11 government.

Though BNP discussed "minus two" a few days ago, it is now proposing another 1/11-type government in the name of a neutral government to smooth the path to go to power, he continued. "Such a plan will go against democracy and national interest. The students and the people will never accept it. And I think it is a conspiracy against the BNP as well," the information adviser said. Though this government is not a national government, he said, there is the participation of all stakeholders of the movement in the government and all of them are enjoying various benefits. "Before

the formation of the government, the Attorney General and the previous Inspector General of Police (IGP) were appointed on August 6, who were basically from BNP. In this way, there are pro-BNP people at different tiers of the government from top to bottom," Nahid said.

"When talking about the neutrality of the elections, this reality must be taken into cognisance as well," he added. The adviser said BNP has taken a stance against all issues, including the change of the

unity?" Nahid said. It is easy to weaken Bangladesh because Bangladesh can be easily divided, he said, adding, the prominent persons of this country remain ready to be sold for a small price.

"I do not think the entire BNP takes such a position. Rather, a large section of BNP activists and supporters want the materialization of the aspirations of the uprising. I would like to call upon the patriotic and sacrificing leadership of BNP to choose the path of greater unity and



*Law Adviser to the interim government Dr Asif Nazrul*

President, reforms, new constitution and July proclamation; though none of these was the partisan demand of the students. "But the students have repeatedly retreated for the sake of the country's stability, the greater interests and national unity. However, this does not mean that we will give any concession to any plan that goes against democracy and the desires of the uprising," he added.

"Though forging unity has been possible among the major parties in India regarding the Awami League, in Bangladesh, we could not reach unity over the Awami League, despite so many killings and crimes. Alas, what type of state will we build with such a type of 'national

solidarity with the students and people instead of going against the student-people uprising," Nahid said.

### ***No Gap Between BNP, Student Leaders Expected: Asif Nazrul***

Law Adviser Asif Nazrul said there should be no distance or misunderstanding between the BNP and the student leaders or the forces of the mass uprising.

"We have seen some evidence in the past few days of how much this (misunderstanding) can encourage and make the Awami League leaders and activists who carried out genocide and their allies reckless," he said in a Facebook post from his verified account on January 26. "In the past two days, Facebook was



flooded with rumours of fleeing by Muhammad Yunus, advisers and student leaders. In the frenzy of these rumours, news has also been published that Awami League leaders and activists have tried to sabotage. A couple of people have called me in panic, wanting to know what happened," he said.

Asif Nazrul pointed out a few issues saying BNP is not interested in conspiracies or anything like 1/11; the student leaders are not forming any political party while in government or going to join it; the

July Declaration will be a political document and the student leaders have the desire to sincerely reflect the opinions of the forces of the mass uprising in its formulation; BNP and student leaders are not even disinterested in a larger election-focused compromise (its type and formula are subject to discussion).

"Therefore, there is no reason for conflict. Everyone should rather understand that we have no alternative but unity. The party of mass murderers, the Awami League,

has millions of crores of taka in its hands, many blind supporters and opportunistic groups, a powerful propaganda network, and a powerful foreign state are behind them," he said.

"To stop them, we must remain united, remembering the sacrifices of the students and the people who were martyred in the July mass uprising. We will have differences among us, but it should not go to the point of encouragement for the enemies of Bangladesh," said Asif Nazrul. ■

## 'Govts Become Illegitimate When People Suffer From Hunger'



The 1974 famine in Bangladesh, which caused the death of 15 lakh people, taught policymakers that governments become illegitimate when people suffer from hunger, said Naomi Hossain, a professor in the Department of Development Studies at SOAS University, London.

Since then, Bangladesh has become a site for numerous foreign aid experiments, she said at the launch of her book "The Aid Lab: Under-

standing Bangladesh's Unexpected Success" in Dhaka on January 18.

The University Press Limited (UPL) organized the event at The Bookworm in Dhaka.

Naomi, a Bangladeshi-Irish academic who has lived in Bangladesh, Indonesia, the UK, and the US, said her book focuses on the 1974 famine.

Unfortunately, there are not many films or books on this period of

extreme food scarcity, even though it caused the deaths of 15 lakh people, she said.

"This is because the elites do not talk about it—they survived, while the poor died," she said.

However, the famine led to significant policy changes, and since then, the government has ensured food security for its citizens, she added.

Asif M. Shahan, an associate professor in the Department of Development Studies at the University of Dhaka, said that the memory of the famine continues to haunt policymakers.

As a result, they recognize that they must prioritize food security to gain public support, maintain legitimacy, and stay in power.

However, he added that, in an ideal situation, democracy and voting should also be equally important for ensuring legitimacy.

Afsan Chowdhury, a researcher and writer, and Navine Murshid, a professor in the Department of Political Science at Colgate University, also spoke at the launch event. ■



# Comprehensive Reforms Needed To Address Economic Challenges

*Business Outlook Report*

**E**xperts at a high-profile symposium on January 18 stressed the need for comprehensive and long-term reforms to tackle Bangladesh's deeply rooted economic challenges, warning that the nation's structural issues require immediate attention to ensure sustainable growth.

The event, titled "White Paper and Beyond: Economic Management, Reforms, and the National Budget," was organised by the White Paper Drafting Committee 2024 and supported by the Citizen Platform for SDGs. Held at a conference centre in Sher-e-Bangla Nagar, Dhaka, the day-long symposium featured twelve study papers and a series of discussions by

local and international experts, focusing on economic management, proposed reforms, and strategies for developing Bangladesh's economy through the national budget. Dr Debapriya Bhattacharya, distinguished fellow of the Centre for Policy Dialogue (CPD) and head of the White Paper Committee, moderated the programme.

Addressing the event, CPD Chairman Prof Rehman Sobhan stated that Bangladesh's long-standing economic challenges have become deeply entrenched in its systems, necessitating comprehensive and long-term reforms for resolution. He expressed serious concerns about the country's economic trajectory under the

interim government, emphasising the need for disciplined macroeconomic management and reforms, particularly in the banking sector and tackling systemic issues like money laundering. Addressing the audience, Sobhan underscored that many of the nation's economic challenges, which have persisted for years, are deeply embedded in its structures and will require structural reforms to overcome.

He highlighted several key issues facing the interim government, including low tax-to-GDP ratios, lack of export diversification, corruption, debt mismanagement, and an underdeveloped financial sector. These problems, according to Prof Sobhan, have worsened due to previous

mismanagement. He specifically criticised the central bank's failure to regulate the banking sector, the prevalence of money laundering, and ineffective debt repayment mechanisms. He attributed these systemic failures to a culture of crony capitalism, where businesses borrow excessively without timely repayment, further harming the economy.

Sobhan acknowledged the interim government's limited time and authority to implement substantial changes but appreciated the identification of critical issues in the white paper. He stressed that long-term solutions will depend on the political will of the next elected government. A major concern raised by Sobhan was the issue of money

laundering, which has persisted since the country's early years. Despite significant remittance inflows, he noted that illicit financial outflows continue to undermine the economy. Sobhan argued that creating an environment where investments in Bangladesh are more attractive than overseas ventures is essential for addressing these challenges.

Sobhan emphasised the interim government's role in laying the groundwork for the incoming government, urging it to focus on identifying actionable solutions to the nation's economic issues. He concluded by stressing the importance of deep, structural reforms to secure a resilient and prosperous future for Bangladesh.

### Concerns Over Economic Reforms

Economists and experts have warned that public support for reforms in Bangladesh could wane if the interim government fails to expedite its reform agenda. They cautioned that mounting economic insecurity might prompt reform advocates to abandon their stance, undermining efforts to guide the country towards balanced economic progress.

The experts called for urgent action in areas such as growth trends, employment, poverty alleviation, and social security. They noted that the current political focus on elections and reforms has created division, with slowing

growth, stagnant private sector investment, and rising unemployment adding to the challenges.

Dr Debapriya Bhattacharya criticised the interim government's recent VAT hike, describing it as "inconsiderate" and warning that reliance on indirect taxes could disproportionately burden the public.

He also highlighted issues such as unclear government spending, worsening energy conditions, and corruption in the Aman paddy collection campaign. Bhattacharya stressed the absence of a cohesive economic agenda and suggested that failure to present a revised budget or clear reform plans could erode public support further.

Dr Zahid Hussain, former lead economist at the World Bank's Dhaka office, challenged claims of rapid economic growth, citing a lower average growth rate of 4.2% between FY2009 and FY2019. He identified underinvestment, global disruptions, misguided policies, and the pandemic's aftermath as key contributors to the current economic downturn. Hussain highlighted risks including rising public debt, persistent inflation, and dwindling foreign exchange reserves.

Prof Mustafizur Rahman, Distinguished Fellow at the CPD, drew attention to issues such as cost overruns, corruption, and lack of transparency in megaprojects. He estimat-

ed that \$16 billion is laundered annually through methods like trade mispricing and offshore dealings.

Prof Mustafizur proposed reforms to enhance project transparency, strengthen anti-corruption mechanisms, and foster international collaboration for asset recovery.

Energy expert M Tamim criticised corruption and mismanagement in the energy and power sectors,

pointing to over-reliance on fossil fuels and misuse of the Special Provision Act. He advocated a transition to renewable energy, improved governance, and reduced political interference to ensure long-term energy security.

discipline to improve governance. He stressed the need for greater transparency in TCB operations and accurate GDP data to address economic disparities.

Social Welfare Adviser Sharmeen S Murshida called for better coordination between bureaucrats and ministries, urging transparency and



pointing to over-reliance on fossil fuels and misuse of the Special Provision Act. He advocated a transition to renewable energy, improved governance, and reduced political interference to ensure long-term energy security.

Prof Anu Muhammad criticised reliance on IMF conditions, arguing that these policies exacerbate public suffering by reducing subsidies and raising prices instead of addressing corruption and institutional reform.

Commerce Adviser Sheikh Bashir Uddin highlighted irregularities in the Trading Corpora-

tion of Bangladesh (TCB), revealing that 37 lakh out of 1 crore cardholders were found to be fake.

He, along with other experts, called for simplified procedures, tax reforms, and effective market monitoring to address high commodity prices and support sustainable growth. ■

Commerce Adviser Sheikh Bashir Uddin highlighted irregularities in the Trading Corpora-





# Yunus Vows To Protect New Entrepreneurs' Investments

## *Business Outlook Report*

**E**ncouraging the country's young and new entrepreneurs, chief adviser professor Muhammad Yunus on Saturday said that they wanted to make sure that new entrepreneurs did not face any problems with their investments and could work safely to significantly contribute to Bangladesh's economic growth.

'I learned a lot from your discussions and suggestions on January 18. We want to build poverty-free Bangladesh,' he said, adding that he got ideas about the future path from the discussions. 'Please stay in touch with us.' Yunus held a meeting with young entrepreneurs at the state guest house Jamuna where 15 male and female entrepreneurs participated. The entrepreneurs shared the stories of their struggle to become financially independent and sought advice from the chief adviser on

various issues relevant to their journey ahead. Thanking Yunus, the entrepreneurs described how the investment received from the Grameen Telecom Trust, formed in 2010 to promote social business, helped the entrepreneurs to become financially independent from zero. Most of the entrepreneurs who participated in the meeting are doing business with investments from the Grameen Telecom Trust and Grameen Trust, according to the chief adviser's press wing.

Some of them have received investments for the sixth and fifth time. Yunus was excited to hear the stories of the entrepreneurs' struggles and wanted to know what further steps could be taken for the entrepreneurs. 'Your life stories are very inspiring. I am very happy to meet you. You have shared many good things. Tell us what else would be good for entrepreneurs,' said the chief adviser.

At the meeting, the entrepreneurs suggested increasing the publicity of the Grameen Telecom Trust and Grameen Trust's programmes for young entrepreneurs to promote social business. The entrepreneurs said that most people did not know about these initiatives and many poor people would benefit if the publicity was increased. They also urged Yunus to provide appropriate training to entrepreneurs in addition to investing in them.

They said that many could not grow their businesses due to lack of skills. 'If appropriate workshops can be organised, more skilled and successful entrepreneurs will be developed in each district.' Principal coordinator for SDGs affairs Lamiya Morshed, managing director of Grameen Trust Tasmina Rahman and managing director and CEO of Grameen Telecom Trust Ashraful Hasan were, among others, present. ■

# Motorcycle Sales Hit Six-Year Low

*Business Outlook Report*

**M**otorcycle sales in Bangladesh hit a six-year low in 2024, in continuation of a downward trend emanating from economic instability, inflation and political transitions, according to industry experts. An overall market assessment by ACI Motors states a 2 percent year-on-year decline from the 392,610 motorcycles sold in 2023. The fall exceeded the downturn experienced during the Covid-19 pandemic.

Subrata Ranjan Das, deputy managing director of ACI Motors, attributed the slump to economic challenges. "Motorcycle prices also increased significantly due to the ongoing US dollar crunch and rising inflation," he explained. Interestingly, the premium motorcycle segment bucked the trend, showing significant growth in 2024. Das

noted that affluent buyers remained unaffected by economic pressures, driving demand for high-end models. However, Das warned that the broader market faces limited opportunities for growth. "With the economy under strain, manufacturers and retailers have little scope to expand until conditions improve," he added. According to the latest sales data, the motorcycle market in 2024 has seen a mix of surprises and setbacks.

While some brands experienced noteworthy growth, others faced a decline, reflecting shifts in consumer preferences and market dynamics. Among the brands, Hero Motorcycles emerged as a strong contender, recording the highest growth rate of 19 percent in 2024, according to the ACI report. Hero's sales soared to 58,189 units, boosting its market share to 14.8 percent, it added. This surge apparently reflects the brand's

strategic focus on affordable models and fuel efficient designs, which resonated well with budget-conscious consumers. Meanwhile, Suzuki and Yamaha also posted positive growth rates of 8 percent and 11 percent respectively, according to the ACI report. Both brands now hold an equal market share of 19.3 percent, closely competing in the mid-range segment, it added.

Yamaha's aggressive marketing campaigns and innovative features have played a pivotal role in driving demand while Suzuki's consistent reliability continues to win over buyers. In stark contrast, Bajaj, once a leader in the motorcycle market, experienced a significant 10 percent decline in sales, the report said. The company sold 85,696 units in 2024, causing its market share to fall to 21.8 percent, though it remains the dominant player, it added. Industry insiders suggest that rising competi-

MOTORCYCLE  
LAST SIX YEARS

SOURCE: INDUSTRY DATA



## VEHICLE SALES IN THE YEARS



tion and limited new launches may have contributed to this slump. Another notable trend is a slight dip in sales for Honda, which recorded a 1 percent decline year-on-year. Honda's market share now stands at 15.2 percent, a minor decrease, however, an official of Bangladesh Honda claimed a three percent sales growth in the last year. Analysts believe the brand needs to revamp its lineup to cater to evolving customer expectations.

Overall, the motorcycle market reflects a dynamic landscape where brands are vying for a larger share through innovation, pricing strategies and targeted promotions. The total market sales figures reveal that consumers are increasingly prioritising value-for-money options without compromising on style and performance. Biplob Kumar Roy, chief executive officer of TVS Auto Bangladesh Limited, the local

distributor and manufacturer for India's TVS Motor Company, said their sales fell by around 35 percent to 29,932 units last year. He said inflation, political transitions, and a vulnerable economy impacted the market. Roy said that after last year's political transition, customers who used to take advantage of their political affiliations saw their benefits decline to zero, which affected the market.

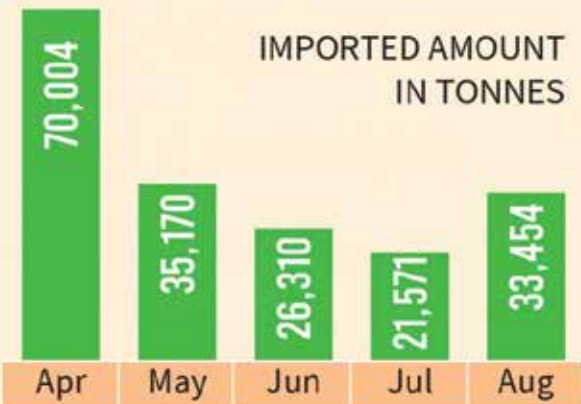
Additionally, he noted that retailers were unable to open outlets for over a month last year due to political unrest. Shah Muhammad Ashequr Rahman, chief marketing officer at Bangladesh Honda Private Limited (BHL), stated that Honda's satisfactory sales performance in 2024, despite a declining market, highlights the brand's commitment to innovation and customer-centric designs. "Our models, inspired by Honda's racing DNA, deliver thrill,

precision, and reliability while continuously improving to meet customer needs," Rahman said. He emphasised that BHL's strategy focuses on high-performance motorcycles, which resonate with a growing segment of discerning buyers. BHL operates as a joint venture between Japan's Honda Motor Co and the state-owned Bangladesh Steel Engineering Corporation.

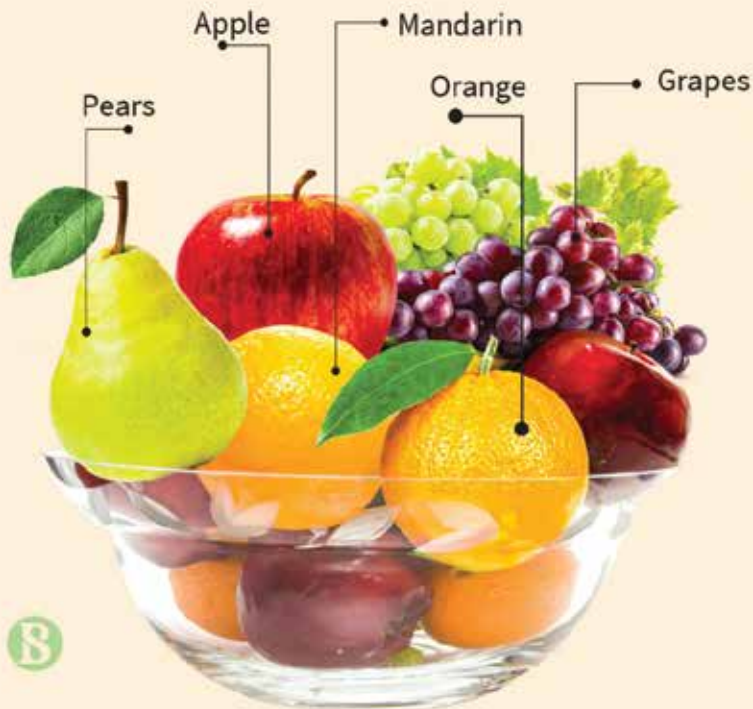
Rahman expressed optimism about maintaining steady growth in the challenging market by leveraging Honda's legacy of innovation and reliability. The brand's resilience in navigating economic challenges reflects its strong position and ability to adapt to evolving market demands in Bangladesh, he stated. ■



## FRUIT IMPORTS ON FALLING TREND



## BANGLADESH MOSTLY IMPORTS



FRUIT IMPORTS FELL OVER 50% IN LAST FIVE MONTHS OWING TO



Regulatory duty to 20%



Overall duty now 113%



100% LC margin slapped on fruit imports

### IMPORT SOURCE COUNTRIES

China	South Africa	Argentina	Afghanistan
Australia	Brazil	New Zealand	France

Sales drop 50%, while local fruit prices also increase, say traders

# Fruit Market In Turmoil As Import Duties Soar

### Business Outlook Report

**T**he country's fruit market has once again plunged into instability following a sharp increase in import duties.

On 9 January, the National Board of Revenue (NBR) increased the supplementary duty on imports of dried and fresh fruits from 30% to 45%. The duty on some fresh

fruits apples, grapes and watermelons was increased from 20% to 30%.

Consequently, both local and imported fruit prices have spiked significantly, and sales have plummeted by nearly 50% across the country, putting an immense pressure on consumers as well as businesses, said traders. Over the past nine days,

prices of imported fruits such as apples, oranges, malta, and grapes have surged by Tk20-50 per kilogram at both wholesale and retail levels, according to sources.

Traders said in May 2022, the government imposed regulatory duties along with import taxes and VAT on fruit imports. The latest duty hike has made the process of

clearing imported fruits from ports costlier. Many traders are even halting imports due to fears of losses. If this situation continues, there could be a shortage of fruits in the upcoming Ramadan season, said market insiders.

Nazer Hossain, vice president of the Consumers Association of Bangladesh (CAB) said that the

price hikes have severely impacted customers, particularly those who rely on fruits for their nutritional needs. “Consumers have already been struggling with inflation hovering above 9% for nearly two years. Now, fruits have become unaffordable for many with the repeated price hikes. It will also affect patients,” he said. Prices of local fruits also increased soon after the raised duties imposed on imported fruit, as the demand for the latter jumped, he added. Sahidul Islam, a fruit vendor at Mirpur-11 in Dhaka, said, “When wholesale prices go up, we have no choice but to sell fruits at higher rates. But this hurts us as sales drop every time the prices rise. Many customers have stopped buying fruits altogether.” On Friday, at Mirpur 11 market in Dhaka, Fuji apples sold at Tk340 per kg on Friday, while its price was Tk280 just a couple of days ago. Indian oranges sold at Tk280-290 per kg, up from Tk260-270, Malta at Tk280 per kg, up from Tk260, Chinese orange at Tk350 per kg, up from Tk320, black grapes at Tk580 per kg, up from Tk500, while white grapes were priced at Tk480 per kg, up from Tk400 on that day. Red grapes saw the highest increase, selling at Tk640 per kg, up from TK500.

### **Concerns Over Availability Of Fruit In Ramadan Rise**

Tania Alam, a customer at Mirpur-6 said, “Fruits are

no longer a luxury; they are a necessity, especially with frequent outbreaks of diseases like dengue. If this price trend continues, many people won't be able to afford fruits during Ramadan, a time when they are in high demand.”

Sirajul Islam, president of the Bangladesh Fresh Fruits Importers Association, said, “We wrote to the NBR a month ago, requesting a tax reduction considering low-income consumers, so that fruit prices remain affordable

during Ramadan. However, the government has done the opposite and raised prices.”

“People can't afford to buy fruit due to higher import duty imposed in previous times. This hike in duty now makes fruit available only for rich men, and the middle-income group will not afford to buy it now. In this situation, traders are hesitant to import fruits as they fall the sale drastically. This

will inevitably affect Ramadan,” he said. Despite being a food product, foreign fruits were classified as luxury goods by the NBR in 2012. Since then, every budget has seen an increase in VAT and duties on imported fruits. Until May 2022, imported fruits were subject to a 25% customs duty, 15% VAT, 5% advance income tax, and 4% advance trade VAT.

“Amid a dollar crisis, in May last year, the NBR

Tk40-50 per kg at the wholesale level following the duty hike,” he said. Bangladesh imports 38 types of fruits, with 95% of the imports comprising apples, malta, oranges, grapes, and pomegranates. The remaining 5% includes pears, kinnow, wood apples, avocados, rambutans, and kiwis.

According to the NBR, foreign fruit imports in the 2023-24 fiscal year have decreased by 10,000 tonnes compared to 2022-23. Last fiscal year,



imposed an additional 20% regulatory duty on all foreign fruit imports, bringing the total import tax burden to 113.80%. Now, within two years, duties have increased by another 10-15%,” said Sirajul Islam.

“We are providing duty as per the newest rate from 9 January. The price of Apple, Orange and Malta has increased by Tk16-17 per kg at the wholesale level and Grapes by

total fruit imports stood at 589,000 tonnes.

Four to five years ago, Bangladesh imported 38 different fruits from 35 countries. Currently, fruits are imported from 22 countries, with the majority coming from China and India. ■



# Beijing Refocuses On Teesta River



*Apu Ahmed*

**F**oreign Affairs Adviser Md Touhid Hossain has visited China, which is the country's first bilateral engagement with any other nation after the ouster of Prime Minister Sheikh Hasina in the face of a mass uprising on August 5, who since then fled to India.

## *First Major Bilateral Tour*

The visit took place on January 20-24 at the invitation of Chinese Foreign Minister Wang Yi, which was also the first high-level engagement between Dhaka and Beijing after former PM Hasina visited China on July 8-10 last year. In fact, Hasina's visit to China became a debatable issue after she was forced to curtail the tour by two days. Returning home, Hasina faced questions about curtailing the tour and its outcomes -- assurance of only a \$137 million loan from Beijing against Dhaka's demand for \$1.0 billion -- as much expectation had been attached by the AL regime on the China tour. Dhaka was facing problems in main-

taining external trade due to the shortage of dollars and was borrowing from the International Monetary Fund under a \$4.7 billion loan programme.

## *Hasina's Flop Tour To Beijing*

But Hasina's tour was a real disappointment as the availability of foreign currency was crucial for checking the falling reserves that came down below \$20 billion from \$48 billion in August 2021. However, the lacklustre visit went out of contention amid the student-led quota movement that eventually culminated in the bloody uprising. It has been viewed by many that Hasina lost Beijing support which she enjoyed in the past 15 years of reign from 2009 to 2024 because of her tour to India on June 21-22. During the bilateral talks with Indian Prime Minister Narendra Modi, Dhaka accepted Delhi's proposals on the Teesta River Comprehensive Management and Restoration Plan after it had worked with China on the same proposal for more than five

years.

## *The Teesta Tale*

The Teesta River becomes almost dry in the lean season due to the unilateral withdrawal of water upstream in India, while in monsoon, the same river overflows, causing frequent floods in Bangladesh as the Indian authorities often open floodgates at barrages to offload water pressure. China has been showing keen interest in financial and technical assistance once Bangladesh started a feasibility study on the Teesta management in 2016. New Delhi, which has kept pending the signing of the Teesta water-sharing treaty with Dhaka for a long time, adversely affecting the lives and livelihoods of the people in the Rangpur region, has shown new interest in the river project due to the China phobia.

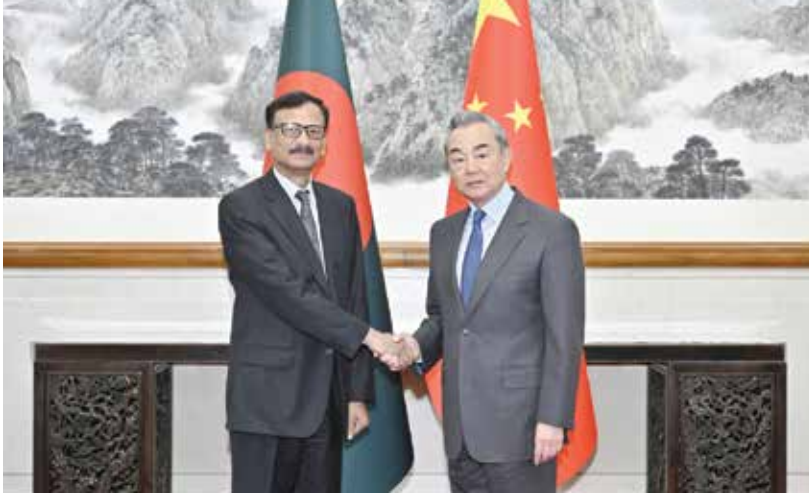
## *China Phobia*

The site of the proposed Teesta project in Bangladesh will also allow Chinese personnel to establish a presence near the Siliguri Corridor or



so-called 'chicken's neck', the narrow strip of land that links the rest of India with the strategic northeastern region. India also has concerns about the possibility of water flow data and other crucial information being scooped up by the Chinese side, according to a report by the *Hindustan Times*. The development of the Teesta played a big role in shaping

the mass uprising. Inviting Touhid, China has once again given emphasis on Bangladesh as a strategic neighborhood. On the surface, Dhaka's demand for an extension of the loan repayment period to 30 years from the current 20 has been accepted although Beijing gave no assurance to reduce the interest rate of the previous credit, mostly taken by the



the outcome of the Hasina visit to China. A piece titled 'China, Bangladesh elevate ties, broaden cooperation' in the *Global Times*, a tabloid under the auspices of the Chinese Communist Party's flagship newspaper, the *People's Daily*, said Chinese President Xi stressed that China supports Bangladesh in adhering to an independent foreign policy, following a development path that suits its national conditions, safeguarding national sovereignty, independence and territorial integrity, and opposing any external interference. In short, the message from China which is expected to dethrone the US as the top economy by the next decade is that they want Bangladesh to take decisions without external interference.

### *New Foreign Policy*

Touhid's visit to China has been described by the local media outlets as a crucial one. The foreign policy maintained by the AL government in the past 15 years favoured India heavily but that has been rejected by

AL regime. Dhaka has strong arguments on both the demands since Chinese loans had been used to implement many projects already turning into white elephants.

### *White Elephant Projects*

Two projects implemented by the ousted Awami League government are generating insignificant income for the Dhaka Water Supply and Sewerage Authority. The projects -- a sewer treatment plant at Daserkandi, about 15 km east of the Dhaka WASA headquarters at Karwan Bazar, and a water treatment plant at 35 km south at Jashaldia in Munshiganj -- were implemented at a cost of Tk 3,670 crore and Tk 3,482 crore respectively with loans from Exim Bank of China. The water treatment plant can use one-fourth of its capacity of treating 45 crore litres of water daily because of the lack of a matching distribution network at the entry point in the old part of the city. The sewer treatment plant remains almost idle as the authorities fail to supply sewer for the plant from its surround-

ings, including Gulshan and Baridhara, in the absence of a linking network.

### *Another Big One*

Another similar project has been the Karnaphuli Tunnel with an initial cost of around Tk 8,446 crore. Implemented with a Chinese loan, the project's cost soared to Tk 10,686 crore due to the addition of new components in the project area covering some 72 acres. A sprawling guesthouse, featuring a 5,000 square foot bungalow with six rooms, a swimming pool, modern furnishings, 10 single cottages, four duplex cottages, a three-storey multipurpose building, a lake and a children's playground, was included in the project in 2019 with an estimated cost of Tk 450 crore to appease Hasina. The Bangladesh Bridge Authority is now planning to lease out the luxury guesthouse to international hotel management companies in a desperate bid to reduce operating losses of the tunnel. It has been reported that the monthly income from the much-talked-about tunnel is at least 15 times lower than the operating cost. Beijing cannot avoid its responsibility to fund such white elephant projects.

### *Looking For A Breakthrough*

Anyway, the most important aspects of the recent tour were the renewal of the 'Exchange of Hydrological Information Sharing of the Yaluzangbu-Jamuna River' and the facilitation of treatment facilities for Bangladeshi patients at 3-4 recognised hospitals in Kunming. Both issues will affect India since the first one will keep alive the Teesta management project while the second one has aimed at the non-availability of visas for Bangladeshis to India during the regime change. A large number of them visit India for treatment purposes. Now they may visit Kunming. It is expected that Chief Adviser Prof Muhammad Yunus will visit China in March which may bring a major breakthrough in the proposed Teesta River project. ■



# 2,650 Businesses Transformed Into ICT Powerhouses

## Business Outlook Report

**T**he Bangladesh Association of Software and Information Services (BASIS) has led a remarkable transformation in the country's ICT sector evolving from 18 members in 1998 to over 2,650 thriving national business organisations on Saturday, said its Administrator Muhammad Mehedi Hasan on January 18.

"Through this journey, millions of jobs have been created, and local innovative products and services have achieved global recognition. In the fiscal year 2023-24, ICT exports reached \$840 million, spanning over 137 countries" he said. He was addressing a seminar titled "Bangladesh: The Emerging ICT Powerhouse",

held at the Bangladesh-China Friendship Exhibition Centre in Purbachal. "To sustain this progress, I urge all stakeholders to work together towards fostering new innovations, collaboration, and sustainable development," he added.. The seminar underscored Bangladesh's potential as a global digital hub.

Rafael Kabir, Chairman of BASIS's Advisory Committee, emphasised the need to nurture skilled professionals to realise the ICT sector's vast potential. "With a talented youth base and proper training, Bangladesh can lead globally in ICT. BASIS is instrumental in achieving this, and this seminar will pave the way for new opportunities," he added. Fida Haq, a member of

BASIS's Advisory Committee, hosted the event, while members Raisul Kabir and Syed Mosharraf Ali shared inspiring success stories of their companies. Policy Advisor Faiz Ahmed Tayeb highlighted BASIS's ambitious targets for 2030, which include creating 6 to 8 million skilled ICT professionals, contributing 5% of the GDP through ICT, and establishing a robust data governance framework.

He also outlined plans to reform high-tech parks and implement the Bangladesh National Data Architecture (BNDA) design. Baby Rani Karmakar, Director General of the Export Promotion Bureau (EPB), lauded young innovators' contributions to building a

tech-driven Bangladesh. She noted how initiatives like reducing entry times at the Dhaka International Trade Fair (DITF) 2025 exemplify the effective use of technology. Special guests included Faiz Ahmed Tayeb, Chief of JICA Bangladesh Ichiguchi Tomohide, JETRO Bangladesh Chief Representative Yuji Ando, and KOTRA Director General Samsu Kim, alongside senior officials.

The seminar showcased BASIS's achievements, such as implementing transformative projects like the E-Tax Filing System, Land Registration Process, and Telehealth Contact Centres. These initiatives, managed by BASIS members, exemplify the sector's dynamism and success. ■



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# Dhaka Seizes Trump's 'Drill Baby, Drill'

*Apu Ahmed*

**O**n the same day in the United States after Donald Trump took office as president, two significant developments occurred with strong connections to Bangladesh.

## *The Two Developments*

One is the decision to freeze all foreign aid with exceptions for emergency food and military funding for Israel and Egypt by the US. US Secretary of State Marco Rubio sent an internal memo, vowing an 'America First' policy of tightly restricting assistance overseas. On the same day, Argent LNG, which is developing a 25 million metric tonnes per annum LNG facility in Louisiana, signed a non-binding agreement with the government of Bangladesh to sell up to 5 million metric tonnes of liquefied natural gas annually. While the sweeping order appears to affect everything from development

assistance to military aid globally, including Bangladesh, the LNG deal surprised all and sundries.

## *Top Aid Provider*

The US provides more foreign aid globally than any other country, budgeting about \$60 billion in 2023 or about 1 percent of the US budget. Under the new US step, no new funds shall be obligated for new awards or extensions of existing awards until each proposed new award or extension has been reviewed and approved. The new step will affect everything from development assistance to military aid, including in Ukraine, which received billions of dollars in weapons under Trump's predecessor Joe Biden as it tries to repel a Russian invasion. The directive also means a pause for at least several months of the US funding for PEPFAR, the anti-HIV/AIDS initiative that buys anti-retroviral drugs to treat the

disease in developing countries, largely in Africa. To justify the move, the Trump administration said it was impossible for the new administration to assess whether existing foreign aid commitments were not duplicated, were effective and were consistent with President Trump's foreign policy.

## *Bangladesh Largest Recipients In Asia*

In Bangladesh, the presence of USAID is very significant. The USAID programme in Bangladesh is the largest in Asia, with some of the world's most important food security and health programmes, along with strategically important democracy and governance, basic education and environmental activities. In fact, the interim government, which assumed power after the ouster of the Awami League regime on August 5, inked a deal with the USAID in the following month. Under the deal, the

USAID committed to provide \$202.25 million in aid to Bangladesh as part of the Development Objective Grant Agreement. The DOAG, signed on September 27, 2021, is designed to cover the 2021-2026 period with a total commitment of \$954 million. USAID has provided \$425 million through the first five amendments. Under the 6th amendment, USAID will grant an additional \$202.25 million, focusing on three key areas: good governance, social and economic opportunity and resilience. The US has been a longstanding development partner of Bangladesh since 1972. It has contributed over \$8 billion across various sectors, including democracy and governance, food security, health, education and climate change.

### **USAID For Rohingyas**

The US has also been providing grants to address the needs of Rohingya refugees and host communities in Bangladesh and the region. It has provided more than \$2.5 billion for the regional Rohingya response since August 2017, including more than \$2.1 billion in Bangladesh. Last September, \$199 million in additional humanitarian assistance, including over \$129 million through USAID and nearly \$70 million from the US Department of State was announced. Meanwhile, Chief Adviser Prof Muhammad Yunus has thanked US President Donald Trump for keeping US support to the Rohingyas through the USAID programme. Chief Adviser's Deputy Press Secretary Apurba Jahangir confirmed this during a media briefing at the Foreign Service Academy on January 26, referring to a meeting with the US Embassy officials and Khalilur Rahman, representative of the chief adviser on the Rohingya crisis.

### **Trump's Transactional Foreign Policy**

It is expected that the current interim regime having better relations with the Democratic Party of the US will

face more challenges from the current US administration, led by Trump's Republican Party. It is also feared that the Trump presidency will shape the US-Bangladesh relations in a way that will be different from traditional diplomacy. With Trump inclined to a transactional foreign policy approach, the US will pivot away from multilateral engagements, focusing instead on bilateral dealings driven by immediate strategic interests. For Bangladesh, navigating this framework during Trump's initial term and preparing for the anticipated impacts of his second term revealed unique challenges and opportunities.

### **LNG Deal**

Now the deal on LNG between Argent LNG and the government of Bangladesh surprised many since Petrobangla, the state-run LNG importer, has no clues regarding it. However, things became clear after

non-binding agreement, meaning neither party is obligated to agree to the terms listed in the document. Any future binding agreement will adhere to Bangladesh's legal framework, including the Public Procurement Act, 2006, the Public Procurement Rules, 2008, and the Foreign Private Investment (Promotion and Protection) Act, 1980.

### **'Drill, Baby, Drill'**

Argent LNG is currently developing a 25 million metric tonnes per annum (MTPA) LNG facility in Louisiana. It is expected that it will start its operation in 2030. The US is already the largest exporter of LNG in the world and is expected to double its capacity by 2028. It is too early to say whether Petrobangla will advance with the negotiation, but the news coverage on the LNG deal makes Bangladesh the first country to strike the first major LNG supply deal for the US since President Donald Trump took



the Bangladesh Investment Development Authority came up with an explanation since its chief Ashik Chowdhury signed the deal. In its clarification, BIDA said the government had signed heads of agreement (HOA) with the US-based Argent LNG to import up to 5 million tonnes of liquefied natural gas per year for 20 years. The HOA is a

office. By this, Bangladesh has shown alliance with Trump's 'Drill, Baby, Drill' energy mandate, which promotes the exploration and export of US energy resources. ■



# No Action Taken Based On White Paper

*Business Outlook Report*

**T**he interim government has not taken any of the measures recommended by the white paper on the state of the Bangladesh economy even after a month and a half of the report's submission, said economists.

"Many people ask about the future actions regarding the white paper -- this question evokes a sense of helplessness due to uncertainty," said Debapriya Bhattacharya, who led the 12-member committee that prepared the white paper. Bhattacharya's comments came at a symposium titled "White Paper and Thereafter: Economic Management, Reforms, and National Budget", held yesterday at

the Bangabandhu International Conference Centre on January 18. "Our aim is to ensure that the government incorporates the white paper's recommendations into its policymaking," he added. The white paper committee submitted the report one and half months ago, but the government has no programme yet that will show that it owns the paper, said Selim Raihan, executive director of the South Asian Network on Economic Modelling.

"There is no widespread discussion too -- it remains a big question to me," he added. Regarding the current economic situation, Bhattacharya criticised the interim government for "inconsiderately" increasing

value-added tax. If the government intends to collect taxes effectively, it should gradually shift its focus to direct taxes. "We have not seen any plan to collect direct taxes. Raising the VAT indicates a preference for indirect taxes over direct taxes, which is concerning," said Bhattacharya, also a distinguished fellow at the Centre for Policy Dialogue.

Meanwhile, the country's growth rate is slowing and the energy situation is expected to worsen. Although the interim government has undertaken several initiatives in the banking and energy sectors, the efforts are ad hoc and lack coordination, Bhattacharya said. Corruption in Aman

paddy collection remains unchanged, with farmers still not receiving fair prices. Food stock is not increasing in government warehouses even though the government has identified it as a means to tame inflation. "While the government may increase allocations for education and healthcare, it remains unclear how these funds will be utilised or who will benefit from them," Bhattacharya added.

Commerce Adviser Sk. Bashir Uddin defended the interim government's decision to increase VAT, stating that VAT is crucial in an unregulated market where tax evasion is prevalent. "Relying on direct taxes may be effective for developed economies. However, for



an unregulated market like ours, indirect taxes are critically important." Regarding the family card programme under the Trading Corporation of Bangladesh (TCB), Bashir said digitisation uncovered about 37 lakh fake cardholders.

He suggested discussing whether the government should raise the prices of TCB products to expand its beneficiaries. Commenting on the high interest rates, he said most banks reported substantial profits in 2024 due to higher interest income. "It is clearly unethical to earn such high profits while businesses are struggling," he added. Dissecting the notion of the fastest-growing economy, Zahid Hussain, a former lead economist at the World Bank's Dhaka office, said GDP growth estimates averaged 4.2 percent annually between fiscal 2008-09 and 2018-19 and not 7 percent as officially reported. He attributed the disparity to underinvestment, a narrow export base, low human capital and resource misallocations, which caused growth trends to diverge from fiscal 2013-14 onwards.

With low revenue and forex earnings growth, the country became increasingly dependent on debt for its annual development programme. However, the development projects were marred by corruption and mismanagement, he said. "Consequently, borrowed money (both in dollars

and taka) ultimately moved into the accounts of cronies at home and abroad via ADP projects, burdening current and future generations with debt."

The path to reviving the economy depends on sound policies and political commitment to economic reforms. However, the cost of inaction is becoming increasingly evident, Hussain said. Umama Fatima, spokes-

session, Anu Muhammad, a former economics professor at Jahangirnagar University, said Sheikh Hasina's government received support from bureaucrats, business people and international agencies like the World Bank and the Asian Development Bank, which propagated the narrative of the country's "development miracle".

"They must take responsibility," he said. During

interim government is making efforts to recover the funds, resources must be allocated for special prosecution, forensic audits, staffing and data acquisition.

"These steps are crucial for proving cases in local courts before pursuing them internationally." Rahman also recommended ensuring the independence and autonomy of the Implementation, Monitoring, and Evalua-



*Members of the white paper preparation committee*

person of the Anti-Discrimination Student Movement, criticised the bureaucracy for supporting the previous government, with most bureaucrats avoiding jail time.

While the public is suffering from high inflation, bureaucrats are continuing to receive dearness allowances, she said, while stressing the need for increased government support for research and development. In another

her tenure, institutional degradation was rampant. The interim government must take steps to restore institutional integrity. "We do not want the white paper to be ignored in policymaking," he added.

While it is possible to recover the siphoned funds, the process is challenging, said Mustafizur Rahman, distinguished fellow at CPD. Although the

tion Division to prevent further corruption in ADP projects.

Sayema Haque Bidisha, pro-vice Chancellor of Dhaka University; Ferdous Ara Begum, chief executive officer of Business Initiatives Leading Development; Owasis Parray, senior economic adviser at UNDP Bangladesh; and M Masrur Reaz, chairman and CEO of Policy Exchange Bangladesh, also spoke. ■



Pubali Bank PLC held its 1st Business Conference-2025 of Regional and Corporate Branch Managers at the bank's Head Office auditorium. Monzurur Rahman, Chairman of the Board of Directors of the bank, was present as the chief guest. Mohammad Ali, Managing Director and CEO, presided over the event. ■



Southeast Bank recently organised the "Business Policy and Planning Conference-2025" to evaluate its business position and formulate future plans. Nuruddin Md. Sadeque Hossain, managing director of the bank, presided over the meeting with participation from divisional heads of the bank's head office, branch managers, sub-branch heads, and heads of offshore banking units. M.A. Kashem, chairman of the bank, attended the event as the chief guest. ■



Master Builder, a leading real estate company, has celebrated its 28th anniversary at Golf Garden, Army Golf Club, in Dhaka. Major Shabbir Ahmad Khan (Retd), Managing Director, formally inaugurated the event by cutting a cake. A large number of flat owners, land owners, well-wishers, employees and their family members attended the event. The programme was followed by a colourful sports and cultural event. ■



Mutual Trust Bank (MTB) named its internet banking platform MTB Neo in an official name revealing event. The MTB Neo app provides an upgraded user interface, enhanced functionality, and more flexibility, allowing customers to manage their finances easily and efficiently with their mobile devices. MTB Managing Director & CEO Syed Mahbubur Rahman officially revealed the name of the app at a ceremony held at MTB Centre, the bank's corporate head office in the capital's Gulshan. The event was attended by senior MTB officials. ■



206th meeting of the Executive Committee of the Board of Directors of Ansar-VDP Unnayan Bank was held with Chairman of Ansar-VDP Unnayan Bank and Director General of Bangladesh Ansar and Village Defense Party Major General Abdul Motaleb Sazzad Mahmud in the chair. Managing Director Mir Mofazzul Hossain and other directors of the committee were also present. ■



Eastern Bank will work with Nou Kollan Foundation Trading Company Ltd. (NKFTCL) for coastal forestation and community support in Bhashan Char. To support the initiatives, Osman Ershad Faiz, additional managing director and COO of the bank, handed over a cheque of Tk 3.8 million to Captain M Habib ul Alam, managing director of NKFTCL, at the headquarters of Bangladesh Navy in the capital. ■





The 285th meeting of the Board of Directors of First Security Islami Bank PLC was held at FSIB Head Office in Dhaka, with Mohammad Abdul Mannan, Chairman of the Board, in the chair. Md. Azizur Rahman, Vice Chairman, Md. Abdul Quddus, Chairman of Executive Committee, Prof Md. Saiful Alam, Chairman of Risk Management Committee, Md. Raghieb Ahsan FCA, Chairman of Audit Committee, Abu Reza Md. Yeahia, Managing Director (Current Charge), and Oli Kamal, Company Secretary, attended the meeting. ■



IFIC Bank hosted the 'IFIC Largest Banking Network Business Conference'. The event, held at Khulna Shilpakala Academy, brought together over 300 employees from the bank's 15 branches and 116 sub-branches operating in Khulna. ■



IPDC Finance PLC held a discussion on affordable housing and SME business development potential at a hotel in Rajshahi recently. The meeting delved into key opportunities for economic growth in Rajshahi, focusing on affordable home loans, SME business prospects, and the region's social development needs. ■



Sheltech (Pvt.) Ltd inaugurated its Chattogram Office at Rubiya Heights (2nd Floor) at Zakir Hossain Road, South Khulshi, recently. Md. Sharif Hossain Bhuiyan, Executive Director of Operations, Shajahan, Chief Operating Officer, Hosneara Parvin, Chief Business Officer, and other senior officials of Sheltech attended the inaugural ceremony. ■



The 14th review meeting between the Board of Directors and Senior Management Team (SMT) of Sonali Bank PLC was held at the bank's head office. Chairman of the bank Mohammad Muslim Chowdhury presided over the meeting while SMT Chairman and Sonali Bank MD & CEO Md Shawkat Ali Khan attended the meeting. ■



NCC Bank PLC hosted its two-day 'Annual Business Conference-2025' at a resort in Habiganj, Sylhet, recently. The primary focus of this gathering was to enhance the bank's business by delivering exemplary customer service. Chairman of the bank Md Nurun Newaz Salim inaugurated the conference as the chief guest while Managing Director M Shamsul Arefin presided over the event. ■



# Plot Allocation In Patuakhali EPZ Will Begin In Early 2026



## Business Outlook Report

**P**lot allocation at the Patuakhali Export Processing Zone (EPZ) will start in early 2026, as the project's construction is scheduled to be completed by June of 2025, said Md Saifullah Panna, secretary to the Chief Adviser's Office. He also highlighted the necessary initiatives, including road development, to make the EPZ more investment-friendly.

Panna made the comments during a visit to the special zone on January 18 to inspect the progress of the construction work on the project approved on August 29, 2023. The Patuakhali EPZ, which is being constructed at a cost of Tk 1,443 crore, is set to feature 306 industrial plots, said Md Ashraf Kabir, project director. Of the project cost, the government extended Tk 1,105

crore and Bangladesh Export Processing Zones Authority (Bepza) Tk 338 crore, he said. The EPZ, which spans 410.78 acres of land in Pachakoralia village of Auliapur union under Patuakhali sadar upazila, is expected to create employment opportunities for around one lakh people, Kabir added. The EPZ, for which an 'Investors' Club' is being constructed on 2.25 acres of land in Kuakata under the same project, is expected to significantly improve the socio-economic condition of the local population, project officials said.

The infrastructures being developed under the Patuakhali EPZ project include 3.15 lakh metres of roads, around 30,000 metres of drainage, four six-story factory buildings, three 10-story office buildings, four six-story and three 10-story residen-

tial buildings, zone office, customs office, and security office, a helipad and 54 rehabilitation houses for landowners affected by the project. The project will also have substations inside its boundary to ensure uninterrupted power supply, the officials said. The proximity of the Patuakhali EPZ to the Payra seaport is positioned as a key player in the region's industrial growth, said Mohammad Mosharraf Hossain, managing director of Liberty Group, one of the leading industrial firms of the country.

However, he emphasised the need to widen the connecting roads, improve connectivity and ensure a reliable gas supply to the EPZ to attract more investors, he said. Currently, Bangladesh has eight operational EPZs. ■



# RMG Entrepreneurs Want ‘Reforms Commission’

## Business Outlook Report

**T**he entrepreneurs of ready-made garments (RMG) on Friday urged the interim government to form a ‘reformation commission’ for the sake of the garments industry’s sustainable development.

They made the call at a seminar titled “Strengthening Local-Global Synergizes in Yarn and Fabric Trade” jointly organized by CEMS-Global USA and CCPIT-Tex China marking the 23rd Dhaka International Yarn and Fabric Show 2025 at the International Convention City Bashundhara (ICCB) in the capital. “The garment

industry contributes more than 84% to the country’s overall exports and created more than 40 lakh employment. Despite facing multiple challenges, the interim government did not form any commission for the industry,” Managing Director of Motex Fashion, Mohammad Masud Kabir said.

He claimed that 50% of factories were shut down in the last 20 years. Around 6000 factories used to operate in the industry which number comes down to 3000 right now. Though, around 1000 new entrepreneurs came into business at the time. “However, the industry’s problems

including gas and electricity supply, customs and ports, NBR systems, banks, corruption, and transportation have not been resolved yet. The government made six reform commissions but why not a reform commission for the garments industry,” he questioned.

Earlier the government formed six reform commissions for the electoral system, police, judiciary, public administration, the constitution, and anti-corruption efforts. Addressing the seminar, Prof Dr Engr Ayub Nabi Khan, the Pro Vice Chancellor of BGMEA University of

Fashion and Technology also echoed Masud to reform a commission to develop the industry. “The industry has faced multiple challenges since its inception in the 1980s in the country. But the sector grew overcoming challenges at home and abroad. The country planned to export \$100 billion from existing less than \$50 billion by 2030. It will not be possible if innovative strategies are not taken,” he also said.

Dr Ayub Nabi highlighted that Bangladesh will not have to hire foreign skilled manpower in the next 5-10 years as there are huge strong entrepreneurs and many talented

graduates come out from universities. “Now we need to focus on man-made fiber products as global buyers lean toward the products. We need more value-added products to boost exports. Government, private entrepreneurs and academicians should work jointly for the sustainable development of the industry. The industry needs to adopt 4IR to take maximum opportunities,” he suggested.

In his speech, Vice President of Bangladesh Garment Buying House Association (BGBA) AKM Saifur Rahman emphasized on research and development, market-

ing, and negotiation skills to get fair prices of the garment products made in Bangladesh. “Amid multiple challenges including unrest by workers, the RMG industry is growing. But we cannot negotiate with international buyers for our right prices. However, we have to focus on R&D, policy and sustainability,” he highlighted.

Saifur Rahman said Bangladesh lacks land and water and other natural resources. Now Bangladesh should diversify its traditional garments products. Man-made fiber items have huge demand globally. Director of Knit Asia Ltd, a LEED-Certified Green Garment

Factory in Bangladesh Amer Salim emphasized green factories for sustainable industry growth. “We have been able to secure third position building green factories in the global. Currently, Bangladesh is in the top position in the world as the country has a total of 233 green factories. However, maintaining it is important for it,” he highlighted.

Managing Director of Bangla Poshak Ltd Mohammed Sohel sought support from the government and banks to develop the country’s small and medium entrepreneurs (SMEs) as it is playing a significant role in the

economy. “The garment industry grew thanks to the SME. Once, Sinha Garments started with 33 machines, Ha-Meem with only 40 machines, and Reaz Garment with few machines. Desh Garments invested more in the sector early. Basically, the industry commenced with SMEs. Now, there are more than 1500 SME factories under BGMEA,” he added.

He highlighted that the SMEs are facing many challenges. Proper regulations are needed to ensure compliance here. Government support is crucial for SMEs for sustainable development. ■

## OMS: Sales Of Edible Oil Lentil And Rice To Continue



Subsidised sales of vegetables, onions, potatoes and eggs ended last month, and the government would not resume the programme seeing it did not leave a noticeable impact on markets, and the prices of these food items have fallen anyway.

Other traditional subsidised sales, like of edible oil, lentil and rice, would continue

for the registered recipients. The open market sales of ten agricultural food products would stop, said Finance Adviser Dr Salehuddin Ahmed in an exchange with reporters after attending a meeting on government purchases at the Secretariat on January 21.

On 15 October last year, the special OMS truck sales

were launched at 20 spots across the capital to provide vegetables and other agricultural goods at affordable rates to the low-income people amid surging inflation pressures.

In a Tk650 package ten agricultural products -- one dozen eggs, one kilogram of onions, one kilogram of potatoes, a slice of pumpkin, and one kilogram each

of six other vegetable items -- were offered for sale at low rates. At least 8 lakh people directly benefitted from the truck sales, the finance adviser claimed. Special sales of vegetables, potatoes, eggs and onions would be stopped as these are having no impact on the inflation trajectory, Salehuddin Ahmed said, when asked why the sales have been stopped.

He also noted that the market rates of rice has haven somewhat fallen, while prices of other food products have also come under control. Recent VAT hikes have not significantly added to the inflation crisis, and would be continued in the next fiscal year starting 1 July. ■



Jul-Dec 2024

Target  
**Tk 2.14 trillion**

Collection  
**Tk 1.56 trillion**

Shortfall  
**25% or Tk 577.24b**

**FULL FISCAL YEAR TARGET** → **Tk 4.80t**



*Four-tier revenue-sapping 'loopholes' detected*

# NBR's Revenues Drop 25pc In H1 Of FY '25

*Business Outlook Report*

**D**omestic revenue mobilisation in Bangladesh marked a significant shortfall by 25 per cent or Tk 577.24 billion in the first half of this fiscal year, prompting suggestion for recasting the NBR. Such big deficit would create a serious pressure on the country's macroeconomic front, economists say and they see it as a "matter of serious concern". Even, the domestic-revenue mobilisation in H1 was lower than that of the same period in the previous fiscal year.

Distinguished fellow of the Centre for Policy Dialogue (CPD) Prof Mustafizur Rahman airs concern over such plummeting revenue-collection growth despite having enormous possibilities in place across the economy. The economist finds a "four-tier loophole" in the country's tax-revenue-mobilisation process that deprives the public exchequer of receivable revenues. "People are not submitting tax returns despite

having TIN, government not receiving taxes that taxpayers are paying, NBR collecting taxes only from existing taxpayers without widening the tax net, and people not paying taxes as per their income," he says. The tax-revenue collection could have grown higher as high inflation generates more revenues, he argues to disapprove of such low revenue receipts. "It's true the tax collection was disrupted in July-August-September period but it's not the main cause of this sluggish growth," he said. He suggests focusing recasting the NBR and direct-tax mobilisation through proper management.

"We have no surplus and funding our annual development programme with debts," he wonders. According to NBR data, the tax-revenue-collection growth was in the negative trajectory in each of the months in the current financial year so far. Provisional data show, the NBR mobilised revenue

worth Tk 1.56 trillion against its target of Tk 2.14 trillion during the period. Collection of income tax, customs duty and VAT all lagged behind their respective targets by 31.43 per cent, 20.78 per cent and 27.70 per cent. Also, the NBR collected lower VAT by 5.45 per cent in the first half of the FY than that of the same period in the previous year. The income-tax wing of the revenue board collected Tk 521.62 billion in taxes followed by VAT Tk 551.77 billion and customs duty Tk 490.80 billion. Targets for the July-December period were Tk 760.67 billion for income tax, Tk 763.17 billion for VAT and Tk 619.52 billion for customs wing.

In the current FY, the government has the target to collect a total of Tk 4.80 trillion worth of revenue on account of income tax, VAT and customs duty. Of the target, the NBR has to collect Tk 1.77 trillion each as income tax and VAT and Tk 1.24 trillion as import-export taxes. ■



# Economy To Make A Turnaround, Dr Zahid Hopes

## *Business Outlook Report*

**D**r Zahid Hussain, former lead economist of the World Bank, Dhaka Office, and a renowned economist has expressed his hope that the economy could make a 'turnaround' if the interim government delivers one quarter of what they are expected to deliver on the economic front this year.

"We'll be able to ascertain after the next budget (FY26) what are on the cards to get the economy grow faster. If the initiatives on the table are implemented in the short-term, then hopefully the economy will make a

turnaround," he said. They promised the beginnings of Bangladesh 2.0, he said, adding in order to streamline the economy, it needs simplifying business regulations and process, ensuring uninterrupted supply of energy, and rescuing the banking sector from its sorry state.

Dr Zahid came up with the remarks while giving an interview recently to BSS at his residence. When asked about the major barriers in the economy, the eminent economist said that there are major drags or barriers in the financial sector, energy sector, and the obstacles towards invest-

ments like business regulations. In this regard, he appreciated the progress on National Single Window (NSW) which would eventually save time and cost of the businesses through addressing the regulatory complexities in import and export processes.

He suggested the government making sure that the digital process of licensing and certification in import and export operations remains fully functional while its transitions from manual system. Dr Zahid said the initiative for single window did not become effective over the years due to not lack of initia-

tives, but for the apparent resistance from the NBR....that character remains the same. "Unless the system becomes fully digital and trustworthy, you'll have to keep your fingers crossed," he said adding that the process is definitely heading in the right direction.

Asked about the revenue collection pace of the NBR in the current fiscal year (FY25), he said that there were no such opportunities in the first quarter (July-September) of the current fiscal since the economy was mostly dysfunctional. "In order to boost the revenue collection, reforms are needed in

the NBR especially in the tax policy and in administration," he said. Bangladesh's revenue collection fell in November even though the country saw improvement in its business climate.

Revenue collection amounted to Taka 25,360 crore in November, down 8.95 percent compared to

products to boost revenue in a speedy manner has ostensibly backfired.

He said the move was taken apparently to appease the IMF, but now they might also be disappointed since the government is backtracking in some cases. With such attempt, people have also become dissatisfied to

"They promised reprioritization of expenditures taking into cognizance the post August 5, 2024, realities. Necessary reforms are needed in this regard and faster!" he added.

Regarding possible cut in the ADP in the current fiscal, Dr Zahid said if such cut is made in the right areas through reducing

half of the current fiscal year, the government spent around 18 percent of the total development outlay for FY25. In the same period of the last fiscal year, ADP implementation stood at Taka 61,739 crore, representing over 22 percent of the total allocation. About the utilization of huge pipeline in the foreign aid portfolio, he said it is not always the case that the foreign aided projects fare better.

Low value for money is a problem common to public projects irrespective of their sources of financing. He said if a project is not fit for purpose, then there is no prudence in moving forward with that kind of project. "Both domestic and foreign debts in Bangladesh have been in many instances paid for waste and corruption in an industrial scale in the recent past. In such cases we are better off not borrowing", Dr Zahid said.

Referring to his recent meeting with the outgoing World Bank country director, he said that they have unused envelope that can be accessed to get cash support for structural reforms initiatives and investment support for worthy projects, even the pipeline could be repurposed. "In many cases, the project aids are being converted to budget support ....if the existing projects could be reformed, then the pipeline of project aid would disburse faster", he added. ■



the same month the year prior, shows provisional data of the NBR. On top of that, the overall revenue collection declined 2.62 percent year-on-year to Taka 130,185 crore in the July-November period of the current fiscal year (FY25).

Besides, the tax administrator was Taka 38,830 crore behind its collection target of Taka 169,015 crore for the first five months of FY25, with its end goal set at Taka 480,000 crore for the year. Dr Zahid noted that the recent step of raising VAT and SD on over 100

some extent... not a prudent step, he added. In this connection, the eminent economist said the government took the decision on adhoc-basis without fast tracking the FY25 budget revision through a consultative and inclusive process.

About the slow pace in Annual Development Programme (ADP) implementation, he said that various types of disasters were the reasons for this side by side there were many projects undertaken in the past out of political considerations which often waste public fund.

misallocation and waste, then it would be better for both the current and future governments.

Several ministries have made encouraging beginnings, showing it can be done. The implementation of the ADP in the first six months of FY25 was down 19 percent year-on-year, mainly to political unrest and delay caused by thorough scrutiny of some previously approved projects. Development spending in the July-December period amounted to Taka 50,002 crore, according to IMED. This means that in the first





# Trump Touts \$500b AI Project

## Business Outlook Report

**P**resident Donald Trump on January 21 announced a major investment to build infrastructure for artificial intelligence led by Japanese giant Softbank, cloud giant Oracle and ChatGPT-maker OpenAI. The venture, called Stargate, "will invest \$500 billion, at least, in AI infrastructure in the United States," Trump said in remarks at the White House. "This monumental undertaking is a resounding declaration of confidence in America's potential," he said, a day after his swearing in for a second term.

OpenAI's chief executive Sam Altman, SoftBank's chief Masayoshi Son and Oracle founder Larry Ellison attended the announcement. Their project is committed to invest an initial \$100 billion and up to \$500 billion over the next four years in the project, according to Son. The venture comes as big tech players are scrambling to meet AI's voracious computing needs, as well as find the electric power necessary to expand the new technology. Trump said

Stargate will be building the physical and virtual infrastructure to power the next generation of advancements in AI, including the construction of "colossal data centers." OpenAI later said in an X post that the project "will not only support the re-industrialization of the United States but also provide a strategic capability to protect the national security of America and its allies." It added that SoftBank and OpenAI were the lead partners for Stargate, with SoftBank having financial responsibility and OpenAI having operational responsibility.

The post also said that MGX, a technology fund from the United Arab Emirates, was a fourth investor, while "Arm, Microsoft, NVIDIA, Oracle, and OpenAI are the key initial technology partners." "Build-out is currently underway, starting in Texas, and we are evaluating potential sites across the country for more campuses as we finalize definitive agreements," it added. Texas is fast becoming an alternative to California for US big tech invest-

ments. In turn, the three bosses thanked Trump. "We couldn't have done this without you," said Altman. Ellison, in brief remarks at the White House, underlined the medical innovations promised by AI such as "early cancer detection with a blood test." SoftBank shares soared more than eight percent in Tokyo after the announcement. News of the project comes a day after Trump's inauguration ceremony was attended by prominent tech chiefs, including Apple CEO Tim Cook, Google CEO Sundar Pichai, Meta CEO Mark Zuckerberg and Amazon leader Jeff Bezos.

Later on Monday, Trump rescinded an executive order from his predecessor Joe Biden that established oversight measures for companies developing powerful AI models. Its repeal leaves the United States, home to most of the world's most impactful AI technology, without nationwide AI development guidelines, even if individual states are pursuing their own measures. ■

# Govt To Reverse, Readjust VAT Hikes For 8 Items, Services



## Business Outlook Report

**T**he interim government has planned to reverse and readjust its proposed decision to add additional value-added tax (VAT) on eight items and services. Moreover, it is planning to withdraw supplementary duty (SD) on plane tickets to reduce the cost of Hajj flights.

The eight items and services that will have recently-added VAT withdrawn or reduced include medicine, restaurants, non-AC

hotels, automobile workshops, mobile phone talk time and internet, internet service providers (ISP), sweetmeat shops, and brand and non-brand clothing. The authority will issue a Statutory Regulatory Order (SRO) in this regard soon, said the Public Relations Officer of the National Board of Revenue (NBR) Md Al-Amin Shaikh.

Seeking anonymity, an NBR official said the proposal to spare eight items was discussed by the NBR chairman in a

recent meeting on January 16.

### VAT On Medicine

The VAT on medicine at the local retail level was raised by 2.4% to 3%. The NBR has decided to cut the additional VAT. Earlier, Health Adviser Nurjahan Begum said a recommendation was made to the relevant ministry to reduce the minimal VAT imposed on medicines.

“The issue of medicine VAT was discussed at the outset and we hope

the Ministry of Finance will consider this matter,” she added.

### VAT On Mobile Internet, Talk Time, ISP

The government increased the supplementary duties on SIM card-related services, including talk time and internet, to 23% from 20%.

Now, it has planned to reduce it to 20% again. So, the customers won't have to bear additional expenses for internet browsing and talk time. The VAT hike on inter-

net service providers (ISPs) is also expected to be scrapped, keeping the rate at zero. On January 9 ordinance, it was up at 10%.

#### Automobile Workshop

NBR has backtracked on its decision to impose 15% VAT on automo-

(BAWMS) on Monday.

#### Restaurants And Hotels

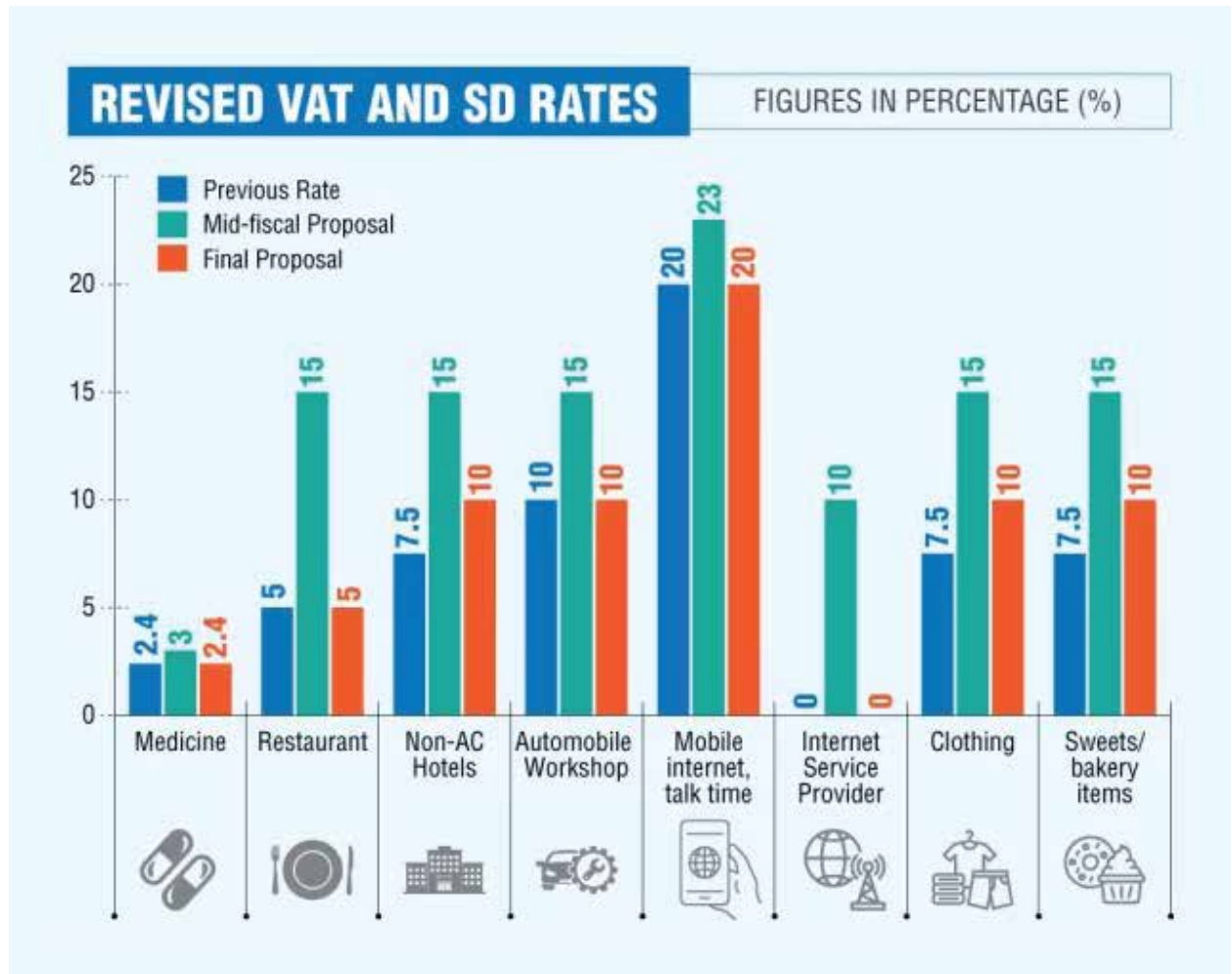
The government planned to move away from its earlier decision to impose a 15% VAT on the restaurant sector, opting to restore the earlier rate of 5%. Mohammad Belal Hossain Chowdhury, a

they are able to claim input tax credit. “We will issue an order in this regard soon,” said the revenue official. Besides, the NBR has scrapped the import taxes on e-book imports and supplies. According to sources, VAT on non-air-conditioned hotels will reduced

7.5%. The NBR also decided to reduce the VAT on sweets to 10% from 15% made on the 9 January ordinance. It was 7.5% before.

#### SD On Plane Tickets

On January 9, supplementary duty on overseas trips was increased by



mobile workshop services. The revenue authority took the decision following a meeting between NBR Chairman Md Abdur Rahman Khan and representatives of Bangladesh Automobile Workshop Samity

member (VAT Policy) of the NBR, informed the matter on January 16. The VAT rate on restaurants would be down to the previous 5% from 15%. Belal said three-star to five-star hotels, however, will remain under the 15% rate as

from 15% to 10%. It was 7.5% before.

#### VAT On Clothing, Sweets, Others

The recently added VAT on readymade garment (RMG) products will be readjusted to 10%. It was increased to 15% from

Tk200-Tk1,000 depending on the distance. NBR plans to withdraw it to reduce the cost of the Hajj journey.

The NBR On January 9 increased VAT and SD on over 100 products and services. ■



# Cement Industry Hit Hard By Political, Economic Turmoil

*Business Outlook Report*

**C**ement manufacturers in Bangladesh are now facing severe challenges, with sales plummeting by 40% in the last four months. This sharp decline follows the political shift on 5 August last year, which disrupted the construction of mega projects and other infrastructure initiatives, putting investments worth Tk400 billion across 30 factories at risk, according to industry insiders. “Many contractors associated with development projects have gone into hiding. From city corporations to upazilas and union parishads, development activities have come to a standstill after the withdrawal of public representatives,” said an official involved in development projects.

Market observers said several contractors linked to Awami League politics have halted both personal and commercial projects since August. Additionally, real estate developers have scaled back activities due to declining sales amid inflationary pressures and restrictions imposed by the Detailed Area Plan (DAP), further impacting the cement industry. Currently, only 30 out of 40 factories are



operational, with a combined production capacity of 78 million tonnes against a domestic demand of just 40 million tonnes. Entrepreneurs fear long-term repercussions unless public and private projects resume amid political stability. The decreased demand has led to a drop in cement prices, with a 50-kilogram sack now selling for Tk10–15 less.

For instance, Shah Special Cement is priced at Tk500–510, Bashundhara Cement at Tk500–510, and Holcim Cement at Tk540. Retailers are also struggling, facing difficulties in covering shop rents, staff wages and other expenses. “Sales have fallen by almost 40% since the fall of the Awami League government. Construction works remain stagnant, and we are barely surviving,” said Mohammad Yusuf

Sohagh, proprietor of Al Tabuk Agency. Tasin Ahmed, proprietor of Helmi Enterprises in Dhaka’s Kuril area, echoed the concerns. “We used to sell 1,00,000 sacks of cement monthly. Now, sales have dropped to 50,000. The reduced prices and declining demand have severely impacted our ability to manage shop rents, taxes, staff salaries and loan instalments,” he said.

According to Shankar Kumar Roy, executive director of the Bangladesh Cement Manufacturers Association (BCMA), production in factories has halved. The industry, heavily reliant on imported raw materials, is reeling under the volatile dollar exchange rate and rising operational costs. BCMA recently appealed to Finance Adviser Salehuddin Ahmed and Bangladesh Bank Governor

Ahsan H Mansur to address these issues, highlighting excessive taxes and restrictions on letters of credit as major hurdles. “The cement sector has been burdened with excessive taxes and duties for years, and the crisis is deepening,” the association noted. BCMA proposed reducing the advance tax from 2.5% to 0.5% to encourage investment. It also suggested lowering the prices of key raw materials, including clinker, gypsum and fly ash, while reducing customs duties on clinker from Tk700 to Tk200 per tonne.

Additionally, manufacturers recommended measures to support the sector, such as long-term soft loans, rescheduling default loans, and providing working capital at minimum interest rates to help the industry navigate its current challenges. ■



12.	Total Domestic Credit (BDT in crore) a) Net Credit to the Govt. Sector b) Credit to the Other Public Sector c) Credit to the Private Sector	July-December FY24		July-December FY25 <sup>P</sup>		Percentage change				
		Opening	Settlement	Opening	Settlement	July-December FY25 over July-December FY24		Settlement		
		1957595.90 363992.40 47662.30 1545941.20	3239.17 1457.80 2551.75 4903.62 10628.10 10658.84 33439.28 4152.81	2115524.90 424877.10 49419.10 1641228.70	2150832.90 438647.50 47861.20 1664324.20	9.87 20.51 0.42 7.66	1.67 3.24 -3.15 1.41	1.60 -6.03 5.53 3.46	9.80 9.69 9.42 9.84	
13.	L/C Opening and Settlement (in million US\$) a) Consumer Goods b) Capital Machinery c) Intermediate Goods d) Petroleum e) Industrial Raw Materials f) Others Total Back to Back L/C	3168.53 1285.21 2253.33 4874.01 11286.73 10622.80 33490.61 4671.64	3239.17 1457.80 2551.75 4903.62 10628.10 10658.84 33439.28 4152.81	3259.04 873.40 2087.30 4484.12 12370.91 11817.10 34891.87 5718.04	3055.94 1054.59 2195.98 4890.97 11822.68 11306.79 34326.95 5124.11	2.86 -32.04 -7.37 -8.00 9.61 11.24 4.18 22.40	-5.66 -27.66 -13.94 -0.26 11.24 6.08 2.65 23.39	-13.56 -23.86 -12.00 -5.02 -15.90 5.80 -8.29 -7.19		
14.	Rate of Inflation on the basis of Consumer Price Index for National (Base:2021-22=100) a) Twelve Month Average Basis b) Point to Point Basis Corresponding Period a) Twelve Month Average Basis b) Point to Point Basis	9.73 9.74 April, 2023* 8.64 9.24	9.73 9.89 May, 2023 8.84 9.94	9.73 9.72 June, 2023 9.02 9.74	9.90 11.66 July, 2023 9.90 9.69	9.95 10.49 August, 2023 9.24 9.92	9.97 9.92 September, 2023 9.29 9.63	10.05 10.87 October, 2023 9.37 9.93	10.22 11.38 November, 2023 9.42 9.49	10.34 10.89 December, 2023 9.48 9.41
15.	Classified Loan a) % of Classified Loan to Total Outstanding b) % of Net Classified Loan to Net Outstanding	9.36 0.90	8.16 -0.08	8.80 0.30	10.11 1.58	9.93 1.22	9.00 0.59	11.11 2.44	12.56 3.68	16.93 5.89
16.	Agricultural and Non-farm Rural Credit (BDT in crore) a) Disbursement** b) Recovery c) Outstanding	November, '23 3319.61 3470.00 54590.56	December, '23 3046.05 3361.09 55395.32	July-December, FY24 18326.17 17779.54 55395.32	November, 24 <sup>F</sup> 3689.79 3747.08 54809.59	December, 24 <sup>F</sup> 3177.96 3047.76 56018.85	July-Dec, FY25 <sup>P</sup> 16259.11 19117.26 56018.85	FY24 <sup>P</sup> 37153.90 35571.62 58119.59	FY23 32829.89 33010.09 52704.45	FY22 28834.21 27463.41 49802.28
17.	SME Loan (BDT in crore) a) Disbursement b) Outstanding	Jan-Mar, FY23 4906.840 283236.32	Apr-Jun, FY23P 62747.05 295842.02	Jul-Sept, FY24P 52654.90 298339.27	Oct-Dec, FY24 <sup>P</sup> 64841.99 304241.45	Jan-Mar, FY24 <sup>P</sup> 53107.48 303970.10	April, June, FY24 <sup>P</sup> 54526.41 306119.87	July-September, FY25 <sup>P</sup> 44202.85 299958.54	FY24 225130.78 306119.87	FY23 224103.87 295842.02
18.	Industrial Term Loan (BDT in crore) a) Disbursement b) Recovery c) Outstanding	Jan-Mar, FY23 <sup>P</sup> 20907.66 17899.35 383075.76	Apr-Jun, FY23P 26127.36 17290.02 395317.82	Jul-Sept, FY24P 26194.00 22712.86 399693.22	Oct-Dec, FY24 <sup>P</sup> 33763.22 25062.93 433807.76	Jan-Mar, FY24 <sup>P</sup> 22015.37 23468.00 428079.27	April, June, FY24 <sup>P</sup> 24971.83 25345.17 442485.79	July-September, FY25 <sup>P</sup> 23116.58 20757.35 414533.33	FY24 106944.42 96588.96 442485.79	FY23 95172.03 106393.23 395317.82
19.	GDP Growth Rate (Base: 2015-16)	FY16 7.27	FY17 6.59	FY18 7.32	FY19 7.88	FY20 3.45	FY21 6.94	FY22 7.10	FY23 <sup>R</sup> 5.78	FY24 <sup>P</sup> 5.82



**Weekly basis commodity Statement of LCs Opened and Settleed for the month of August/2022**

In million US \$(Provisional)

Sl. No.	Name Of The Commodity	First week		Second week		Third week		Fourth week		Fifth week		Total	
		Opened	Settled	Opened	Settled	Opened	Settled	Opened	Settled	Opened	Settled	Opened	Settled
1.	Rice	6.54	2.75	6.74	6.05	16.40	4.26	8.36	3.21	4.98	0.51	43.03	16.78
	i) Private Sector	6.52	2.75	6.74	6.05	16.37	4.26	8.36	3.21	4.98	0.51	42.97	16.78
	ii) Public Sector	0.02	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.06	0.00
2.	Wheat	35.70	11.42	0.91	12.04	0.68	6.45	18.73	10.57	119.26	3.62	175.29	44.10
	i) Private Sector	13.28	11.42	0.91	12.04	0.68	6.45	18.73	10.57	119.26	3.62	152.87	44.10
	ii) Public Sector	22.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.42	0.00
3.	Sugar	3.36	10.09	0.07	10.78	0.02	5.27	2.53	24.36	0.04	10.33	6.02	60.83
	a. Raw	0.00	5.09	0.04	5.78	0.02	5.27	2.53	14.36	0.00	10.28	2.59	40.78
	i) Private Sector	0.00	5.09	0.04	5.73	0.02	5.27	0.00	14.36	0.00	10.28	0.06	40.73
	ii) Public Sector	0.00	0.00	0.00	0.06	0.00	0.00	2.53	0.00	0.00	0.00	2.53	0.06
	b. Refined	3.36	5.00	0.03	5.00	0.00	0.00	0.00	10.00	0.04	0.06	3.43	20.04
	i) Private Sector	0.00	5.00	0.00	5.00	0.00	0.00	0.00	9.98	0.04	0.06	0.04	20.03
	ii) Public Sector	3.36	0.00	0.03	0.00	0.00	0.00	0.00	0.02	0.00	0.00	3.39	0.02
4.	Milk Food	10.02	10.82	3.15	6.34	1.93	1.75	4.01	8.15	0.09	0.53	19.21	27.60
5.	Edible Oil (Refined)	47.55	36.81	49.28	51.78	91.38	46.41	57.07	17.37	0.00	4.03	245.29	156.40
	a) Soyabean	2.93	18.50	14.18	0.00	4.81	2.49	0.00	8.66	0.00	0.00	21.92	29.65
	b) Palm Oil	4.77	13.76	0.01	28.85	19.57	16.25	57.07	4.86	0.00	4.03	81.42	67.75
	c) Others	39.85	4.55	35.09	22.93	67.00	27.67	0.00	3.85	0.00	0.00	141.95	59.00
6.	Edible Oil (Crude)	39.50	40.14	9.36	15.78	44.59	54.37	51.72	23.16	0.01	17.45	145.17	150.91
	a) Soyabean	10.23	13.30	6.52	10.69	17.56	45.18	21.30	22.74	0.00	11.50	55.60	103.41
	b) Palm Oil	0.00	0.00	0.00	5.10	0.00	9.17	30.40	0.37	0.00	0.00	30.40	14.63
	c) Others	29.27	26.84	2.84	0.00	27.04	0.02	0.02	0.05	0.01	5.95	59.17	32.86
7.	Dry Fruits	0.60	0.32	0.32	0.52	0.41	0.14	0.57	0.24	0.07	0.03	1.97	1.25
	a) Dates	0.09	0.06	0.11	0.29	0.22	0.03	0.40	0.06	0.04	0.01	0.86	0.45
	b) Others	0.50	0.26	0.21	0.24	0.19	0.10	0.17	0.18	0.03	0.03	1.10	0.80
8.	Pulses	0.57	0.82	1.27	0.71	1.06	15.39	8.53	7.58	2.06	2.56	13.49	27.05
	a) Masur Dal	0.44	0.70	1.14	0.71	1.01	15.06	8.43	7.14	2.02	0.58	13.03	24.19
	b) Chola Dal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	c) Others	0.12	0.12	0.13	0.00	0.06	0.32	0.10	0.43	0.04	1.98	0.46	2.86
9.	Onion	3.46	3.32	3.30	3.86	2.78	2.19	3.44	3.55	0.87	0.65	13.85	13.58
10.	Ginger	0.16	0.44	0.64	0.51	0.26	0.21	0.18	0.50	0.03	0.07	1.27	1.73
11.	Drugs & Medicines	2.48	1.72	1.03	2.37	0.20	1.62	1.22	0.81	2.07	0.12	7.01	6.63
12.	Poultry Feeds	7.98	17.10	2.67	22.62	4.17	3.44	3.06	17.58	2.51	3.41	20.38	64.15
13.	Coal	14.98	2.96	13.32	0.59	8.39	0.16	0.45	0.28	0.11	0.21	37.25	4.19
14.	Cement	2.73	4.39	4.33	0.53	1.07	4.29	2.40	4.86	0.00	1.31	10.53	15.38
15.	Clinker	15.81	8.51	24.36	12.69	20.46	4.70	20.95	19.74	2.33	6.72	83.90	52.36
16.	B.P Sheet	2.64	1.11	3.42	1.41	0.29	0.81	0.92	0.57	0.70	0.35	7.98	4.25
17.	Scrap Vessels	12.06	8.88	22.93	2.72	0.00	3.31	1.66	6.09	0.00	11.82	36.66	32.82
18.	Paper	2.11	2.68	1.16	2.31	0.86	2.96	0.83	3.71	0.29	0.93	5.24	12.60
	i) Newsprint	0.01	0.24	0.00	0.09	0.54	0.15	0.00	0.06	0.00	0.00	0.55	0.55
	ii) Others	2.10	2.44	1.16	2.22	0.32	2.81	0.83	3.65	0.29	0.93	4.69	12.05
19.	Zinc Ingot	0.61	0.79	1.91	4.89	0.00	2.11	5.75	0.95	1.85	0.08	10.13	8.83
20.	Raw Cotton	38.87	70.33	42.74	65.53	27.12	63.07	33.07	74.82	6.44	22.88	148.24	296.63
21.	Synthetic/Mixed Yarn	21.65	24.52	13.22	26.10	17.13	20.06	12.57	22.86	3.38	6.47	67.95	100.00
22.	Cotton Yarn	27.29	50.04	29.08	53.21	22.55	42.60	27.32	52.75	7.26	12.68	113.49	211.29
23.	Textile Fabrics	25.43	18.18	23.03	19.82	15.03	16.66	16.59	23.26	1.53	4.19	81.62	82.12
24.	Textile Accessories	18.41	21.01	17.34	16.99	10.97	15.95	22.04	22.73	5.72	8.80	74.47	85.48
25.	Back-to-Back L/Cs	171.73	155.03	131.06	160.80	80.92	117.43	125.50	185.55	18.89	48.03	528.10	666.85
	a. Fabrics	124.44	108.31	89.84	110.88	55.79	81.34	92.85	132.42	11.86	35.42	374.78	468.38
	b. Accessories	42.05	42.33	38.36	42.70	22.42	33.74	31.09	49.26	6.71	11.38	140.64	179.41
	c. Others	5.23	4.39	2.86	7.22	2.71	2.35	1.56	3.87	0.32	1.23	12.68	19.06
26.	Pharmaceutical Raw Materials	19.59	17.20	12.10	12.53	11.21	13.11	14.78	18.77	1.99	3.77	59.67	65.37
27.	Chemicals & Chemical Products	65.36	22.53	78.18	109.53	34.82	54.94	19.88	198.75	3.89	18.13	202.12	403.88
	a. Chemical Fertilizer	39.74	6.19	20.47	88.18	23.53	40.30	3.22	179.42	0.48	3.46	87.43	317.55
	i) Urea	33.85	0.21	0.63	0.05	1.40	0.93	0.38	0.13	0.00	0.00	36.26	1.33
	ii) TSP	0.27	0.03	14.14	30.46	0.00	0.00	0.00	28.97	0.00	0.00	14.41	59.46
	iii) MOP	0.00	0.00	0.00	0.04	20.70	29.02	0.04	57.71	0.00	0.11	20.74	86.87
	iv) DAP	2.78	0.62	3.18	50.82	0.09	0.25	0.08	88.78	0.00	0.00	6.13	140.47
	v) Others	2.84	5.33	2.52	6.82	1.34	10.09	2.72	3.84	0.48	3.36	9.89	29.43
	b. Other Chemicals & Chemical Product	25.62	16.34	57.71	21.35	11.28	14.65	16.66	19.33	3.41	14.66	114.69	86.33
28.	P.O.L.	53.95	62.39	48.86	216.24	48.89	49.31	46.46	104.75	44.78	0.00	242.95	432.69
	i) Crude	2.50	0.09	0.04	0.00	0.01	0.12	0.06	0.20	0.00	0.00	2.62	0.41
	ii) Refined	51.45	62.30	48.81	216.24	48.88	49.19	46.40	104.55	44.78	0.00	240.33	432.28
29.	Capital Machinery	39.67	60.15	30.44	72.01	18.97	58.71	54.02	62.79	6.14	21.98	149.24	275.64
30.	Machinery For Mize Industries	40.80	38.27	36.40	26.25	33.05	46.50	40.34	48.12	10.81	12.19	161.40	171.34
31.	Motor Vehicle	9.83	15.82	4.24	16.59	1.19	7.30	7.55	9.67	1.18	4.16	23.99	53.54
32.	Computer, Its Accessories & Spares	4.49	4.33	1.11	5.08	3.04	5.07	3.14	2.92	0.06	0.90	11.85	18.29
33.	Medical, Surgical & Dental Equipments	1.62	2.12	2.18	2.20	1.07	2.10	2.28	3.90	0.77	0.57	7.92	10.90
34.	Others	391.39	369.18	331.13	427.49	255.00	403.68	326.46	452.04	76.18	150.14	1380.15	1802.54
	<b>Grand Total</b>	<b>1138.93</b>	<b>1096.19</b>	<b>951.28</b>	<b>1388.85</b>	<b>775.92</b>	<b>1076.34</b>	<b>944.39</b>	<b>1436.97</b>	<b>326.30</b>	<b>379.63</b>	<b>4136.82</b>	<b>5377.98</b>

Data downloaded: on 31.08.22

# NBR Explains Heavy Tax Cut In Import Of Air Purifiers



## Business Outlook Report

**T**he National Board of Revenue (NBR) on January 21 said the import cost of air purifiers will be reduced from Tk 1,500 to Tk 7,000 each depending on the quality following the cut in the import duty along with exemption of regulatory duty (RD) and advance tax (AT).

In a press release issued today, it said that as a result of this exemption, the total tax burden on air purifier imports has been reduced from 58.60% to 31.50%. On Monday the NBR issued a notification reducing the existing customs duty (CD) on air

purifier imports from 25% to 10% and completely exempting them from paying 3% regulatory duty and 5% advance tax. Currently, according to the NBR press release, Dhaka and other cities in Bangladesh are among the world's worst-hit air polluted metropolises. This air pollution is causing widespread damage to public health and causing huge financial losses to the people.

In that context, the NBR took the decision to combat the harmful effects of air pollution by reducing customs duties at the import level and making effective air pollution

control equipment like air purifiers easily available, said the release. Due to the reduction in import cost, the NBR hoped that the air purifiers will be easily available to the public at a lower price.

The NBR said it believes that the widespread use of air purifiers will be helpful in preventing the adverse effects of air pollution on public health. Meanwhile, Dhaka, the densely populated capital of Bangladesh, ranked as the city with the third-worst air quality worldwide, registering an Air Quality Index (AQI) score of 244 on Tuesday morning at 8:50am. According to the

AQI index, the city's air quality on the day fell under the "very unhealthy" category, indicating a severe health risk.

The AQI scale categorizes air quality levels as follows: a score between 50 and 100 is deemed 'moderate', suggesting sensitive individuals should limit prolonged outdoor activities; 101 to 150 is classified as 'unhealthy for sensitive groups'; 150 to 200 is considered 'unhealthy'; 201 to 300 falls under 'very unhealthy'; and a reading above 300 is labeled 'hazardous', posing significant health risks to the public. ■



# As Trump Takes Aim At EVs, How Far Will Rollback Go?

## *Business Outlook Report*

**A**s part of his flurry of first-day actions, US President Donald Trump took aim at electric vehicles, a cornerstone of the Biden administration's climate change agenda.

Trump's executive order on "Unleashing American Energy" on January 20 included steps to ensure a "level" playing field for gasoline-powered motors and halt federal funding to build new EV charging stations. The executive order also appeared to presage other reversals, referencing the possible elimination of a federal tax credit for

EV purchases and the renouncement of a US waiver that allows California to set stricter requirements on cars. During his inaugural address, Trump said the moves would "end" the "Green New Deal," ridiculing Biden-backed incentives for EV sales.

While Trump harshly criticized EVs during the presidential campaign, policy experts have been skeptical Trump will junk all the Biden-era EV programs, in part because significant federal funding has gone toward projects in Republican congressional districts, where thousands of jobs are expected to be created. Shares of EV

makers like Rivian and EV charging companies such as EVgo fell sharply Tuesday. Tesla, which is led by close Trump ally Elon Musk, also fell. Kathy Harris, director for clean vehicles of the Natural Resources Defense Council, called Trump's policy a sop for "fat-cat oil executives," noting that EVs are better for the environment and can save consumers money on gasoline.

Many of Trump's executive orders are expected to face legal challenges, a possible outcome for the EV measures. "This is not the end of this story," Harris said. "If the administration tries to cut corners or ignore the



law, they will end up in court." The Alliance for Automotive Innovation, which has previously endorsed the need for stable auto rules, reiterated its criticism of California's car regulations in a statement that did not address other elements in Trump's executive order.

"The country should have a single, national standard to reduce carbon in transportation," said the group's president, John Bozzella. "We can't have regulations that push the indus-

showrooms will lead to "incredible pressure" on prices in 2025. The broadside against EVs followed Trump's targeting of the vehicles during the presidential campaign, when he claimed Democrat Kamala Harris wanted to force EVs on consumers.

Harris said that she favored consumer choice. The Biden administration's fuel economy rules required automakers to market fleets with sharply lower carbon dioxide

to block other projects that are still moving through the pipeline is less clear. Nearly half of the \$5 billion set aside for new EV chargers has been allocated to states under the infrastructure law, according to a memo from NRDC.

The 2021 infrastructure law's "embedded safeguards... should ensure continuity for infrastructure investments," the NRDC said. "Of course, the incoming administration could try drastic measures, but those



try too far ahead of the customer." The new policy comes as automakers pause some EV investments due to slowing growth, even as sales of emission-free vehicles climb to new levels in the United States.

In 2024, EV sales in the country reached 1.3 million, up 7.3 percent from the prior year, according to Cox Automotive's Kelley Blue Book, which pointed to a meaningful rise in EVs at different price levels. But GM, Ford and other automakers have scaled back some EV investments in recent months, pointing to slowing demand growth. A Ford executive warned in November that a glut of EVs across

emissions in a bid to address climate change, while laws such as the \$400 billion Inflation Reduction Act of 2022 included a slew of lending and tax credit programs to boost EVs.

Programs under the IRA and the 2021 infrastructure law are in various stages of implementation. Monday's executive order directs officials implementing the IRA to undertake a 90-day review to ensure that spending does not unfairly favor EVs "by rendering other types of vehicles unaffordable." Policy experts see no meaningful chance that the new administration will try to claw back US funds that have already been spent. But whether Trump will seek

will face real-world and legal hurdles." In November, the Energy Department advanced projects to provide Rivian a \$6.6 billion federal loan to build an EV manufacturing facility in Stanton Springs North, Georgia, and a \$7.5 billion loan to StarPlus Energy to finance lithium-ion battery cell manufacturing plants in Kokomo, Indiana, under a Stellantis-Samsung joint venture.

Construction on the Georgia plant is expected to begin in 2026, according to Rivian. Neither Rivian nor Stellantis responded to AFP queries on the implications of the new Trump policy for their projects. ■



# US Pulls Out Of Global Corporate Tax Deal

## *Business Outlook Report*

**U**S President Donald Trump's decision to withdraw from a global minimum tax agreement on his first day in office has unnerved EU officials, who expressed "regret" over the move.

Trump signed a flurry of executive orders within hours of taking the oath of office on January 20, pulling the United States out of the Paris Climate Accords and the World Health Organisation (WHO), and undoing many of his predecessor's policies. Among them was a measure pulling the United States out of the Organization for Economic Co-operation and Development's (OECD) global tax deal,

signed by close to 140 countries, which levied a 15 percent minimum tax on corporate profits. The executive order also requires officials to "investigate" whether countries had or planned to implement rules "that are extra-territorial or disproportionately affect American companies," and to draw up recommendations for retaliatory measures within 60 days.

EU economy commissioner Valdis Dombrovskis expressed "regret" over the move during a press conference in Brussels on Tuesday, adding that the EU remained "committed" to its international obligations. "We trust that it's worth taking the time to discuss these matters with

the new US tax administration in order to better understand their asks and explain also our position," he said. The Tax Justice Network said Trump's executive order effectively "requires countries to cede their tax sovereignty over multinationals operating within their own borders -- or face serious countermeasures."

"Trump hasn't just killed the OECD's weak tax reforms, he's effectively threatening to scrap everything built over the last century and to take the world back to 'robber baron'-era tax policies," Alex Cobham, the organization's chief executive, said in a statement. The prospect of retaliatory measures threatens to embroil the United States

in a messy fight over taxes with its closest allies at the same time the administration is also weighing imposing additional sanctions. On January 20, Trump said he could impose 25 percent tariffs on US allies Canada and Mexico as early as February 1, and pledged punitive measures against other countries as part of new US trade policy.

Canadian Prime Minister Justin Trudeau vowed a strong response to any new tariffs, telling a news conference on Tuesday that "everything" was now on the table." Ottawa's reaction would be "robust and rapid and measured," but also match dollar for dollar the US tariffs, he added. ■

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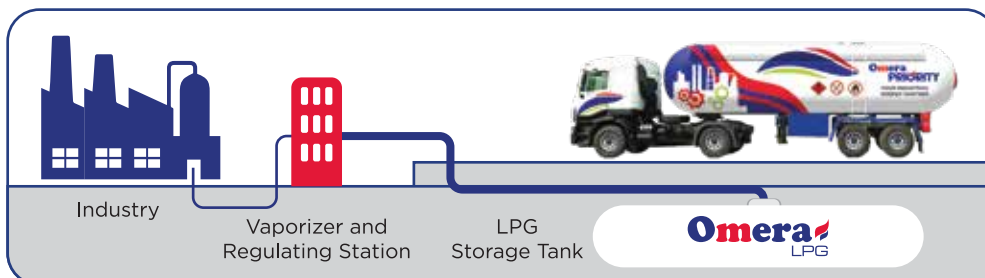


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Industrial Dryers	Ceramic Industry
Furnaces	Metal Casting Industry
Kilns of Ceramic	Metal & Aluminium Industry
	Food Industry etc.

## OMERA PRIORITY OFFERS

- Liquefied Petroleum Gas (LPG) as a green & clean fuel
- Competitive energy solution
- Alternate energy solution to natural gas
- 24/7 secured supply of LPG across the country
- Flexible LPG storage set-up solutions
- Best technical service in the industry



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