DHAKA TUESDAY DECEMBER 3. 2024, AGRAHAYAN 18. 1431 BS • starbusiness@thedailystar.net



WHITEPAPERONBANGLADESHECONOMY

Development narrative perhaps ended up as 'delusion'

STAR BUSINESS REPORT

The narrative of economic development that the ousted Awami League (AL) government tried to establish perhaps ended up being a delusion even to the wirepullers, according to the white paper on the state of the economy.

The interim government, which took over in early August following the ouster of the Sheikh Hasina government, formed a 12-member team the same month to prepare the white paper, which was submitted to Chief Adviser Prof Muhammad Yunus on Sunday.

The AL came to power in 2009 and during its 15-year tenure, independent experts and economists repeatedly questioned the quality and reliability of public data.

The white paper panel, based on analysis and consultations with stakeholders, found discrepancies in data prepared by state agencies relating to gross domestic product (GDP), inflation, poverty, population, and agricultural production.

The panel cited discussions with relevant data professionals of the Bangladesh Bureau of Statistics (BBS) and other organisations, saying political policymakers took a special interest in GDP figures and "surely had a strong influence" during the post-2013 period.



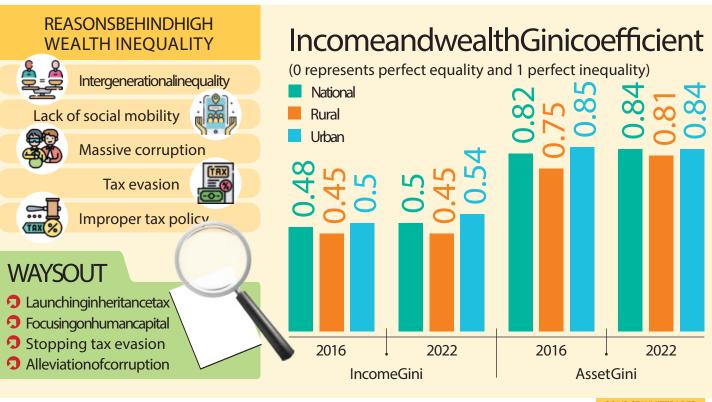
IN 17 MONTHS

The paper alleged that a collusive group within the BBS emerged to ensure the economic performance of the country was maintained against all odds, be it only on paper.

During the post-2019 period, this collusive group was largely maintaining the act.

"Data producers may have felt pressured to present an overly optimistic view of development, characterised by accelerated economic growth, especially since past estimates were repeatedly manipulated. Nevertheless, both data producers and users agreed that the urge to influence data on development indicators started from

Wealth inequality way worse than income disparity



AHSAN HABIB

Bangladesh ranks among the countries with the highest income disparities globally, but there is another problem way worse than that: wealth inequality, which means a minuscule portion of the population owns a disproportionate amount of wealth compared to the majority.

inequality in a population, increased from 0.48 in 2016 to 0.50 in 2022 for income inequality, according to the white paper.

Meanwhile, wealth inequality rose from 0.82 to 0.84 over the same period, said the "White Paper on the State of the Bangladesh Economy"

These figures were calculated using data from the Household Income and Expenditure Survey (HIES).

A Gini index ranges from 0 to 1, with 0 representing perfect equality and 1 representing perfect inequality. This provides a numerical representation of inequality. A score approaching 0.50, as in Bangladesh's case, indicates a severe level of inequality.

Citing World Bank data, the white paper

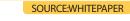
The paper mentioned that even the high Gini figures likely underestimate the true extent of wealth inequality due to incomplete data, especially for wealthy households.

For example, the wealthiest 10 percent of income earners, according to the HIES 2022 data, reported owning assets worth only Tk 7.36 lakh.

But Wealth-X, a global financial The Gini coefficient, a way of measuring intelligence and data company, reported in 2018 that Bangladesh has had the highest rise in ultra-wealthy population, surpassing any other country in the world.

The growth rate calculated by Wealth-X stood at a solid 17.3 percent that year.

However, the company didn't reveal how many ultra-rich – those who own at least \$30 million or Tk 25 billion – the country had.



distribution of assets in the country.

"This inequality is perpetuated by intergenerational inheritance, where wealth accumulates among the upper-income class and is subsequently passed down to their children."

This pattern, according to Hussain, also extends to education and human capital, as these advantages are often concentrated within families.

Persistent income inequality is also a cause of asset inequality. This, in turn, reinforces income inequality. "As a result, social mobility is limited and poorer individuals struggle to accumulate assets," Hussain added.

He pointed to the absence of inheritance tax in Bangladesh. This is unlike those in Scandinavian countries and the US, where





Eastern Bank PLC.

16230

Moody's told outdated story of Bangladesh Says governor

the GDP growth.

"It has been mentioned that the national accounts data releases for multiple years were subject to maintaining the level of satisfaction of key policymakers. To this end, in certain cases, past years' data for certain background data were also revised."

MYSTERY OF UNEXPLAINED GDP GROWTH

The panel said Bangladesh's GDP estimates have been under scrutiny for the past several READ MORE ON B3

said among the 72 countries with Gini coefficient data, only Colombia, Brazil and Panama reported values over 0.50 in 2021.

Prepared by a panel of economists and submitted to Chief Adviser Muhammad Yunus on Sunday, the report said, "Although there are issues with the comparability of of the World Bank's Dhaka office and also a to Tk 4 crore to 10-35 percent for higher asset the estimates across countries, Bangladesh's member of the white paper panel, said the current income inequality is worryingly high."

white paper said, "These figures may seem inequality. implausible when compared to casual

observations of wealth ownership." asset Gini coefficient reveals a highly unequal

Referring to the HIES wealth data, the such taxes play a key role in mitigating asset

While Bangladesh imposes a surcharge on wealth, its effectiveness is limited. The Zahid Hussain, a former lead economist surcharge ranges from 0 percent for assets up brackets.

READ MORE ON B3

Labour market: A ticking time bomb

STAR BUSINESS REPORT

Bangladesh has an oversupply of tertiary graduates and the unemployment rate among the educated youth has grown 2.5 times since 2010 as they are 'incompatible' with the structure of the industries and the economy, according to the white paper on the state of the economy.

Not only that, despite having a tertiary-level education, these graduates are ill-prepared for the market owing to low technical knowledge, the paper added.

Over the past 12 years, the number of tertiary graduates spiked by about 2.5-fold, accounting for about 9 percent of the total labour force in 2022. Hand in hand, the unemployment rate of this group increased from 4.9 percent in 2010 to 12 percent in 2022.

"This group consists of university and college graduates, including from the Madrasah stream, who are incompatible with the structure of industry and service sectors of the country. The graduates are not only oversupplied, they are ill-prepared for the market and have little skills, both hard and soft, to offer," according to the report.

About 60 percent of public university students are studying arts and social sciences, 24 percent commerce, and only 12 percent

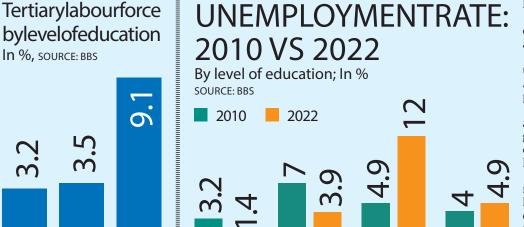
bylevelofeducation In %, SOURCE: BBS SOURCE: BBS 2010 5 S \mathbf{m} \mathbf{m} \mathbf{m} Noeducation | ClassVI-XII | 2010 2022 2000

science, mathematics (STEM).

However, enrolment in STEM fields is much lower in tertiary colleges.

The fact that the share of STEM graduates is low can merely reflect the structure of the economy with low demand for them, the paper read.

"That is, unless the economic growth is



technology, engineering and propelled by high tech industries and services including ICT, the demand for STEM graduates will remain low," it said. "It is a catch-22

situation, which is why integration of education policy with industrial policy is critical." The 12-member white paper panel, led

Tertiary

Others

bv submitted the paper to Chief Adviser Professor enrolled students.

Muhammad Yunus on Sunday.

The white paper panel also termed the employability and labour market dynamics as a "ticking time bomb".

In the face of rising youth unemployment, there was a widespread student movement in July this year demanding reforms to the quota policy for government jobs.

This frustration ultimately boiled over after a series of retaliatory measures from the government, eventually climaxing in the ouster of the Awami League government and Prime Minister Sheikh Hasina, who fled to India.

The service and industry sector mostly rely more on professionals and technicians who have completed secondary or higher secondary education, i.e. technical graduates than university graduates, it observed.

White-collar jobs make up about 9 percent of employment opportunities in industries and 23 percent in the service sectors, according to the Labour Force Survey 2022.

Currently, about 10.5 lakh students, or about 68 percent of students, are studying in 55 public universities while the rest are enrolled in 116 private universities.

Additionally, there are about 1,941 tertiarylevel colleges that award honours and master's economist Debapriya Bhattacharya, degrees. These colleges have about 41.8 lakh **READ MORE ON B3**

STAR BUSINESS REPORT

Ratings Moody's is narrating an outdated story of Bangladesh, not the updated one, said Bangladesh Bank Governor Ahsan H Mansur in a webinar vesterday.

The central bank governor was responding to a question about Moody's recently downgrading its rating for Bangladesh.

Last month, Moody's downgraded Bangladesh's long-term ratings to B2 from B1 and said the outlook has been changed to "negative" from "stable".

When the downgrade was announced, the depletion of forex reserves had been arrested, said Mansur at the webinar on the investment climate in Bangladesh.

Moreover, the central bank had suspended a US dollar selling spree, exchange rates had stabilised and balance of payments, especially the deficit current account balance, had narrowed, he said.

The webinar was hosted by Ashik Chowdhury, executive chairman of Bangladesh Investment Development Authority (Bida) and Bangladesh Economic Zones Authority (Beza).

Anelalis on the App Store Google Play

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NPSB FUND TRANSFER FREE ILY UP TO 10 LAC

Per Transaction minimum transfer amount BDT 50 to maximum BDT 3 LAC



Bank Asia signs deal with ShareTrip on booking discounts

STAR BUSINESS DESK

Bank Asia PLC recently signed an agreement with ShareTrip Limited, one of the leading online travel agencies of Bangladesh, offering cardholders discounts on different bookings.

The Daily Star

DHAKA TUESDAY DECEMBER 3, 2024 AGRAHAYAN 18, 1431 BS

Zishan Ahammad, head of cards, alternative delivery channels and internet banking of the bank, and Arup Ratan Barua, chief finance officer of the online travel agency, penned the deal at the bank's card department office in the capital's Shukrabad, the lender said in a press release.

Under the agreement, Bank Asia credit cardholders will enjoy up to 12 percent discount on flight bookings and up to 70 percent discount on domestic hotel and resort bookings from ShareTrip's shops/outlets/ website.

Cardholders will also enjoy 3-, 6-, 9- and 12-month instalment facilities.

Other senior officials from both organisations were also present.



PHOTO: BANK ASIA

Zishan Ahammad, head of cards, ADC and internet banking of Bank Asia, and Arup Ratan Barua, chief finance officer of ShareTrip, pose for photographs after signing an agreement at the bank's card department in the capital's Shukrabad recently.

Prime Bank partners with Footstep for clean water, solar energy

AGREEMENT SIGNING CEREMONY

Shah Meem Rafayat Chowdhury, president of Footstep Bangladesh, and Md Ziaur Rahman, deputy managing director and chief risk officer of Prime Bank, shake hands and exchange signed documents of an agreement at the latter's head office in the capital's Gulshan recently. PHOTO: PRIME BANK

Mercantile Bank organises anti-money laundering conference

STAR BUSINESS DESK

Mercantile Bank PLC recently the conference as the chief guest, the organised an "Anti Money Conference-2024" Laundering

head of Bangladesh Financial resource persons. Intelligence Unit (BFIU), inaugurated bank said in a press release. Mati Ul Hasan, managing director

Javed Tariq, principal of Mercantile Bank Training Institute, moderated the programme, where Lopita Mannan, senior vice

STAR BUSINESS DESK

Prime Bank PLC recently signed a partnership agreement with Footstep Bangladesh, a non-governmental organisation in Dhaka, to install water filtration systems and solar panels.

Under this agreement, the bank will install water filtration systems in eight public schools in Chattogram and solar panels in 100 households of fishermen in Cox's Bazar as a part of its corporate social responsibility (CSR).

Md Ziaur Rahman, deputy managing director and chief risk officer of the bank, and Shah Meem Rafayat Chowdhury, president of Footstep Bangladesh, penned the deal at the former's head office in the capital's Gulshan, the

commercial lender said in a press release. Rahman said, "The bank is deeply committed to enhancing the well-being of underprivileged communities by ensuring their access to safe drinking water and renewable energy.'

"Through its corporate social responsibility initiatives, the bank strives to promote sustainable development and support those in need, particularly in areas where these basic resources are scarce," he added.

Other senior officials from both the organisations were also present.

Gold drops after four sessions of gains

REUTERS

ending a four-session winning percent to \$2,658.60. streak, weighed down by a robust US dollar, as investors eved upcoming on track for its best day in over a week, economic data and remarks from making greenback-priced bullion nations to pledge not to establish or Federal Reserve officials for clues on more expensive for holders of other endorse an alternative currency to

to \$2,635.65 per ounce, as of 1059 GMT. It was down 1 percent earlier in Gold dropped 1 percent on Monday, the session. US gold futures fell 0.8

The dollar index gained 0.5 percent,

towards the BRICS countries not to move away from the US dollar are supporting the dollar and moderately weighing on the gold prices today, said UBS analyst Giovanni Staunovo.

Trump on Saturday called on BRICS

Manufacturing in Germany mired in downturn

REUTERS, Berlin

Germany's manufacturing sector remained firmly entrenched in contraction territory in November as firms struggle with weak demand and competitive pressure, highlighting ongoing challenges for Europe's largest economy, a survey showed on Monday.

The HCOB Germany Manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, held steady at 43.0, unchanged from October.

This final reading comes in slightly below a preliminary reading of 43.2 and remains well below the 50-point threshold separating growth from contraction.

While the rate of decline in output and new orders eased slightly, with the latter at its slowest rate in six months, employment, output prices and export sales quickened their fall.

"The situation for German industry is looking pretty grim. People are feeling the pinch as reports of companies in the manufacturing sector planning massive job cuts are coming in almost daily," said Hamburg Commercial Bank chief economist Cyrus de la Rubia.

Employment in the sector was scaled back for the 17th consecutive month, with the rate of job cuts accelerating close to September's 49-month record. Nearly 29 percent of businesses reported reducing staff, reflecting ongoing efforts to align employee levels with falling workloads.

Despite these challenges, there was a slight uptick in business confidence, which turned positive for the first time in three months, though it still remains low by historical standards.

PRICES OF KEY ESSENTIALS IN DHAKA CITY								
	PRICE (DEC 2, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO					
Fine rice (kg)	Tk 68-Tk 80	-1.33 🕇	8.03 🕇					
Coarse rice (kg)	Tk 50-Tk 55	-1.87 🔶	2.94 🕇					
Loose flour (kg)	Tk 40-Tk 45	0	-10.53 🔶					
Lentil (kg)	Tk 105-Tk 110	0	0					
Soybean (litre)	Tk 165-Tk 168	4.72 🕇	9.18 🕇					
Potato (kg)	Tk 75-Tk 80	29.17 🕇	78.16 🕇					
Onion (kg)	Tk 115-Tk 130	-12.50 🕹	6.52 🕇					
Egg (4 pcs)	Tk 48-Tk 50	-2.00 \downarrow	22.50 🔶					
SOURCE: TCB								



capital's Purana Paltan.

Anti-money laundering compliance officers from 152 branches, heads of different branches, senior heads from the head office of the bank took part in the conference.

AKM Ehsan, executive director

at FARS Hotel and Resorts in the of Mercantile Bank, presided over the president and DCAMLCO and event, where Md Mostakur Rahman, director of BFIU, was present as the

special guest. Shamim Ahmed, deputy management teams and divisional managing director and CAMLCO of the bank, Md Rayhanul Islam, additional director, and Md Mahbubur Rahman, joint director of the Bangladesh Bank and acting of BFIU, attended the programme as

head of AML and CFT division of Mercantile Bank, was present.

Md Zakir Hossain, Adil Raihan and Ashim Kumar Saha, deputy managing directors, and Taposh Chandra Paul, chief financial officer, along with other senior officials and executives of the bank, were also present.

AML Conference-2024

AKM Ehsan, executive director of Bangladesh Bank and head (acting) of Bangladesh Financial Intelligence Unit, attends the "Anti Money Laundering Conference-2024" organised by Mercantile Bank at the FARS Hotel and Resorts in the capital's Purana Paltan recently. PHOTO: MERCANTILE BANK

Government of the People's Republic of Bangladesh Office of the Executive Engineer PWD Division, Rangpur Tel 02589962357 e-mail: ee_mgpr@pwd.gov.bd Memo No. 25.36.8500.110.00.000.00 24.4491 Date: 02/12/2024 INVITATION FOR e-GP TENDER Tender Proposal SL. e-GP Tender ID Name of work NO & Reference No **Closing Date and Time** 1037891, Establishment of complete cancer, kidney and 24-Dec-2024

PWD/Cancer/	heart medical center in 8 divisional cities one	12:02
Rang /GD-6	at Rangpur Medical College Hospital (Sub	
	Head: Intercom/PABX,CATV/Dish, Public	
	Address (P/A, Digital Conference/Sound	
	System), Digital Sign Board/Signage CCTV,	
	computer Network (LAN & Wifi), tools &	
	Plants, Ongrid Solar System, Drinking Water	
	purifying mini system)	

This is an online tender where only e-Tenders will be accepted in e-GP portal and no offline and hard copy will be accepted. To submit e-tender please register on in the National e-GP system portal (http://www.eprocure gov bd) is required.

Further information and guidelines are available in the National e-GP System Portal (http://www.eprocure.gov.bd)



Oil rises on upbeat China data

REUTERS

Oil prices rose on Monday, supported by strong factory activity in China, the world's second-largest oil consumer. and escalating tensions in the Middle East, where Israel resumed attacks on Lebanon despite a ceasefire deal.

Brent crude futures climbed 75 cents, or 1.04 percent, to \$72.59 a barrel by 1002 GMT while US West Texas Intermediate crude was at \$68.70 a barrel, up 70 cents, or 1.03 report.

the future of US interest rates.

Spot gold was down 0.7 percent of President-elect Donald Trump tariffs for non-compliance.

currencies. "Some of the comments the US dollar, warning of 100 percent



Zilla Parishad Office

Naogaon. www.zp.naogaon.gov.bd

Date 02-12-2024

e-Tendering Notice Number-08/2023-2024 Limited Tendering Method (LTM)

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

SI No	Description of Works & Pakage No	Tender ID	Tender Last Seling (Date & Time)	Tender Opening (Date &Time)	Estimated Cost/ Remarks
1.	Construction of B.F.S Road at Semolia Village Eidgah Field to Akram Aroj house at Vopara UP Upazila: Atrai Dist: Naogaon. (2) Construction of Boundary Wall at Tholulma Eidgah Field at Bisha UP Upazila: Atrai Dist: Naogaon. (3) Construction of C.C. Work at Boro Sawta Pucca Road To Boro Sawta School at Bisa U.P. Upazila: Atrai Dist; Naogaon. (4) Development of Domdottobaria Purbopara Jamei Mosque at Moniari U.P. Upazila: Atrai Dist: Naogaon. (zpn/adp/2023-2024/01)	1037971	18 Dec-2024 Time: 17:00	19 Dec-2024 Time: 12:00	LTM 10,50,000.00
2.	(1) Construction of H.B.B Road at Modoel- Aggradegun Boro Road To Lodipur Village Mohalot Para Mosque at Khalna UP Upazila: Dhamoirhat Dist: Naogaon (2) Construction of Box- Culvert ((0.750 mx 0.750 m) Hortokidanga Banidoer In Front of Momtajur House at Dhamoirhat UP Upazila: Dhamoirhat Dist: Naogaon. (2pn/adp/2023-2024/02)	1037972	18 Dec-2024 Time: 17:00	19 Dec-2024 Time: 12:00	LTM 6,00,000.00
3.	Construction of H.B.B at Goungra Adibashipara Road at Raigan U.P Upazila: Mohadevpur Dist: Naogaon.(2) Construction of Guidewall at Belot (Ahammed Hajipara) Graveyeard at Mohadevpur Raigan UP Upazila: Mohadevpur Dist: Naogaon. (zpn/adp/2023-2024/03)	1037973	18 Dec-2024 Time: 17:00	19 Dec-2024 Time: 12:00	LTM 8,50,000.00
4.	Construction of Slab Krisnapur Madrasha at Raigan U.P Upazila: Mohadevpur Dist: Naogaon.(zpn/adp/2023-2024/04	1037974	18 Dec-2024 Time: 17:00	19 Dec-2024 Time: 12:00	LTM 10,00,000.00
5.	Construction of Slab at Bhanderpur High School Upazila: Badalgachi Dist: Naogaon. (zpn/adp/2023-2024/05)	1037975	18 Dec-2024 Time: 17:00	19 Dec-2024 Time: 12:00	LTM 10,00,000.00
6.	(1) Construction of Protective work Mollapara Balipokur at Ghatnagor UP Upazila: Porsha Dist: Naogaon. (2) Construction of H.B.B Road at Laowadanga Asraf House to Nabi House at Ganguria UP Upazila: Porsha Dist: Naogaon. (3) Construction of H.B.B Road at Mohorpara club more to Latif House at Moshidpur UP Road Upazila: Porsha Dist: Naogaon. (zpn/adp/2023-2024/06)	1037976	18 Dec-2024 Time: 17:00	19 Dec-2024 Time: 12:00	LTM 14,00,000.00
7.	(1) Construction Of H.B.B Road Tola Gainor Sabek Member Mr. Saidur Member House to Toia Gainor Road at Nithpur UP Upazila: Porsha Dist: Naogaon. (2) Construction of H.B.B Road Chaor South Para Mosque to Shaidul House Road at Chaor UP Upazila: Porsha Dist: Naogaon. (3) Construction of H.B.B Road Deghipara Mojjamal (Votha Member) House To Deghipara Near of Masque Road at Tetulia UP Upazila: Porsha Dist: Naogaon. (zpn/adp/2023-2024/07)	1037977	18 Dec-2024 Time: 17:00	19 Dec-2024 Time: 12:00	LTM 13,00,000.00
8.	(1) Construction of H.B.B Road Nishcentopur Dakhil Madrasha to in front of main Road at Sapahar UP Upazila: Sapahar Dist: Naogaon. (2) Construction of H.B.B Road Tajpur Village Mosque to South Side Road at Sapahar UP Upazila: Sapahar Dist: Naogaon. (3) Construction of Supplying Door & Window at Sapahar Soumi-Koumi Madrasha Upazila: Sapahar Dist: Naogaon. (zpn/adp/2023-2024/08)	1037978	18 Dec-2024 Time: 17:00	19 Dec-2024 Time: 12:00	LTM 11,50,000.00

This is online tender where only e-Tender will be accepted in the National e-GP portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (http://www.eprocure.gov.bd) is required. The fees for downloading the e-Tender documents from the National e-GP System Portal have to be deposited online through any registered banks. Further information and guidelines are available in the National e-GP System Portal and from e-GP helpdesk (helpdesk@ eprocure.gov.bd)



GD-1097



BUSINESS

Govt may cut GDP growth projection to 5.25% in FY25

STAR BUSINESS REPORT

The interim government of Bangladesh will likely revise the country's projection of gross domestic product (GDP) growth to 5.25 percent from 6.75 percent for the current fiscal year of 2024-25.

This issue was discussed at a fiscal coordination council meeting chaired by Finance Adviser Salehuddin Ahmed at Bangladesh Secretariat vesterday

It was the first time that the interim government sat for discussions on GDP growth, inflation and estimating a revised budget for the ongoing fiscal year.

According to officials at the meeting, the government may also revise the inflation target for fiscal 2024-25 to 9 percent from the 6.5 percent targeted in the proposed budget for the year.

In its World Economic Outlook, International Monetary Fund (IMF) recently slashed Bangladesh's growth projection by 2.1 percentage points to 4.5 percent, the lowest since fiscal 2019-20, when the global coronavirus pandemic hit.

In fiscal year 2019-20, the country recorded a GDP growth of 3.4 percent.

Earlier in June this year, the IMF forecasted Bangladesh's GDP growth for the current fiscal vear to be 6.6 percent.

The IMF outlook did not mention the reasons.

In August, the World Bank slashed its growth forecast for the Bangladesh economy by 1.7 percentage points to 4 percent for fiscal year 2024-25 due to "significant uncertainties following recent political turmoil" and "data unavailability".

The GDP growth could be as low as 3.2 percent and, if the situation improves, 5.2 percent at best, it said.

This came after Asian Development Bank lowered its growth forecast for Bangladesh to 5.1 percent from 6.6 percent, citing supply chain disruptions caused by political unrest in July and August.

BTRC lifts bar on local cache for faster internet

MAHMUDUL HASAN

The Bangladesh Telecommunication Regulatory Commission (BTRC) yesterday repealed a directive it had passed in 2021 restricting small and mediumsized internet service providers (ISPs) from installing cache servers for their network.

This policy reversal is expected to enhance internet speeds and reduce operational costs for ISPs across the country.

Cache servers, which locally store frequently accessed content, play a crucial role in ensuring faster internet connectivity. Their absence forced ISPs to

route data from distant servers, resulting in slower speeds and increased operational expenses.

Industry experts and insiders have long argued that this limitation hampered the growth of the digital ecosystem, increasing the digital divide in Bangladesh.

With the ban now lifted, small and medium-sized ISPs, in addition to International Internet Gateways (IIGs), National Internet Exchanges (NIXs), and mobile operators, will also be able to install cache servers under specific conditions set by the BTRC.

Operators must inform the commission about the servers' specifications, installation sites, and agreements with suppliers.

Additionally, prior approval in the form of a no-objection certificate (NOC) is required before importing cache servers.



PHOTO: STAR/FILE

Operators must also submit content. For ISPs, the operational cost savings are expected to be substantial as the reliance on expensive, long distance data routing will be minimised.

Rakibul Hassan, chief technology officer of Link3 Technologies, hailed the development as a good initiative of the BTRC.

"It will significantly reduce our international bandwidth costs," he said.

However, for importing such equipment, the BTRC, customs, Experts said this decision would and other government agencies lead to significant improvements could collaborate to establish a in service quality, allowing users to single-window system, enabling experience quicker access to online streamlined processing, he added.

FROM PAGE B1

Stocks rise after two-day fall

STAR BUSINESS REPORTER

The indices of the stock market in Bangladesh rose yesterday after falling for two consecutive trading days as investors poured funds on lowpriced shares to pocket short-term gains amid price swings.

The rise was led by an increase in share prices of companies like Islami Bank Bangladesh, Square Pharmaceuticals, Grameenphone, United Commercial Bank, BRAC Bank and Olympic Industries.

The DSEX, the broad index of Dhaka Stock Exchange (DSE), rose by 16.89 points, or 0.32 percent from that on the day prior, to close at 5,201 points.

Similarly, the DSES, the index that represents Shariah-based companies, grew by 2.89 points, or 0.25 percent, to 1,168 points.

The DS30 index for blue-chip shares went up by 2.48 points, or 0.13 percent, to 1,913 points.

At the Chittagong Stock Exchange, the CSE All-Share Price Index, the main index of the port city bourse, edged up by 23.91 points, or 0.16 percent, to settle the day at 14,558 points.

Of the 937 scrips that were traded at the DSE 238 witnessed an increase in prices, 98 closed lower while the remaining 61 issues did not see any price fluctuation.

The day's turnover, which is the collective value of shares changing hands, increased by 25.90 percent to Tk 500 crore, the highest in eight days. The last time it was this high was on November 20, when it amounted to Tk $5\overline{14}$ crore.

Stocks of the banking sector dominated the turnover chart, accounting for 16.55 percent of the total. Block trades, which refers to highvolume transactions in securities that are privately negotiated and executed outside the open market, contributed another 1.8 percent.

NRB Bank Limited emerged as the most-traded share, with a turnover of Tk 30.5 crore.

Sector-wise, travel and leisure, non-bank financial institutions (NBFIs) and jute were the top three to close in the positive, according to the daily market update by UCB Stock Brokerage.

Wealth inequality

FROM PAGE B1 Mohammad Razzaque, Research Policy

Integration for (RAPID), Development criticised the current surcharge on wealth. "What kind of system is

it?" He said the absence of tax evasion and corruption contribute to concentration of wealth among the rich."

among the affluent. For instance, the real price of land or flats and their differ significantly. often policies Moreover, tax inadvertently encourage across wealth accumulation among deciles. the affluent, Razzaque said.

compliance. Besides, he called for curbing illegal Abdur chairman money generation. According to the World and

Inequality Database, the bottom 50 percent of the Bangladeshi population owns only 5 percent of the country's assets.

The white paper said, "Despite underreporting, effective policies, rampant land accounts for half of the reported wealth and the is heavily concentrated of

breakdown А distribution by asset consumption decile reveals registered values that land and real estate constitute over half of the total wealth accumulated consumption driving this stark inequality

wealth Real estate

added estimations for the

industry sector. Indeed,

about half of the GDP

estimates are not based on

For example, the value-

added for private transport

is calculated using the

cumulative number of

vehicles newly registered

with the government

Transport Authority and

the fixed value-added per

This does not necessarily

INFLATION ESTIMATES

panel

Citing a 2022 study by

the

mentions

while BBS recorded food

inflation at 4.85 percent

for urban areas and 5.94

January 2022, SANEM's

estimates suggested that

Bangladesh Road

namely

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that

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consider

The

(SANEM),

paper

transport, it said.

credible real-time data."

propensity to invest in FROM PAGE B1 return-generating assets like stocks, bonds, and

downgrade when jewelry in both 2016 and economic outlook While the differences in the average land ownership objection against among rich and poor households are relatively agency.'

small, with the richest quintile owning only 0.03 acres more on average, the real disparity lies in land

before, he added. by 2022, unlike those for

governor hoped The primary factors in land value are location, as food prices had already access to infrastructure,

FROM PAGE B4

including

mechanisms.

labour laws.

decentralise

monthly reports to the BTRC,

detailing the servers' operational

status and providing updates

in case of server relocation or

Furthermore, a monitoring link

The move aligns Bangladesh's

must be supplied to the commission

internet infrastructure with global

best practices, where last-mile

service providers use cache servers

to deliver faster and more reliable

to ensure regulatory oversight.

upgrades.

High interest rate is not

estimated the only obstacle behind the deterioration of foreign investment, he said, adding that many other, more important non-economic factors were liable here.

Bringing about good governance in the banking sector is the first priority, he said, adding that a single family controlled about seven banks and two financial institutions bypassing the banking rules and regulations.

'This happened because of political support," said Mansur.

The central bank has formed three task forces for improvements in the

Labour market

The white paper also that the manufacturing sector had disproportionately absorbed labour from the agriculture labour market. sector compared to the

service sector. Just over half of the labour force was employed in agriculture at the turn of the millennium while 36 percent was in the service sector and 12 percent in

manufacturing. However, by 2022, agriculture's share dropped by about five percentage points to 45 percent while that of the manufacturing sector increased by the same

magnitude to 17 percent.

reduced by only 2.6 percentage points over the years since 2010," the paper read. The white paper panel identified three major problems in the

First, the employability of the white paper committee the labour force is low due to poor foundational training in schools and a lack of

training for job readiness. Second, the labour and vocational education market is subject to various kinds of mismatches. The education system is producing more graduates than the market can absorb and more arts and social science graduates than the market demands.

imbalances in The supply and demand in experiments." It also estimated that skill levels have plagued about 85 per cent of the the labour market, a frequent complaint among employers.

graduates are very limited. In fact, there are no statistics on how many decent jobs are created every year, the report found.

To combat these issues, recommended strengthening public investment in technical sectors.

"Although technical and training (TVET) has a reputation for its high employability and decent payment, it fails to attract good students. The image and social recognition of TVET graduates should be enhanced through learning from well-designed pilot

Aligning policies and rategies is critical for

the was

the

While talking about the

KEPZ decides

As a result, the taka has now turned into an asset more attractive than

bank The central for inflation to come down in the upcoming months,

Moody's announced the improving, said Mansur, adding, "That is our assessment of the rating

country's economy, the BB governor said high inflation was a concern and the monetary policy was tight.

Land values for the oper quintile were significantly higher in 2016 and increased dramatically

Moody's told no," he added.

internet services.

Hussain Meanwhile, to high wealth inequality.

minimise To disparity, Hussain income tax more precisely enforcing and tax

inequality said massive corruption is from concentrated land another factor contributing ownership or appreciation value appreciation across of land and property values. this Households in the highest income decile own the recommended defining most significant portion of real estate.

stem and utilities. can The disparity in land quintiles suggests that government infrastructure

2022.

value.

upper

lower quintiles.

investments disproportionately benefited the wealthy while They also show a higher neglecting the poor.

twice those figures.

white

research by the Bangladesh

Institute of Development

Studies, saying it found

areas had hit 15 percent in

reported at 9.58 percent by

IN POVERTY RAISED

white

committee said the BBS

estimated that poverty

rates have been reducing

since 2010, hitting 18.7

percent in 2022 from 26.5

percent in 2016. Similarly,

extreme poverty rates have

declined from 9.2 percent

in 2016 to 5.6 percent in

2022, according to the

reductions do not align

with improvements in

other well-being indicators,

such as food security,"

the paper added, citing

the 2023 Food Security

Statistics by the BBS

that showed more than

one-fifth of households

perceived themselves as

moderately to severely food

data, the poverty reduction

rate does not go in parallel

with contemporary food

insecurity statistics. The

sharp decline in extreme

white paper said.

"According to the official

statistical agency.

"However,

insecure.

The

the BBS.

SHARP

EYEBROWS

The

businesspeople...did have investment come when the maximum lending rate was

paper

another

DECLINE

paper

these

declined in the market. country's banking sector "We are seeing as well as for strengthening а the central bank, he turnaround," he said. "We realised that hiking informed.

the interest rate was hitting at 9 percent...the answer is added.

Now the central bank is continuing to relax rules and regulations to attract foreign investment, he

employment is created in the informal sector. This number is even higher in rural areas, where it hovers

execute in pace."

around 88 percent. from "The transition

Lutfey Siddiqi, the chief

adviser's special envoy for

international affairs, said:

"Today's result illustrates a

new style of government that

operates with clear intent

The KEPZ, primarily

About 52 percent of the

Youngone

currently

34,000

very sluggish. The share of informal jobs has been minimising mismatches. "There is no labour market commensurate

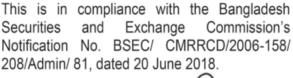
public and private sectors the country. In fact, the longto absorb new entrants term plan, including growth informal to formal has been to the market. Given the strategy, are not consistent structure of the industry, with sectoral plans," the opportunities for tertiary paper said.

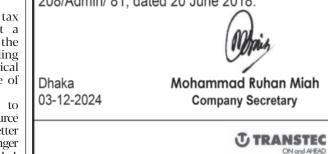
Third, there are not strategy enough jobs created by the with the growth strategy of

Bangladesh Lamps Limited Head office: House-22, Road-4, Block-F, Banani, Dhaka-1213 Notification for general information of the shareholders

This is for the kind information of all our valued shareholders that the Annual Report 2023-2024 of Bangladesh Lamps Limited, in soft form, including all relevant annual audited financial statements, management's discussion and analysis, report or certificate on compliance of the Corporate Governance Code and Directors' Report along with the notice of the 63rd Annual General Meeting, etc., has been transmitted to the respective shareholders of the Company through their email ID available in their beneficial owner (BO) accounts with the depository.

The said Annual Report 2023-2024 is also available in the website of Bangladesh Lamps Limited (www.bll.com.bd).





The committee took and focused execution." "We hope that a executive decisions to existing investors to make virtuous cycle of feedback complete the remaining them our ambassadors," said and responsive reforms land handover to KEPZ as Chowdhury Ashik Mahmud will make many of the quickly as possible, roll out Bin Harun, executive the authorised economic chairman of the Bangladesh grievances about our investment climate out of operator model, ease the Investment Development date very soon," he added. bond licensing procedure,

"As a test case, a separate SWOT team was set up in Bida to identify key challenges in the KEPŹ and resolve them. We wanted to set an example. And today's successful meeting demonstrates the government can also

Powerful lobbies

authority

FROM PAGE B4

Difficult filing requirements, such as being asked to provide wealth statements, further discourage compliance.

and open dialogue on

unanimously decided to

and fast-track services by

moving KEPZ out of CAO's

direct administration to

the Bangladesh Economic

The committee also

The paper estimated that tax evasion is widespread, aided by political connections and informal settlements with tax officials.

corporate As for taxation, the white paper said the system is complex, with varying rates across sectors, and high rates in sectors such as tobacco and telecommunications, discouraging investment. The problems at the

percent for rural areas in poverty surely raised the evebrows of analysts," the NBR begin at the top, with efficient administration and READ FULL STORY ONLINE governance of the revenue

Zones Authority. The meeting covered These steps are expected several important issues, to send a signal to the wider land rights, investment community ports and customs, labour that Bangladesh is open for business, according to the law, and investor support

statement. "We must support our Authority (Bida) and Beza.

operated by Corporation, employs over Bangladeshis in 48 state of-the-art industrial units. 2,500-acre area is reserved

hampered by the current procedure to choose the

The NBR Order 1973,

was passed in 1979 that allowed the NBR chairman to be selected from the administration cadre.

created operations.

Additionally, the tenure

of the NBR chairman is structured in such a way that it encourages short term objectives over long term, sustainable reforms,

complexities of the NBR's

for green open spaces. authority being seriously

chairman, the white paper committee said.

NBR members, was the reference point. However, an ordinance

appointments These problems as

such individuals could not properly grasp nor adequately address the

which stipulated that the

NBR chairman would be chosen from one of the

the white paper added.

"For tax reform to succeed, it's not just about policy; it is also about overcoming political and bureaucratic

resistance and addressing corruption," it said. Bangladesh's

collection woes reflect a deeper issue: reforming the system means dismantling decades of political influence and a culture of

favouritism. "The way forward to greater domestic resource mobilisation lies in better governance and stronger

institutions," the paper added.

fifth. "Pharmaceuticals that food inflation in rural also registered similarly unusually high growth December 2023 whereas rates. Likewise, the national food inflation was export volatility of natural gas use for industry or the total is not reflected in value-

Development narrative

The white paper panel such stability political stability increase in the 2010s.

drivers, it added.

report terms this period as UNDER SCRUTINY

the country raised similar auestions. between FY14 and FY19, the GDP growth rate (calculated based on 2005-06 prices) never declined compared to the preceding year's estimates.'

The panel used FY17 as an example, saying that the BBS reported 54.8 percent growth in leather and related industries although exports of the sector marginalised households

declined 16.3 percent that faced inflation rates over FROM PAGE B1 years due to their apparent year. In FY18, the same sector disjuncture with several posted a 50.5 percent mentioned other key macroeconomic development growth despite exports declining by more than a indicators. including private sector credit growth, mobilisation, payments for

revenue import capital machinery, energy consumption, receipts and employment generation.

and

cited a World Bank (WB) study and said structural growth drivers as trade, foreign direct investment (FDI), finance, macroeconomic and could predict GDP growth reasonably well during the 1990s and 2000s. However, the share of unexplained GDP growth started to

This peaked in the 2015-2019 period, when 3.7 percentage points of growth could not be explained by the structural

The report said the WB

"rather unusual." "Often, think-tanks in questioned estimates by government Curiously, agencies. the South Asian Network on Economic Modeling

BUSINES

WHITEPAPERONBANGLADESHECONOMY

Powerful lobbies, elites and corporate interests thwart tax reforms

STAR BUSINESS REPORT

A complex political economy that sees powerful lobbies, political elites and corporate interests oppose changes to the status quo has limited the mobilisation of domestic resources by slowing the pace of planned reforms, according to the white paper on the state of the economy.

Although multiple documents have outlined various tax reforms and emphasised the need for the digitalisation of government services, these reforms have never been fully implemented.

Among the most pressing issues has been low tax collection, which the paper said was driven by weak governance, widespread corruption, and a lack of trust in how tax revenue is used.

According to the paper, it is worth noting that the 7th Five Year Plan had set a target of raising the revenue-GDP ratio from 10.9 percent to 16 percent by the end of the plan period.

However, the paper added it is abundantly evident that of the National Board of "corruption, especially in tax administration, leads to widespread tax evasion and poor compliance".

informal and "The discretionary tax system benefits compliance, the white paper these groups, making reform difficult," it said, adding that the

REGISTERED TAXPAYERS AND FILED **TAXRETRUNS** In million; SOURCE: NBF so-called push for digitalisation has stalled for the same reasons. It stated that the 1991 VAT reform's success stands in contrast

to subsequent failures, emphasising the necessity of substantial political backing, technical planning, and stakeholder ownership in order to accomplish significant tax reforms. The half-hearted automation

Revenue's (NBR) tax collection system is a major barrier to effective revenue generation, deepening inefficiencies and fostering a climate of nonpointed out.

Although the NBR has

Registeredtaxpayers Returnssubmitted 104.

> implemented certain automated tax filing and payment systems, these initiatives are dispersed and not entirely integrated

with other pertinent and vital organisations, including the Ministry of Finance, the Registrar of Joint Stock Companies, the Bangladesh Bank, and others, the paper alleged.

strategy, the NBR is unable to ineffective administration in the obtain up-to-date information on individuals and companies, which makes it more difficult to effectively track revenue, monitor corporate operations and stop tax evasion.

If the NBR does not have

picture comprehensive financial of a taxpayer's transactions across several industries, it is exposed to fraud, false declarations, and underreporting, the paper added. Additionally, weak local

governance and limited fiscal decentralisation hinder public service delivery, discouraging citizens from paying taxes, it said. While the 1991 VAT reform

succeeded, subsequent attempts, such as customs duties reform and VAT expansions, faced opposition and were poorly implemented, it added.

According to the paper, efforts like the 2011 Tax Modernisation Plan and 2012 VAT Law failed to modernise the tax system, which is outdated and ineffective in generating sufficient revenue.

The paper also pointed out that personal income tax yields, which account for only 1 percent of the GDP, are still low although per capita income is rising. It attributed this to poor compliance, a disproportionate Because of this fragmented number of exemptions, and personal income tax system.

It also said tax evasion is common, especially among high earners, driven by corruption, political connections and informal deals with tax collectors.

READ MORE ON B3

Trillions embezzled from stock market

STAR BUSINESS REPORT

Bangladesh's devastating 2010-11 stock market crash exposed the dark elements of a financial system riddled with manipulation, fraud and weak regulatory enforcement.

According to the white paper on the state of Bangladesh economy, share prices surged amid the influence of powerful business groups and regulatory lapses. Shares of some companies skyrocketed between 300 percent and 900 percent during 2009-10.

Within months, the benchmark index of Dhaka Stock Exchange (DSE) plummeted by nearly 50 percent, erasing \$27 billion in market capitalisation -- a loss equivalent to about 22 percent of the country's gross domestic product (GDP), it said.

As such, trillions of taka were embezzled through fraud, manipulation of placement shares, and deceitful initial public offering (IPO) processes.

The white paper prepared by a government-formed panel of mostly economists was submitted to the Chief Adviser on Sunday.

stock market triggered a wave of to suicide, as social discontent mounted across the nation. The roots of the crash mirrored the infamous 1996 stock market debacle.

The white paper panel observed that both the crashes were driven by collusion among institutional investors, high-networth individuals, and brokerage firms, who manipulated share prices to enrich themselves at the expense of retail investors.

by the government after the 2010-11

crash, flagged egregious irregularities, including placement trading, inflated IPO valuations, and suspicious transactions under omnibus accounts. "Despite public outcry, many perpetrators avoided accountability,

often shielded by political connections." A manipulation network involving entrepreneurs, auditors, and issue managers thrived, exploiting regulatory loopholes and public trust, the paper added.

According to the white paper on the state of Bangladesh economy, share prices surged amid the influence of powerful business groups and regulatory lapses

It said market intermediaries suffered massive losses, with merchant banks and brokerage firms collectively bearing around Tk 13,000 crore in negative equity.

The white paper also said development It alleged that the collapse of the of the capital market has stagnated. The number of listed issues remains low, despair, with some investors resorting corporate debt securities are virtually non-existent, and market capitalisation lags behind regional peers.

A 2023 study by the Centre for Policy Dialogue revealed persistent distrust, with some 56.3 percent of businessmen blaming weak regulatory enforcement and around 50 percent citing suspicious trading in secondary markets.

While reforms such as the Demutualization Act of 2012 and the Financial Reporting Act of 2015 aimed It said an investigation team, formed to restore integrity, systemic weaknesses persisted, the paper said.

Dhaka Bank to issue Tk 400cr bond

STAR BUSINESS REPORT

Dhaka Bank has received approval from the Bangladesh Securities and Exchange Commission (BSEC) to issue its fourth subordinated bond worth Tk 400 crore.

The unsecured, non-convertible, floating-rate, and fully redeemable bond will be offered through private placement, with a minimum subscription price set at Tk 10 lakh, according to a disclosure on the Dhaka Stock Exchange website vesterday.

Proceeds from the issuance aim to bolster the bank's tier-2 capital in line with regulatory requirements,

India's slowdown flashes an early-warning signal



Eurozone factory activity falls sharply

REUTERS, London

Euro zone manufacturing activity fell sharply last month and a further decline in demand likely dashed any hopes for an imminent recovery after the sector had showed some signs of stabilisation in October, a survey showed.

HCOB's final euro zone manufacturing Purchasing Managers' Index (PMI) compiled by S&P Global, sank to 45.2 in November, matching a preliminary estimate and further below the 50 mark separating growth from contraction.

according to the disclosure.

Tier-2 is designated as the second or supplementary layer of a bank's capital and comprises items such as revaluation reserves, hybrid instruments, and subordinated term debt.

The announcement follows earlier disclosures made by Dhaka Bank on July 2, 2023, and October 3, 2024, regarding plans for the bond issuance.

Chinese firm to invest \$19.53m in Mongla EPZ

STAR BUSINESS REPORT

Chinese company Bangladesh BaoRui Textile Co Ltd will invest \$19.53 million in the Mongla Export Processing Zone (EPZ) to establish a composite textile manufacturing facility.

BaoRui Textile aims to produce 10 million pounds of raw varn. 6 million pounds of knitted fabric and 1 million garment pieces annually under the project, which is expected to generate 1,505 jobs for Bangladeshi workers.

Huang Hua, managing director of Bangladesh BaoRui Textile, yesterday signed an agreement in this regard with Md Ashraful Kabir, a member for investment promotion of the Bangladesh Export Processing Zones Authority (Bepza), at a ceremony at the Bepza Complex in Dhaka.

At the event, Major General Abul Kalam Mohammad Ziaur Rahman, Bepza executive chairman, expressed optimism about the project, underscoring Bepza's commitment to fostering a secure and supportive environment for investors.

KEPZ decides to fast-track land registration

STAR BUSINESS REPORT

The governing body of the Korean Export Processing Zone (KEPZ) has decided to fast-track its land registration and ease its bond licensing procedures to turn the key industrial park into a hub for foreign direct investment.

Chief Adviser Professor Muhammad Yunus convened the governing body meeting for the KEPZ at his office in Dhaka's Tejgaon yesterday, according to a statement from the Chief Adviser's Office.

This was the first meeting of the KEPZ governing body presided over by a head of the state in nine years.

READ MORE ON B3

Workers sort out glass bangles at a factory in Firozabad. Weak factory production and consumer demand dinged the Reserve Bank of India's 7 percent headline estimate. PHOTO: AFP/FILE

REUTERS, Mumbai

India's world-beating economic growth is getting a reality check. Output rose 5.4 percent during the three months to the end of September, its slowest pace in nearly two years, belying hopes that a good monsoon would boost spending. Perhaps it's a blip. But there are looming pressures that could all deal blows to rosy assumptions about the world's fifth-largest economy.

Weak factory production and consumer demand dinged the Reserve Bank of India's 7 percent headline estimate. Manufacturing crawled in at 2.2 percent in the country which aspires to assemble a quarter of all iPhones by 2028, up from 14 percent in the last financial year.

Earnings at top companies disappointed too: only around half the firms in the Nifty 50 index beat analysts' estimates, the lowest since March 2020, per data compiled by LSEG. Tight-fisted shoppers ate into profits of giants like Reliance Industries and Hindustan Unilever.

caused New Delhi to hit the brakes on infrastructure spending, a heavy lifter of growth in recent years. Some of the country's 28 states have been cutting back capital expenditure to offer electionwinning cash handouts. All that coincided with a clampdown on unsecured credit by



the central bank, which now finds itself squashed between inflation running at 6.2 percent, above the target range, and sliding economic growth. Its rate-setting panel is scheduled to meet this week.

Prime Minister Narendra Modi's administration calls the latest print a one-off and hopes festive spending and benign crude will lift the number in the second half of the financial year. A more sceptical view is that India

A national election in April and May has returned to its pre-Covid slow lane after three years of revenge spending. Market shares are churning too, with some demand moving to smaller players in the informal economy which the data is less good at capturing.

> Gautam Adani is one of India's biggest tycoons with interest in ports, telecoms and renewable energy.

More pain looms. US prosecutors' indictment of Gautam Adani on fraud charges, which he denies, is likely to curb expansion by his conglomerate, a rare private-sector contributor to investment spending. The threat of higher levies under the Trump administration could increase dumping of Chinese goods in India and hurt exports. Cooling growth might accelerate outflows of offshore funds in favour of the People's Republic, which is administering boosters to shore up its economy.

The shock data print will lead to questions about whether bets on the \$3.7 trillion economy are tracking the right indicators. India's moment is getting a bit of reckoning.

In October it was 46.0 and the headline reading has been sub-50 since mid-2022.

An index measuring output, which feeds into a composite PMI due on Wednesday and seen as a good gauge of economic health, dropped to 45.1 from 45.8 in October.

"These numbers look terrible. It's like the euro zone's manufacturing recession is never going to end. As new orders fell fast and at an accelerated pace, there's no sign of a recovery anytime soon," said Cyrus de

As new orders fell fast and at an accelerated pace, there's no sign of a recovery anytime soon, says an expert

la Rubia, chief economist at Hamburg Commercial Bank.

"The downturn widespread, hitting all of the top three euro zone countries. Germany and France are faring the worst, and Italy is not doing much better.'

With overall demand falling, despite manufacturers reducing their prices, factories cut headcount at the fastest rate since the COVID-19 pandemic was cementing its grip on the world. The employment index fell to 45.2 from 46.2, its lowest since August 2020.

Foreign demand - including trade between euro zone nations - also fell faster and is likely to worsen as US Presidentelect Donald Trump, who returns to the White House in January, has proposed a 10 percent tariff on all imports which would make European goods more expensive there and so less desirable.