

**Star BUSINESS**

## Bangladesh 'sleepwalked' into middle-income trap

### White paper asserts

AM JAHID

Bangladesh, mired in data fog, has "sleepwalked" into the middle-income trap according to the white paper on the state of the country's economy.

The term refers to a situation where a country experiences rapid economic growth and moves from a low-income economy to middle-income status but then struggles to make the leap to high-income status.

"We said earlier that Bangladesh is at risk of falling into the middle-income trap. But it has already happened. We have tried to explain it with data in the white paper," Zahid Hussain, a key member of the white paper panel, said at a press conference on Monday, a day after the committee handed over the final report to Chief Adviser Prof Muhammad Yunus.

Addressing the same event, Debapriya Bhattacharya, who led the white paper panel, supported Hussain's claim.

**A major reason was the practice of inflating official data, which meant the country did not have any idea about the path it was truly on**

As for how the country had fallen into this trap, the white paper identified "stasis in structural reforms, reform reversals, institutional decadence, global adversities, and a growing gulf between the reality on the ground and the perceptions of policymakers".

Other factors that it mentioned were employment remaining concentrated in low-productivity agriculture and informal activities, ubiquitous resource misallocations, and the slipping competitiveness of the economy.

Another major reason was the practice of inflating official data, which meant the country did not have any idea about the path it was truly on.

For example, according to the white paper, Bangladesh's economic growth has been overstated since 1995.

The remarks were made at a time when Bangladesh's overall economy is facing significant challenges, exacerbated by persistent inflation and a banking sector crisis brought on by a massive amount of non-performing loans, poor governance, and a severe liquidity crunch.

Simultaneously, slow infrastructure development and inefficiencies plague the development industry while political unpredictability and low

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STOCKS	
<b>DSEX</b> ▲	<b>CASPI</b> ▲
<b>0.46%</b> 5,226.05	<b>0.30%</b> 14,602.20

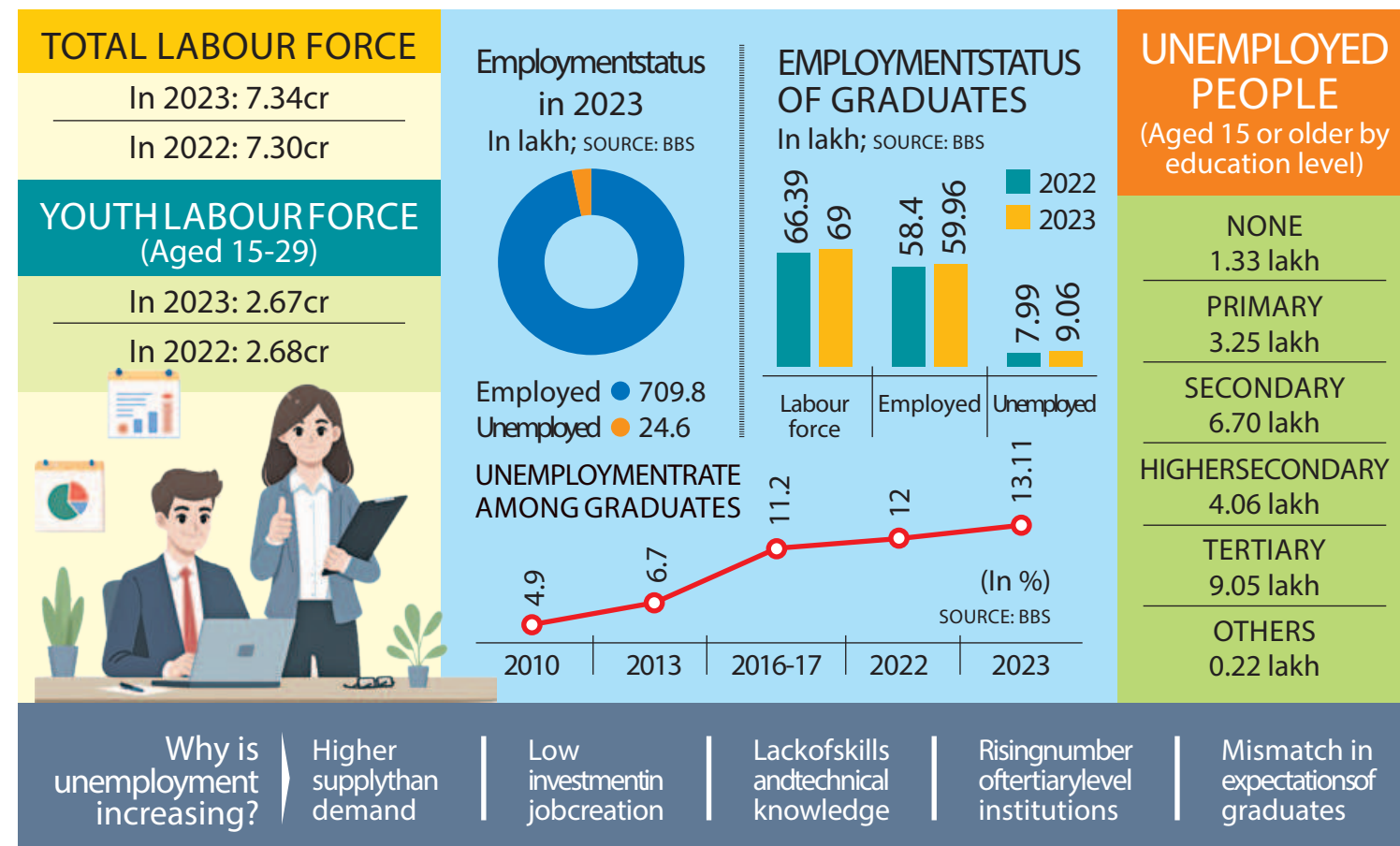
  

COMMODITIES	
<b>Gold</b> ▲	<b>Oil</b> ▲
<b>\$2,651.68</b> (per ounce)	<b>\$69.13</b> (per barrel)

ASIAN MARKETS			
<b>MUMBAI</b> ▲	<b>TOKYO</b> ▲	<b>SINGAPORE</b> ▲	<b>SHANGHAI</b> ▲
<b>0.74%</b> 80,845.75	<b>1.91%</b> 39,248.86	<b>0.93%</b> 3,786.13	<b>0.44%</b> 3,378.81

## Another 1 lakh graduates joined job hunt last year



MD ASADUZ ZAMAN

Over 1 lakh youth with higher academic degrees joined the already long rally of graduates in a gruelling search for jobs last year, according to the latest official data, as experts point to an oversupply of graduates and a lack of skills among them.

In 2023, the overall number of unemployed tertiary graduates, including university, college and madrasa graduates, stood at 9.06 lakh, up from 7.99 lakh a year ago, according to the latest data of the Bangladesh Bureau of Statistics (BBS).

The unemployment rate among persons with tertiary-level education rose to 13.11 percent in 2023 from 12 percent a year ago, as per the statistics bureau's Labour Force Survey 2023.

In the face of rising youth unemployment, disappointment and frustration accumulating over the years, students organised a nationwide movement in July, seeking job quota reform in public recruitment.

This frustration, which boiled over after a series of retaliatory measures from the government, climaxed in the fall of the Awami League government and the ouster of prime minister Sheikh Hasina, who fled to India.

Recently, a white paper on the current state of the economy also termed the employability and labour market dynamics as a "ticking time bomb" in their 397-page report, which was submitted to the Chief Adviser Prof Muhammad Yunus on Sunday.

"The graduates are not only oversupplied, they are ill-prepared for the market and have little skills, both hard and soft, to offer," the paper said.

"The most unemployed tertiary graduates come from colleges and they are unable to compete in the job market," said Kazi Iqbal, a

research director at the Bangladesh Institute of Development Studies (BIDS).

According to official data, the country's 55 public universities last year had about 10.5 lakh, or 68 percent of enrolled students. The remaining 32 percent were enrolled in 116 private universities.

Besides, some 1,941 tertiary-level colleges, that award honours and master's degrees, had about 41.8 lakh enrolled students.

Iqbal said a large number of those colleges were established in the last 10 to 15 years.

Official data shows that about 60 percent of public university students were studying

why integration of education policy with industrial policy is critical."

The service and industry sectors 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 2023.

On the demand side, the country is witnessing slow-growth investment in recent years. This may have contributed to the higher unemployment rate, said Iqbal.

"The rate at which the number of colleges has increased unplanned in the country, the number of unemployed graduates may increase in the coming days," Iqbal said.

Echoing similar sentiments, Rizwanul Islam, a former special adviser for the employment sector at the International Labour Office (ILO) in Geneva, said the causes can be found from both demand and supply sides.

On the demand side, Islam said economic growth has not been able to create enough jobs for the growing number of graduates coming to the labour market.

"Growth of formal sector jobs where graduates seek employment is inadequate," he added.

On the supply side, there is a mismatch between the kind of qualifications and skills required in the labour market and those produced by the education system, he added.

About the implications, the former ILO official said this causes the waste of valuable resources because society and individuals aren't getting appropriate returns from investment in education.

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## Govt yet to decide on raising energy prices

STAR BUSINESS REPORT

The interim government is yet to decide whether energy prices will be increased, said Muhammad Fouzul Kabir Khan, adviser to the Ministry of Power, Energy and Mineral Resources.

Khan said he was not the authority to raise gas price and proposals have been sent to Bangladesh Energy Regulatory Commission (BERC) for further consultation, while views must also be availed from industry people.

This is a conflicting issue because the industries need gas, but at the same time the government also

**The adviser said he was not the authority to raise gas price and proposals have been sent to the BERC for further consultation**

needs to reduce the subsidy burden, he said.

The adviser was responding to a query of a journalist at a roundtable on "FDI Ecosystem to Boost Sustainable Economic Growth" organised by the American Chamber of Commerce in Bangladesh (AmCham) at the Westin Dhaka on Monday.

Business people from both America and Bangladesh, government high ups, diplomats, leaders of different business chambers and trade bodies and experts attended the roundtable.

The industry people, especially spinning mills, have been complaining over the last few years about inadequate gas supply severely affecting production, causing most to run at just 50 percent capacity.

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## Current account deficit narrows in Jul-Oct

STAR BUSINESS REPORT

Bangladesh's current account deficit narrowed 76.20 percent year-on-year to \$752 million in the first four months of the current fiscal year on the back of growing export earnings and remittance inflows, reflecting reduced pressure on the country's external accounts.

Bangladesh Bank data showed that the current account deficit was \$3.16 billion in the four months to the end of October a year ago.

Remittances sent home by Bangladeshis living abroad rose 14 percent year-on-year to \$2.2 billion in November, according to central bank data.

Year-on-year remittance fell 3.2 in July, but increased 39 percent in August, 80 percent in September and 21 percent in October.

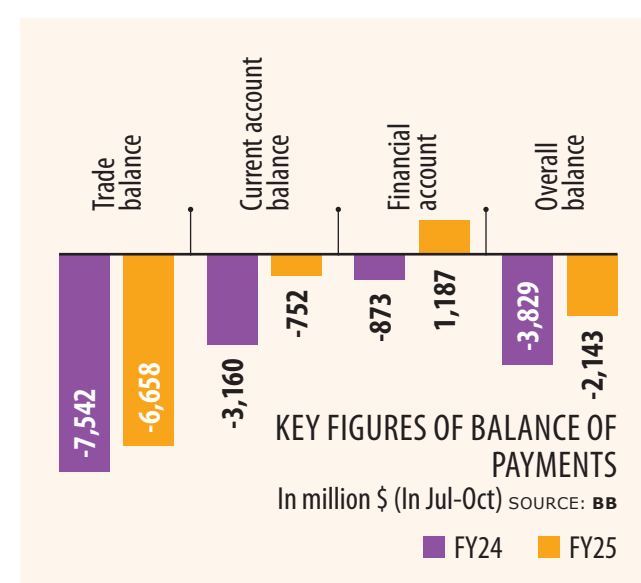
Export earnings also increased in the four months this year, rising 8.3 percent to \$14.29 billion. In the same period, import expenditure rose only 1 percent to \$20.95 billion. As a result, the trade deficit narrowed by 11.72 percent to \$6.65 billion at the end of October.

However, industry insiders said slow growth in import payments is not a good sign for the economy as it means that industrial expansion and investment are stagnant.

Another significant development in the balance of payments came in the financial account, which turned positive at the end of October.

The financial accounts surplus reached \$1.18 billion compared to a deficit of \$873 million in the same period last year, data showed.

The financial account includes components such as direct investment, portfolio investment, and reserve assets, broken down by sector. On a negative note, foreign direct investment



showed a 19.8 percent year-on-year decline to \$388 million at the end of October this year, data showed.

The overall balance stood at a \$2.14 billion deficit at the end of October, down from \$3.82 billion in the same period last year.

The current account records a nation's transactions with the rest of the world – specifically net trade in goods and services, net earnings on cross-border investments, and net transfer payments.

## IMF begins talks on fresh loans

### Interim govt expects \$6b budget support by next June

STAR BUSINESS REPORT

The third review mission of International Monetary Fund (IMF) yesterday entered into discussions with the interim government of Bangladesh regarding potential conditions for a fresh \$3 billion loan.

The IMF mission, whose primary task is to assess the country's progress in meeting its criteria for releasing the fourth tranche of a \$4.7 billion loan, will continue the discussions until December 17.

The IMF mission led by Chris Papadakis held separate meetings with Finance Adviser Salehuddin Ahmed and Bangladesh Bank Governor Ahsan H.Mansur alongside other senior officials.

"We discussed the disbursement of the existing loan package and also sought extra funds. As the government is going for many reforms, it will need more money," Ahmed said after the meeting.

But other than financing reforms, particularly in the banking sector and revenue collection, the funds will

also be needed to address any deficit in the country's current account and foreign exchange reserve.

Having already sought funds for its reform activities, the government is expecting a total commitment of \$6 billion from the World Bank, IMF, OPEC Fund and others by next June, he added.

After taking office in August, the interim government said it would seek an additional \$3 billion loan from the IMF to reduce the existing pressure on the foreign exchange reserves.

On the last week of September, an IMF mission came to take stock of the country's economic situation and what it requires to recover.

In October, Bangladesh opened discussions with the IMF regarding the new loan in a sideline meeting when Ahmed visited Washington to attend the annual meeting of the World Bank and IMF.

Following this discussion, the mission came to Bangladesh to review the country's performance

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# BRAC Bank, Pran-RFL sign cash management deal

STAR BUSINESS DESK

BRAC Bank PLC recently signed an agreement with Pran-RFL Group, a leading conglomerate in Bangladesh, to offer advanced cash management solutions and supply chain financing to optimise their working capital and financial operation.

Tareq Refat Ullah Khan, deputy managing director and head of corporate and institutional banking of the bank, and Uzma Chowdhury, director of finance at the former's head office in the capital's Gulshan, according to a press release.

As part of this collaboration, the bank will deliver a customised payment facility that allows Pran's ERP system to initiate transactions directly through API integration.

This eliminates the need for manual processes like the "Corpnet Maker Module", reducing human error and ensuring secure, real-time data sharing.

Pran-RFL will also benefit from real-time account statements integrated



PHOTO: BRAC BANK

**Uzma Chowdhury, director of finance at Pran-RFL Group, and Tareq Refat Ullah Khan, deputy managing director and head of corporate and institutional banking of BRAC Bank, sign an agreement at the bank's head office in the capital's Gulshan recently.**

with their ERP system, which will enable faster decision-making, automatic reconciliation, and improved efficiency in order processing and time to market.

Additionally, BRAC Bank will facilitate

distributor collections through virtual accounts via RTGS and BEFTN channels, ensuring seamless reconciliation with Pran's ERP.

Soon, the bank will expand the solution

to include its digital banking app, Astha, which will further streamline collections and reconciliation processes.

Pran-RFL will also utilise the bank's CORPNet platform for 24/7 payment processing, enhancing operational flexibility.

The bank will also provide a structured supplier financing solution, allowing Pran's suppliers to access working capital seamlessly. This will strengthen the supply chain ecosystem and support the growth of small and medium enterprises (SMEs) by offering competitive financing through streamlined processes.

With BRAC Bank's extensive network of 187 branches, 62 sub-branches, and 1,114 agent banking outlets across Bangladesh, Pran-RFL will have greater access to banking services for managing receivables, even beyond traditional banking hours and on public holidays.

Syed Abdul Momen, deputy managing director and head of SME banking at the bank, along with other senior officials from both the organisations, were also present.

# Int'l conference on Japan-Bangladesh research held

STAR BUSINESS DESK

The 3rd International Conference on "Japan-Bangladesh Research and Practice (JBPR 2024)" organised by the Network of Bangladeshi Researchers in Japan (NBRJ) was held recently on the virtual platform.

The conference brought together approximately 75 researchers, academics, and professionals from Japan, Bangladesh, India, Jordan, Malaysia, Sweden, the UK and the US, according to a press release.

Coordinated by the University of the Ryukyus, Okinawa, the event provided a platform to exchange ideas and showcase innovative practices addressing shared challenges and opportunities in various fields, with a special focus on Bangladesh-Japan scientific collaboration and development.

The JBPR 2024 organising committee curated a comprehensive multidisciplinary programme featuring 40 extended abstracts presented across nine sessions under four major tracks.

The Best Presentation Awards were presented to three young researchers from the University of Dhaka and two senior researchers from Waseda University and Miyazaki International University in the conference.

Yasukuki Sawada, professor at the University of Tokyo, delivered the keynote, highlighting the critical need to build trust in the interim government to ensure a smooth democratic transition and sustain Bangladesh's development.

# Prime Bank holds conference for anti-money laundering compliance officers



**AKM Ehsan, executive director and acting head of Bangladesh Financial Intelligence Unit, and Hassan O Rashid, chief executive officer of Prime Bank, pose for photographs with participants of "BAMLCO Conference-2024" organised by the latter at its head office in the capital's Gulshan recently.**

PHOTO: PRIME BANK

STAR BUSINESS DESK

Prime Bank PLC recently organised "BAMLCO Conference-2024" for its branch anti-money laundering compliance officers (BAMLCOs) across the country at its head office in the capital's Gulshan.

AKM Ehsan, executive director and acting head of Bangladesh Financial Intelligence Unit (BFIU), inaugurated the event as the chief guest, the bank said in a press release.

Hassan O Rashid, chief executive officer of the bank, chaired the programme.

The conference aimed to strengthen compliance practices and enhance awareness about anti-money laundering initiatives, reflecting the Bank's unwavering commitment to regulatory excellence and operational integrity.

Md Abdul Aowal Choudhury, additional director of BFIU, conducted a session and discussed the risk and challenges of a bank

to prevent financial crime in the current scenario of the country and the role and responsibility of a BAMLCO for AML compliance.

The bank awarded 10 BAMLCOs for their performance in combating money laundering and terror financing through the banking channel.

Md Ziur Rahman, deputy managing director and CAMLCO of the bank, along with other high officials, was also present.

# Alliance Finance organises workshop on sustainable finance

STAR BUSINESS DESK

Alliance Finance PLC recently organised a workshop on "Sustainable Finance Strategy and Sustainability Plan" for its employees at the company's head office in the capital's Gulshan.

Morshed Millat, a faculty member of the Bangladesh Institute of Bank Management and former director of the sustainable finance department of the Bangladesh Bank, conducted the session, according to a press release.

The session focused on balancing financial returns with positive social and environmental impacts, promoting responsible and ethical business practices and thereby supporting long-term ecological and social balance, and governance while doing the business and their role in mitigating the risks for climate changes.

Kanti Kumar Saha, chief executive officer of Alliance Finance, along with other high officials and executives of the company, was also present.



**Morshed Millat, faculty member of the Bangladesh Institute of Bank Management, and Kanti Kumar Saha, chief executive officer of Alliance Finance, pose for photographs with participants of a workshop on "Sustainable Finance Strategy and Sustainability Plan" at the latter's head office in the capital's Gulshan recently.**

PHOTO: ALLIANCE FINANCE

# Idcol pays govt Tk 50cr dividend

STAR BUSINESS DESK

The Infrastructure Development Company Ltd (Idcol), a state-owned financial institution in Bangladesh, paid a cash dividend of Tk 50 crore to the government for the financial year of 2023.

Md Shahriar Kader Siddiky, secretary to the Economic Relations Division and chairman of Idcol, handed over the cheque to Finance Adviser Salehuddin Ahmed at his office in the capital, said a press release.

After receiving the cheque, the finance adviser said, "As a government-owned financial institution, Idcol has set an example in financing the infrastructure development, energy efficiency and renewable energy sectors of Bangladesh."

A total amount of Tk 100 crore from the profit made by Idcol during FY 2023 was declared as dividends in the 27th annual general meeting of the company.

The other half of the amount of Tk 50 crore can be used for increasing the company's paid-up capital to Tk 888 crore by issuing bonus shares.

Farid Aziz, director of Idcol and additional secretary, economic relations division, Alamgir Morshed, executive director and CEO, SM Monirul Islam, deputy chief executive officer and chief financial officer,

Nazmul Haque, Md Enamul Karim, chief investment officer, Md Enamul Karim Pavel, chief investment officer, and M Maftun Ahmed, company secretary of Idcol, among others, were also present.



**Md Shahriar Kader Siddiky, secretary to the Economic Relations Division and chairman of the Infrastructure Development Company Ltd, hands over a cheque of dividend worth Tk 50 crore to Finance Adviser Salehuddin Ahmed, at his office in the capital recently.**

PHOTO: IDCOL

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**POWER GRID BANGLADESH PLC**  
(An Enterprise of Bangladesh Power Development Board)

Grid Bhaban, Avenue-3, Jahurul Islam City, Aftabnagar, Badda, Dhaka-1212 [www.powergrid.gov.bd](http://www.powergrid.gov.bd)

**Invitation for Bids**

IFB Ref. No.	27.21.0000.101.07.425.24.6193, dated 03.12.2024
Loan/Grant No. and Title	ADB Project Number (57232-001) - BAN
Contract No. and Title	POWERGRID/ADB/400kV/PEKUA/PTSIREP/PACKAGE-1/Re-Tender Design, Supply, Installation, Testing & Commissioning of 400/230/132 kV AIS Substation at Pekua and associated single /double circuit 400kV/230kV/132kV LILO Lines on turnkey basis (Package-1)
Deadline for Submission of Bids	January 20, 2025

- The People's Republic of Bangladesh has applied for financing from the Asian Development Bank (ADB) toward the cost of **Power Transmission Strengthening and Integration of Renewable Energy Project**. Part of this financing will be used for payments under the contract named above. Bidding is open to Bidders from eligible source countries of ADB.
- The **Power Grid Bangladesh PLC**, ("the Employer") invites sealed bids from eligible Bidders for the construction and completion of **"Design, Supply, Installation, Testing & Commissioning of 400/230/132 kV AIS Substation at Pekua and associated single /double circuit 400kV/230kV/132kV LILO Lines on turnkey basis (Package-1)"** ("the Facilities").
- Open Competitive Bidding (OCB) - International will be conducted in accordance with ADB's Single-Stage: Two-Envelope bidding procedure and is open to all bidders from eligible countries as described in the Bidding Document.
- Only eligible Bidders with the following key qualifications defined in the Bidding Document may participate in this bidding:  
Participation as a Contractor/JV Partner in at least three contracts that have been successfully completed within the last 10 (ten) years, and those are similar to the proposed contract, where the total cumulative value of up to four contracts must be at least: USD 60,000,000 (Sixty million USD)\*. Out of these contracts, at least one (01) contract value must be at least USD 25,000,000 (Twenty Five Million USD)\*  
The similarity of the Bidder's participation shall be based on the physical size, nature of works, complexity, methods, technology or other characteristics as described in Section 6 (Employer's requirements).  
The scope of each contract must include design, supply, installation, testing & commissioning of new construction or extension/ renovation of existing 380/X kV or higher rated voltage AIS/GIS substations with a minimum of three (03) bays including one (1) power transformer of 380/X kV or above.  
For the above contracts executed during the period stipulated in 2.4.1 above, a minimum experience is required in the following key activities:  
(i) At least one contract shall be with new 380/X kV or higher voltage rating AIS substation.  
(ii) At least one contract must be in successful operation for a minimum of three (3) years counting backward from the date of the bid submission deadline.  
(iii) At least one contract must be completed either in Bangladesh or outside the Bidder's own country  
(iv) At least one contract must be completed with new 380/X kV or higher voltage rating transformer with capacity of 300 MVA or higher, including outdoor switchgear, switchyard / bay, control panels, power and control cabling in at least One (01) no. new or existing substations.
- Interested eligible bidders may obtain further information and inspect the bidding documents at the office of the Company Secretary, Power Grid Bangladesh PLC, Grid Bhaban, Avenue-3, Jahurul Islam City, Aftabnagar, Badda, Dhaka-1212, Bangladesh; Tel: +88 02 226600936-39, Fax: +88 02 226600925;; Email: [share.cs@pgcb.gov.bd](mailto:share.cs@pgcb.gov.bd), [se.contract@pgcb.gov.bd](mailto:se.contract@pgcb.gov.bd), [tabassom.pgcb.contract@gmail.com](mailto:tabassom.pgcb.contract@gmail.com). The complete bidding documents are also available for download from Power Grid's website <http://www.pgcb.gov.bd>. Eligible bidders who download the bidding document from the Power Grid's website shall inform Power Grid in writing (and provide their contact details) at the address given above, failing which Power Grid shall not be responsible if the bidder does not receive clarifications and amendments, if any. In case of any discrepancy between the documents downloaded by the prospective bidder and the Bid Documents (hard copy) of Power Grid, the latter shall prevail.
- A complete set of bidding documents in English language, may be purchased by interested bidders upon submission of a written application to the Company Secretary, Power Grid at the above address, from **December 5, 2024** up to one day before the bid submission deadline and upon payment of a nonrefundable fee of USD 300.00 (United States Dollar Three Hundred) or BDT 34,000.00 (Taka Thirty-Four Thousand and only) in the form of Pay Order/ Demand Draft in favor of Power Grid Bangladesh PLC. The Bidding Document may be sent through a courier for an additional fee of BDT 10,000.00 (local delivery) or USD 120.00 (International delivery) in the form of Pay Order/ Demand Draft in favor of Power Grid Bangladesh PLC. No liability will be accepted for loss or late delivery of the Bidding Document.
- A Pre-Bid meeting will be held at **11:00 Hours Local Time on December 26, 2024** at the head office of Power Grid Bangladesh PLC, Grid Bhaban, Avenue-03, Jahurul Islam City, Aftabnagar, Badda, Dhaka-1212, Bangladesh.
- Deliver bids:
  - To the address below:  
Company Secretary,  
Power Grid Bangladesh PLC  
Grid Bhaban, Avenue-03, Jahurul Islam City,  
Aftabnagar, Badda, Dhaka-1212, Bangladesh.
  - On or before **11:00 Hours Local Time on January 20, 2025**
  - Together with a Bid Security for the amount of: USD 1,000,000 or 11.50 Crore BDT as described in the Bidding Document. Late bids will be rejected.
- Technical bids will be opened at **11:05 Hours Local Time on January 20, 2025** at the head office of Power Grid Company of Bangladesh Limited (PGCB), Avenue-03, Jahurul Islam City, Aftabnagar, Badda, Dhaka-1212, Bangladesh in the presence of Bidders' representatives who choose to attend, whereas the Financial Bids shall remain sealed and unopened and shall be placed locked. The Financial Bids of only Technically Responsive and Qualified Bidders shall be opened after Technical Bid Evaluation, whereas, the Financial Bids of those Bidders whose Technical Bids are not responsive and qualified shall be returned unopened after the contract is awarded.
- When comparing bids, ADB's Domestic Preference Scheme will be applied in accordance with the provisions stipulated in the Bidding Document.
- Power Grid will not be responsible for any costs or expenses incurred by bidders in connection with the preparation or delivery of bids including costs and expenses related to participation in pre-bid meeting and site visit/s.

**Md. Jahangir Azad**  
Company Secretary



Fishermen cast a net on the Kirtankhola river in Barishal sadar upazila in hopes of catching a Gangetic Goonch, a large species of catfish. Known in Bangla as Bagha Ayer, this freshwater fish is listed as "critically endangered". Although hunting, trade and transport of the species is prohibited by law, with a maximum punishment of one-year imprisonment, such activities continue unabated. The photo was taken recently.

PHOTO: TITU DAS

## Chevron interested in new gas exploration

STAR BUSINESS REPORT

Energy giant Chevron is interested in investing in new gas exploration activities in Bangladesh, senior officials of the US based company said yesterday.

Chevron officials expressed satisfaction that the interim government had begun clearing hundreds of millions of dollars in arrears, which the previous government had not paid over the past two years. Chevron and Petrobangla reached a six-month repayment deal soon after the interim government took charge.

Led by Frank Cassulo, a vice president of the company, Chevron officials called on Chief Adviser Professor Muhammad Yunus at State Guest House Jamuna, according to a statement released by the Chief Adviser's Office.

The government is committed to clearing Chevron dues by April next year, said Lutfe Siddiqi, special envoy of the chief adviser, who was present in the meeting.

Increasing gas demand due to growing economic activities and a better business outlook have prompted Chevron to decide on investing in new drilling activities in the northeastern parts of the country, Cassulo said.

"We will invest in new onshore gas exploration," he said, adding that new gas reserves would boost the country's economic growth.

The chief adviser welcomed Chevron's move to explore for new gas reserves, saying the interim government has planned to increase gas supply to local companies amid an uptick in economic activities.

## NBR freezes bank accounts of UCB chair

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has directed banks to freeze the accounts belonging to Sharif Zahir, managing director of Ananta Group and chairman of United Commercial Bank, as well as those owned by his family members.

In a letter to chief executives of banks issued on December 1, the NBR's Central Intelligence Cell (CIC) asked banks to block withdrawals and transfers from the accounts.

The accounts belonging to Sharif's mother Qamrun Nahar Zahir and his brother Asif Zahir were also frozen.

Both are involved in Ananta Group, with Qamrun Nahar serving as chairperson of the leading garment exporter and Asif Zahir as deputy managing director.

The NBR also instructed banks to block access to lockers maintained by the individuals and their family members. A top official of the NBR confirmed the development.

Sharif said they had contacted top officials of the NBR following the move, adding: "They could not give us any specific reason till now."

The whole issue is embarrassing for us."

He said he took charge of UCB after the political changeover on August 5 and has taken steps against irregularities, saying: "This is why a vested quarter is trying to harass me."

## New renewable plants to get 15-year tax exemption

STAR BUSINESS REPORT

With the objective of facilitating clean energy generation, the National Board of Revenue (NBR) has granted a 15-year tax benefit for investments to establish renewable energy-based power facilities.

The revenue authority issued a circular in this regard on November 27, saying it would exempt all taxes on income from renewable energy projects if the plants start commercial production between July 1 next year and June 30, 2030.

A full tax exemption will be applicable for the first 10 years after starting production, according to the circular.

Half of the income will be tax-exempt for the following three years while 25 percent will be exempt for two years thereafter, the circular added.

The producer or the company will require a no-objection certificate from the Ministry of Power, Energy and Mineral Resources to avail of the benefit, it added.

Officials said the tax benefit was offered in line with a request from the Power Division to encourage private investment in clean energy ventures and cut dependence on fossil fuel-based electricity.

The NBR has previously offered tax breaks for privately-run power plants, except for coal-fired ones.

In June 2023, it provided a 12-year extension to a tax holiday on the income of private power plants, except for coal-fired ones, that started electricity generation before June 30, 2024.

On August 27 this year, the interim government cancelled 42 power plant projects, including 37 renewable facilities, with a combined capacity of around 3,102 megawatts (MW).

It announced that it would float tenders against all of those power plants, aiming to reduce tariffs.

Currently, the country has 893 MW of power generation capacity from renewable sources, accounting for about 3 percent of total capacity.

## Bangladesh has roadmap to implement ILO conventions

Commerce adviser says

STAR BUSINESS REPORT

Bangladesh respects the conventions of International Labour Organization and has a clear roadmap to implement conventions it has ratified, Commerce Adviser Sk Bashir Uddin said yesterday.

He made the comment when Michael Miller, ambassador and head of delegation of the European Union (EU), called on him at his Bangladesh Secretariat office in Dhaka.

The duo discussed ILO conventions, bilateral trade and how the EU could cooperate with Bangladesh for the repatriation of laundered money, the commerce ministry said in a statement.

Bashir Uddin also said the interim government has been trying to bring down commodity prices, and it has already reduced the import duty on some goods.

According to the statement, the EU ambassador assured the adviser of cooperation through logistics and human resources to help repatriate laundered money.

## Over 3.2m DPS opened thru bKash app in 3 years

STAR BUSINESS DESK

Customers of bKash have opened over 3.2 million deposit pension schemes (DPS) with four commercial banks and a non-bank financial institution—IDLC Finance, Mutual Trust Bank, Dhaka Bank, City Bank and BRAC Bank—through the mobile financial service (MFS) provider's app in a span of just three years.

The MFS provider organised a views-exchange programme at a convention centre in the capital yesterday to celebrate the milestone with stakeholders, said a press release.

The invited guests at the programme discussed how to make financial inclusion sustainable through collaborations between MFS providers and the banking sector and utilising each other's expertise to reach financial services at everyone's doorsteps.

Addressing as the chief guest, Md Zakir Hossain Chowdhury, deputy governor of Bangladesh Bank, said, "Upon maturity, DPS money is deposited into the customers' bKash accounts without any hassle."

"On behalf of Bangladesh Bank and the people, I applaud bKash for this success," he said.

Speaking at the event, Kamal Quadir, founder and CEO of bKash, said, "Prosperity begins with savings. The day someone saves one taka, the future plan starts. That's the beauty of savings on the bKash app."

## Stocks rise for second day

STAR BUSINESS REPORT

The stock markets in Bangladesh rose for a second consecutive trading day yesterday as investors poured fresh funds for select shares to quickly gain short-term profits amidst price movements.

Shares of companies like Square Pharmaceuticals, Grameenphone, Robi Axiata, Saif Powertec, Renata, LafargeHolcim Bangladesh, Olympic Industries, National Bank and Eastern Bank drew interest.

The prime index of Dhaka Stock Exchange, DSEX, rose by 24.11 points, or 0.46 percent from that on the previous day, before closing at 5,226.

The DSES index, which represents Shariah-based shares, went up 6.11 points, or 0.52 percent, to 1,174. The DSO index, which represents blue-chip stocks, edged up 7.65 points, or 0.40 percent, to 1,921.

At Chittagong Stock Exchange,

the CASPI, the CSE All Share Price Index of the port city bourse, grew by 43.50 points, or 0.30 percent, to settle the day at 14,602.

Of the issues that changed hands at the DSE, 203 witnessed a hike in prices, while those of 128 closed lower. The remaining 71 did not see any price fluctuations.

Turnover, which is the cumulative value of the shares that were traded, increased by 2.45 percent to stand at Tk 512 crore. The pharmaceuticals sector dominated the turnover chart, accounting for 14.45 percent of the total.

Block trades, which refers to high-volume transactions in securities that are privately negotiated and executed outside the open market, contributed another 2.8 percent.

Asiatic Laboratories Limited emerged as the most-traded share, with a turnover of Tk 168 crore.

In sector-wise transactions,

services and real estate, paper and printing and non-bank financial institutions (NBFIs) became the top three to close in the positive, according to the day's market update by UCB Stock Brokerage.

However, jute, tannery and information technology were the top three to close in the negative.

Most of the large-cap sectors, meaning those that account for large amounts in market capitalisation, which the total value of their shares at present, posted a positive performance.

The NBFIs booked the highest gain of 2.44 percent, followed by telecommunication (1.82 percent), fuel and power (0.53 percent), pharmaceuticals (0.42 percent), engineering (0.23 percent), and food and allied (0.13 percent).

Banking was the only sector to suffer a loss, which was of 0.12 percent.

## Bangladesh 'sleepwalked'

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business confidence prevent investment from growing in the country.

Unemployment is also increasing, particularly among youth, as the economy fails to generate adequate quality employment opportunities.

These issues have pushed Bangladesh into the middle-income trap, according to industry insiders.

The World Bank defines the "middle-income trap" as a situation where middle-income countries face challenges to economic growth, innovation, and wage competition.

In the World Bank's 2024 World Development Report, the middle-income trap was described as a period of slow growth and a decline in productivity gains.

It is a situation where a country is unable to compete with low-wage countries and high-income countries, is prone to premature slowdowns in development, and relies on policies based on superficial measures of economic efficiency.

The multinational lender added that middle-income countries face geopolitical challenges, demographic challenges, environmental challenges, competition from low-

wage countries, and competition from high-income countries.

According to the white paper panel, the only way to break free of this shackle is to increase the total factor productivity, which measures how much output can be produced from a certain amount of inputs, particularly labour productivity.

"Education and skill of the labour force are the key to enhancing labour productivity and sustaining higher growth," it said.

Zahid Hussain, a former lead economist at the World Bank's Dhaka office, said the big concern now is finding a way out of the trap.

"I think there are three exits. One is macroeconomic stability, the second is policy reform and the third is institutional accountability. There are no other exits."

According to experts and economic analysts, if Bangladesh falls into the middle-income trap, it will be unlikely to achieve its goal of becoming a developed nation by 2041.

At the end of 2023, there were 108 countries, including China, Brazil, Türkiye and India, stuck in the "middle-income trap", according to the World Bank. The countries are home to 6 billion people.

## Another 1 lakh graduates

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"The economy is unable to reap the demographic dividend that is potentially available."

Islam also said unemployment at the beginning of one's career leaves a scar on the career path of educated job seekers.

"Research shows that those who have to wait for a long time for their first job tend to remain behind others in their career trajectory. This is known as the scarring effect."

He also feared that unemployment

among the youth could contribute to social instability.

BIDS research director Iqbal thinks the country needs to revisit its workforce strategy because it is producing a huge number of graduates without specific plans.

This can be handled with a long-term plan and the government should focus on technical and vocational education and training rather than tertiary-level colleges.

"The interim government can show the way," he said.

## Govt yet to decide

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Bangladesh has been having to import liquefied natural gas (LNG) as local supplies of natural gas can hardly meet the demand of industrial units.

There is no easy solution when it comes to gas prices and supplies may not improve in the short-term, but there are plans to import more LNG to meet industrial demand, said Khan.

Many suggest increasing supplies to industrial units by limiting that to refuelling stations and homes, but that will put transportation and cooking in difficulties, he said.

The LNG is imported at Tk 70 per unit and sold at Tk 30 to industries, for which Tk 30,000 crore has to be paid a year in power sector subsidies while Tk 20,000 crore in gas supply, he said.

Some bottlenecks within the government must be removed to attract more foreign direct investment (FDI), said Lutfe Siddiqi, the chief adviser's special envoy on international affairs.

He said they were working with various ministries and regulatory bodies to develop a culture that supports foreign investment, not as regulators, but as facilitators, according to a statement from AmCham.

The statement quoted both Khan and Siddiqi as saying that the business community would soon be able to avail a better One Stop Service (OSS) portal of Bangladesh Investment Development Authority, which would help resolve current grievances.

The duo encouraged business to continue to share their challenges and suggestions to foster a more conducive environment for FDI.

Eric Walker, vice-president of AmCham and president of Chevron, Peter D Haas, strategic adviser at Exceleerate Energy and former US ambassador to Bangladesh, and Md Habibur Rahman Bhuiyan, country manager of Exceleerate Bangladesh, also spoke.

## IMF begins talks on fresh loans

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and compliance with structural reform conditions for the fourth tranche of the \$4.7 billion loan.

The finance adviser informed that the mission came to observe the country's condition in terms of revenue collection, its fiscal deficit, GDP growth, and inflation.

"They want to know what strategies the government has taken and will take. The mission also will meet with the central bank to see what steps were taken to reform the banking sector," he said.

Ahmed also informed that the government had argued that stability has returned to the banking sector in part.

"Already, the foreign exchange rate is not fluctuating heavily like in previous months," he said.

Besides, even a troubled lender like Islami Bank is starting to perform

well even though it initially needed liquidity support.

"So, all other the banks will also soon become financially stable," he hoped.

Regarding the economic situation, Ahmed said inward remittance was at a satisfactory level and export growth was not low either.

Furthermore, Ahmed said although imports are still low, they have been increasing lately, with the interim government working to raise the inadequate level of capital machinery imports.

"Whatever measure we take will be good for the country in the long run. Besides, we will not take any whimsical steps that the next government cannot follow," he said.

"The IMF will give some targets (for the new loan) and we will try to fulfil them," Ahmed added.

The IMF mission expressed

satisfaction about the reform activities of Bangladesh Bank but is concerned about the stubbornly high inflation rate, according to central bank officials present at the meeting.

The central bank officials told the IMF mission that the policy rate has been increased twice and inflation has not been tamed. Still, they expect it will at least relieve some of the inflationary pressure.

"The IMF mission said the policy rate could be increased further if inflation does not come under control," said a Bangladesh Bank official on condition of anonymity.

The multilateral lender approved the \$4.7 billion loan in January 2023. Bangladesh has already received \$2.3 billion of the total amount in three tranches.

Of the \$2.3 billion received so far, \$1.1 billion arrived as the third tranche in June this year.

# Continue reforms to retain trade after LDC graduation

Says ILO assistant director-general in an interview with The Daily Star

REFAYET ULLAH MIRDHA

The reform initiatives taken by the interim government should be continued as these reforms may pave the way towards a more modern, equal and inclusive Bangladesh, said a top official of the International Labour Organization (ILO).

In an interview with The Daily Star in Dhaka, Manuela Tomei, assistant director-general for Governance, Rights and Dialogue at the ILO, said adapting to changes after Bangladesh's graduation from a least developed country (LDC) in 2026 would not be easy for the country as all preferential market treatments would no longer be available.

"That is why the current reforms are so important," she emphasised.

"It is very important that these reforms do not remain on paper but actually pave the way for a journey towards a much more modern, equal, inclusive and high-performing Bangladesh," Tomei said.



Manuela Tomei

of them. According to Tomei, Bangladesh should also ratify all the conventions as decided by all states in the 2022 ILO Conference.

Regarding her visit to Dhaka, Tomei said that the interim government in November of this year made an appearance to the governing body of the ILO regarding measures they were about to take in response to a complaint filed against the government of Bangladesh.

The complaint is about Bangladesh's breaching three conventions that the government has ratified – freedom of association convention, the convention on the right to collective bargaining and the convention on labour inspection to ensure proper respect of labour rights.

She said the ILO received a very encouraging message from the interim government with a clear commitment to act upon the requests made and chart a number of measures with specific timeframes.

"So, my visit here is to express of course the support of the ILO office to the commitments of the interim government as well as the commitment taken by our social partners and the workers and employers organisations to push forward these reforms to deliver on decent work and social justice."

According to her, the purpose of the visit was also to see to what extent, besides the much-needed labour law reforms, the ILO could support ongoing efforts and commitments taken by workers, their organisations and the government to move jointly towards a more effective and transparent social dialogue to maintain and sustain the outcomes of labour law reforms.

Tomei said labour law reforms and implementation are quite important for the post-graduation period because of

increasing requirements and expectations in major markets for Bangladesh's exports.

Other countries require compliance with human rights, due diligence and 10 fundamental principles at work, including occupational safety and health, she commented. "This package of rights is regarded as enabling the country to improve the realisation of other labour rights because of freedom of association and collective bargaining."

If you are able to speak with one voice for a large number of businesses or workers, you can reduce transaction costs and negotiate for better wages, Tomei said.

"Change in the law does not guarantee that the law will be implemented or respected, and it is very important to have a tripartite joint commitment to engage in meaningful dialogue to achieve balanced outcomes."

"Because we have the interests of workers, the government and employers, we need to find a middle ground," she said.

"So, social dialogue is very important from that viewpoint," said the top ILO official, adding that another critical issue relates to supporting the efforts the interim government has committed to engaging in, which refers to managing grievances to precisely avoid potential major concerns escalating into strikes or riots.

She advocated for having a mechanism in place that is independent and transparent and allows for properly addressing disputes arising from work and employment relationships.

"So, let me start by saying that labour rights are human rights. Because all these, not only the fundamental principle rights at work, even the right to a living wage recognised by the covenants and social

and economic rights, all these rights have been articulated also in the human rights declaration," she added.

"Labour rights and human rights are absolutely essential," she said. "Often, there is a perception that respecting these rights would translate into additional costs and therefore increase production costs for employers, resulting in lower competitiveness for enterprises respecting these rights."

But the evidence actually shows that respecting these fundamental principles, rights and conventions, including freedom of association and collective bargaining, does not compromise a country's competitive position, she commented.

"We have substantial empirical evidence demonstrating this."

Undoubtedly, to reduce labour costs, you need to improve productivity. Better working conditions are essential for enhancing productivity, but you also need other interventions such as skills enhancement to compete, Tomei said.

Bangladesh has already done some work in this respect immediately after the Rana Plaza garment factory collapse in 2013, and the current government is committed to delivering on this particular piece of a broader set of reforms, she added.

"I think there is no doubt about the political commitment and, as I said, the commitment from social partners, workers and employers are absolutely essential for this to work in practice."

Moving towards a new status will also translate into the elimination of several preferential treatments Bangladesh previously had access to as an LDC country.

However, the various reforms being envisioned – not only in terms of labour law content but also in modernising and improving the industrial relations system, determining national wage policies including the minimum wage and identifying social protection – are absolutely essential to act as a reference and facilitate the transition, she added.

"So, I am confident that Bangladesh will be able to be up to the task," she also said.

"As I said, there is growing pressure on investors and buyers to do business with countries that uphold certain rights. This is no longer an option."

"This is why investing in labour law improvement, transparency, and a well-functioning and fair industrial relations system is crucial to diversifying the economy."

"I mean Bangladesh definitely needs to diversify and cannot just rely essentially or mainly on the revenue coming from the ready-made garment industry," she added.

# Gen Z: Shaping the future of business

SAZZADUL HASSAN

Generation Z, popularly known as Gen Z, is a term used to represent people born between the late 1990s and early 2000s. This demographic cohort presently accounts for approximately 30 percent of the global population. It is estimated that Gen Z will account for 27 percent of the global workforce by 2025.

The situation in Bangladesh is no different. It is a young country with a median age of around 28 years. Individuals aged 10 to 24 years, which includes a substantial portion of Gen Z, make up about 30 percent of the country's total population.

As this generation comes of age and enters the workforce and consumer markets, their distinct characteristics, values, and behaviours will significantly influence how businesses operate and engage with customers. Gen Z exhibits certain attributes that differentiate them from previous generations, such as Millennials, Generation X, and Baby Boomers. Understanding these attributes is crucial for businesses.

This generation is overwhelmingly tech-savvy; highly proficient in using technology and digital tools for communication, entertainment, education and shopping. This digital fluency shapes their preferences for instant access to information and services.

As this generation grew up at the peak of globalisation, they are very inclusive and value diversity. Gen Z is genuinely concerned about social issues like climate change, racism, inequality, etc. They tend to be very pragmatic and realistic as they have experienced economic uncertainty, political instability and global crises.

This generation appreciates collaboration and teamwork but authenticity and self-expression do matter to them as well. While they have relatively shorter attention spans caused by social media, it is because of the internet and social media that they are exposed to different cultures, ideas and lifestyles, leading to a broader understanding of global issues and a desire for interconnectedness.

This cohort prefers to spend money on travel, events and activities that enrich their experiences rather than on traditional consumer goods. Mental health is a foremost concern for them.

Organisations need to understand and adapt to Gen Z's preferences to thrive in an increasingly competitive landscape. Businesses need to invest in social media marketing, influencer collaborations and interactive content to effectively reach and engage this generation. Companies have to develop sustainable products, prioritise ethical sourcing and create offerings that align with the social issues important to this generation.

Organisations that connect with this cohort emotionally and demonstrate a commitment to their values will foster loyalty. Companies have to embrace technology to meet the expectations of this tech-savvy generation. Flexible work arrangements, mental health support and professional development opportunities are some of the critical topics to attract and retain this group.

Some global companies have already adapted their business strategies, marketing approaches and product offerings to align with the values and preferences of Gen Z. For example, Nike has incorporated sustainable practices into its production processes, creating eco-friendly product lines like the "Move to Zero" initiative, which aims to reduce waste and carbon emissions. Starbucks engages with Gen Z through its social media presence, promoting causes like racial equality. Netflix has adapted its content strategy to cater to Gen Z's diverse tastes and preferences. The streaming service produces original content that reflects the experiences and challenges faced by this generation, such as shows addressing mental health, social justice, and identity.

Bangladeshi businesses should gear up to understand and adapt to these characteristics of Gen Z for engaging effectively with this influential cohort as they continue to shape the business.

The author is chairman and managing director of BASF Bangladesh Limited

## Rupee drops to all-time low

REUTERS, Mumbai

The Indian rupee declined to a lifetime low on Tuesday, pressured by the US dollar's rally against its major peers and on concerns over the Asian country's slowing growth rate.

The rupee dipped to a record low of 84.7425 against the dollar, inching past its previous all-time low of 84.7050 hit on Monday. Its Asian peers were mostly weaker, with the offshore Chinese yuan dropping to its lowest in a year, while the dollar index rose to 106.50 on back of weakness in the euro.

The decline in the rupee from 84.50 to the current level "has been without much resistance, relatively speaking", a currency trader at a bank said.

"The price action suggests that either the Reserve Bank of India's (RBI) intervention has been comparatively mild or that the underlying dollar demand is too much. Either way, it is a worrying sign (for the rupee)," the trader said.

The rupee declined by 0.25 percent on Monday in the wake of India's disappointing GDP data. This is the currency's biggest percentage fall in six months.

The extent of the rupee's decline, while broadly in line with Asian peers, was a surprise for bankers and corporates considering that the RBI over the last several months has been persistently intervening to hold up the currency at key levels. India's weak GDP growth will likely further dent portfolio investor sentiment, Dhiraj Nim, an FX strategist and economist at ANZ, said in a note.

The country's "inferior macro configuration" alongside the recent decline in the RBI's FX reserves sharply suggest that a "weakening path for the rupee looks inevitable", he said.

India's foreign exchange reserves have dropped for eight straight weeks to fall to their lowest in five months.

## Jamuna Oil's profit jumps 48% in Q1

STAR BUSINESS REPORT

Jamuna Oil Company Limited recorded strong earnings in the July-September quarter of the current fiscal year 2024-25 on the back of higher interest income.

Additionally, the oil producer posted a strong result in the 2023-24 fiscal year, leading to a robust cash dividend payout.

Profit grew an impressive 48 percent year-on-year in the first quarter of the current fiscal year, reaching Tk 124.09 crore.

The company's earnings per share (EPS) for July-September 2024 rose to Tk 11.24, up from Tk 7.59 in the same period last year, according to a recent disclosure on the Dhaka Stock Exchange website.

Jamuna Oil attributed the growth in EPS to higher interest income from bank deposits.

Its net operating cash flow per share (NOCFPS) also improved, standing at Tk 55.58 in Q1, compared to Tk 40.85 in the same period in 2023.

This positive performance follows a profit of Tk 441.67 crore in the 2023-24 fiscal year, with the company's annual EPS increasing to Tk 40 from Tk 30.87 the year prior.

Buoyed by the higher profit, the company's board has recommended a 150 percent cash dividend for the year that ended on June 30, 2024, marking the highest payout in nine years.

# Trump vows to defend US dollar hegemony, but is it under threat?

AFP, New York

US President-elect Donald Trump has threatened retaliation against governments that challenge the US dollar, vowing "100 percent tariffs" on countries that undercut the US currency.

The Republican vowed the action on states that "create a new BRICS Currency" or otherwise "replace the mighty US dollar," according to a post on Truth Social on Monday.

BRICS refers to a grouping that includes Brazil, Russia, India, China and South Africa, and has expanded in recent years to include Iran, Egypt, Ethiopia and the United Arab Emirates.

Trump's statement, however, comes at a time when the greenback's hegemony does not appear to be facing an immediate threat, having been the world's reserve currency for decades.

Is the dollar's influence diminishing?

The US dollar currently comprises 58 percent of foreign exchange reserves held worldwide, according to the International Monetary Fund (IMF), down from 67 percent in 2000.

But the greenback accounts for 74 percent of export invoices in the Asia-Pacific region, which is the most active in terms of international trade, the IMF says.

The dollar has maintained its unique position globally since the 1944 Bretton Woods accords, the international agreement that established the IMF and required signatories to peg their currencies to the US currency.

The system has evolved since that time and several countries have stopped indexing their currencies to the dollar, but without challenging its status as the global reserve currency.

The United States' massive role in monetary policy also reflects the country's position as the world's largest consumer of goods and services and the source of more than \$8 trillion in government debt held by foreign investors.

The dominance of the US currency has not



PHOTO: REUTERS/FILE

An employee of a bank counts US dollar notes at a branch in Hanoi, Vietnam.

been affected by the huge scale of its debt, nor by the shakiness of its financial system during the 2008 global financial crisis.

"The US dollar remains as dominant as ever as a global funding currency, a payment currency for international transactions, and a reserve currency," said Eswar Prasad, a professor of international trade policy at Cornell University in New York state.

"Without the dollar as the dominant international currency, the multilateral trading system would effectively cease to exist – making the global economy much less efficient," said Benn Steil, a senior fellow at the US-based Council on Foreign Relations.

Is the dollar being threatened? Trump's comments came on the heels of a BRICS summit in October in Kazan, Russia, where members discussed boosting non-dollar transactions and strengthening local currencies.

"The BRICS today might be where Europe was in the 1970s and that's optimistic in

terms of integrating," said Adam Button, chief currency analyst at ForexLive.

Recent years have seen an uptick in transactions involving local currencies, especially between China and Russia, in light of international sanctions on Moscow following its invasion of Ukraine in 2022.

There has not, however, been an official effort to employ a currency throughout the group, or at forming an official monetary union.

"I don't know if there (are) any of those countries (that) would give up monetary sovereignty," Button said. "So it's a wholly fringe idea, and I'm not even sure why Trump decided to validate it."

While China and India are by far the world's two most populous states, their currencies are not widely used outside of their borders.

Trump's broadside did not mention the euro, which plays a key role in facilitating commerce within the eurozone but has not been envisioned as having global aspirations.