

Star BUSINESS



Taskforce readies strategies to fix economic fault lines

Draft contains 16 chapters with sector-wise proposals

REJAUL KARIM BYRON and MD ASADUZ ZAMAN

The planning ministry's taskforce for sustainable development has drafted a report with proposals to fix the economic fault lines identified by the white paper on the economic state of the country and achieve moderate economic growth.

The 12-member body, formed to help reshape the economic landscape by stabilising the macroeconomic turbulence, has identified 16 key sectors, including macroeconomic strategy.

The team is set to present short and mid-term recommendations to the interim government this month, according to its members.

The taskforce will also emphasise how the government can curb the existing elevated inflation to alleviate the excessive inflationary pressure on low and fixed-income households.



Led by KAS Murshid, former director general of the Bangladesh Institute of Development Studies (BIDS), the team was announced on September 11 to devise strategies for "re-strategizing the economy and mobilising resources for equitable and sustainable development".

The taskforce was given a three-month deadline to produce its report.

Recently, its members said they have completed their sectoral analysis.

These measures are seen as crucial in light of recent economic downturns complicated by political instability, industrial unrest and natural calamities following the August 5 political changeover.

Besides, the recommendations will come at a critical time for the country as the interim government has suspended the completion of the Eighth Five-Year Plan, scheduled to conclude in June 2025, and halted the preparation of the Ninth Five-Year Plan.

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Bangladeshi card spending falls in India, rises in Thailand, Singapore

MAHMUDUL HASAN

Credit card spending by Bangladeshi citizens in India has plummeted in recent months while it is rising in Thailand and Singapore, according to central bank data.

This trend, according to industry people, is linked to India's limited visa issuance, which has reduced the number of Bangladeshi patients and tourists visiting the neighbouring country.

In October this year, credit card spending by Bangladeshis in India declined by over 40 percent year-over-year, dropping from Tk 90.2 crore to Tk 53.8 crore, as per the latest data of the Bangladesh Bank.

India's share of total overseas credit card spending by Bangladeshis fell from 16.50 percent in October 2023 to 10.78 percent in the same month this year.

Meanwhile, credit card usage by Bangladeshis in Thailand and Singapore has increased.

Historically, India has been the top destination for Bangladeshi credit card spending abroad. From March 2023 to June 2024, India consistently held the top spot. However, in July this year, the United States surpassed India.

After the political changeover in August and the formation of the interim government, Indian High Commissioner to Bangladesh Pranay Verma in October clarified that India would not resume tourist visas for Bangladeshis anytime soon.

The envoy said that the Indian High Commission in Dhaka is issuing visas only for emergency cases.

In that month, Randhir Jaiswal, spokesperson for India's external affairs ministry, confirmed at a briefing that the country had limited visa operations in Bangladesh and was only issuing visas for medical and emergency reasons.

Consequently, credit card usage by Bangladeshis in India has declined. Instead of India, Bangladeshis are now opting for

AT A GLANCE

- Bangladesh's credit card spending in India dropped 40% in Oct
- India was top destination for Bangladeshi credit card spenders until recently
- US overtook India in July 2024
- Indian high commissioner said they limited tourist visas for Bangladeshis
- India now gives medical or emergency travel visas with strict conditions
- Bangladeshis now prefer Thailand, Malaysia and Singapore

SPENDING IN INDIA THROUGH CREDIT CARDS

In crore taka; SOURCE: BB

Jan	96.5
Feb	108.4
Mar	106
Apr	97.9
May	76.5
Jun	92.1
Jul	73.2
Aug	50.6
Sep	50.8
Oct	53.8

Thailand, Malaysia and Singapore for medical and travel purposes.

Thailand has now become the second largest destination for Bangladeshi credit card spending abroad, according to central bank data.

In September, Bangladeshis spent Tk 42 crore through credit cards in Thailand while the amount surged to Tk 57 crore in October, elevating Thailand to the second position and pushing India to third.

Following Thailand, Singapore has seen significant growth in credit card spending by Bangladeshis. In October, Bangladeshis spent Tk 43 crore in Singapore, up from Tk 30 crore in September.

Syed Mohammad Kamal, country manager for Bangladesh at Mastercard, said that visits from Bangladesh to India have dropped by nearly 90 percent due to visa restrictions.

He said very few people are now able to travel to India for medical treatment as

patients must obtain written permission from doctors under strict conditions.

Kamal said tourists who previously chose Kolkata are now heading to Cox's Bazar while those who used to visit Mumbai or other Indian cities are now opting for Thailand, Singapore and Nepal.

The Bangladesh Bank report, titled "An Overview of Credit Cards Usage Pattern Within and Outside Bangladesh", collected extensive data on credit card transactions from 44 scheduled banks and 1 non-bank financial institution in the country.

It showed that domestic credit card transactions increased by 7.41 percent in October, amounting to Tk 28.66 crore compared to Tk 26.68 crore in September.

Similarly, international transactions outside the country totalled Tk 498 crore in October, showing an increase of 18.56 percent from Tk 420 crore in September.

STOCKS	
DSEX ▲	CASPI ▲
0.88%	0.51%
5,224.58	14,507.89

COMMODITIES	
Gold ▼	Oil ▼
\$2,642.86	\$69.87
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 1.30%	▼ 0.24%	▼ 0.55%	▼ 0.73%
80,684.45	39,364.68	3,799.93	3,361.48

Inactive SIM recycling period reduced to 12 months

MAHMUDUL HASAN

Bangladesh Telecommunication Regulatory Commission (BTRC) has shortened the recycling period for inactive SIM cards from 18 months to 12 months in a bid to address a shortage of mobile numbers available in the country.

The new directive mandates 11 months of inactivity, followed by a 30-day notice period before operators can recycle the unused numbers.

Under the revised guidelines, mobile operators can extend the registration of inactive SIMs for two or three years if customers meet specific conditions.

These include paying a fee to extend the registration period and recharging the SIM with any amount during that time.

If a user recharges, the SIM cannot be recycled until 12 months have passed after the recharge validity ends.

For users who opt to extend registration but do not recharge during the extended period, operators will be allowed to recycle the SIM after the extension expires, provided that a 30-day notice is issued.

The rules also specify that customers purchasing unlimited usage packages will have their SIMs subject to the recycling process once the package's validity ends.

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Debapriya reappointed to Committee for Development Policy

STAR BUSINESS REPORT



Debapriya Bhattacharya

Debapriya Bhattacharya, a distinguished fellow of the Centre for Policy Dialogue (CPD) and convener of the Citizen's Platform for SDGs Bangladesh, has been reappointed to the Committee for Development Policy (CDP) for a three-year term with effect from January 1 next year.

A member of the CDP since 2018, Bhattacharya got the appointment for a third consecutive term, following his nomination by the UN secretary-general, according to a press release.

He will continue to serve on the committee in his individual capacity.

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Six private banks see bad loans nearly triple in a year

MD MEHEDI HASAN

Defaulted loans at six private commercial banks nearly tripled in one year till September 2024, according to central bank data, which bankers term "alarming".

They altogether held Tk 80,573 crore in September this year, which is over 171 percent more than Tk 29,645 crore in September 2023.

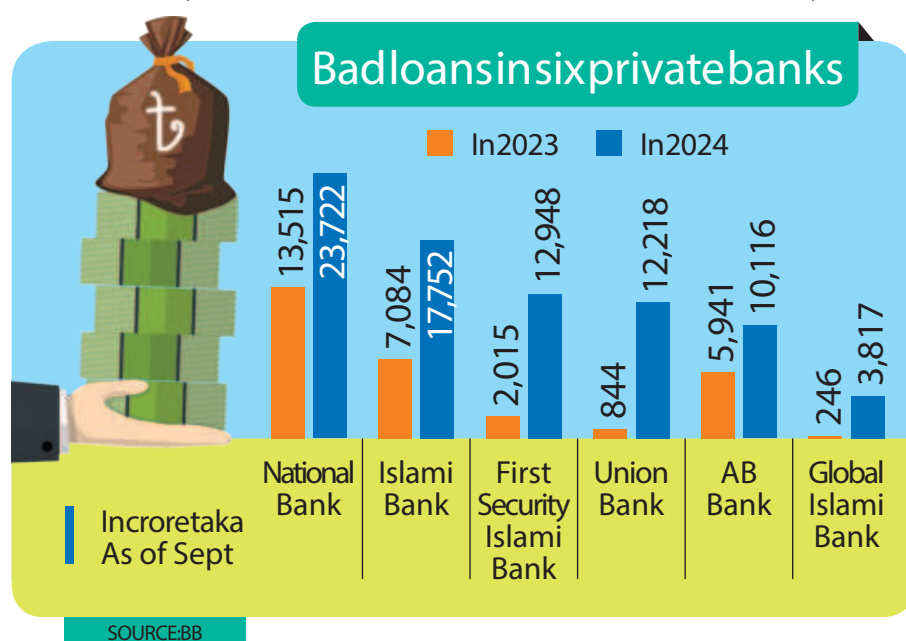
National Bank has the highest bad loans among the private commercial lenders. As of September this year, its defaulted loans stood at Tk 23,722 crore, which is 55.81 percent of its total disbursed loans.

The private lender is now suffering from a Tk 16,614 crore provision shortfall. The bank's bad loans were Tk 13,515 crore a year earlier.

After the formation of the interim government early August, the central bank restructured the board of eleven banks, including National Bank.

The bank is the country's first private sector commercial lender with a prosperous past. But it became a losing concern due to massive loan irregularities, lack of good governance and conflict among directors.

During the 16-year tenure of the



SOURCE:BB

previous Awami League government, business conglomerate Sikder Group dominated the bank.

After the recent political changeover, Abdul Awal Mintoo, a businessman and vice-chairman of the Bangladesh

Nationalist Party (BNP), became the bank's chairman.

Bad loans at Islami Bank Bangladesh rose to Tk 17,752 crore by September of this year, up from Tk 7,084 crore at the same period last year.

The bad loans figure stood at 11 percent of its total disbursed loans, according to data.

Islami Bank Bangladesh was one of the worst victims of the controversial business conglomerate S Alam Group, which dominated the board of the largest Shariah-based bank until mid-August of this year.

The Chattogram-based conglomerate and its associated companies took out more than 50 percent of the lender's total Tk 163,863.78 crore loans, documents showed.

First Security Islami Bank, Union Bank and Global Islami Bank are three other banks that were under the grip of S Alam Group and saw their bad loans rise sharply in the last year.

In year-over-year calculations, defaulted loans at First Security Islami Bank rose by Tk 10,933 crore to Tk 12,948 crore; bad loans at Union Bank rose by Tk 11,374 crore to Tk 12,218 crore; and bad loans at Global Islami Bank rose by Tk 3,570.91 crore to Tk 3,816.91 crore, according to data.

Those three Shariah-based lenders were also freed from the grip of the S Alam Group as the central bank dissolved the board and formed a new one for each.

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