

# Star BUSINESS



## IMF sees brighter days for Bangladesh from FY26

### STAR BUSINESS REPORT

The International Monetary Fund (IMF) yesterday said that the country's economic scenario may turn positive in fiscal year 2025-26 with the inflationary pressure easing and economic growth picking up.

The multilateral lender attributed several government measures to their forecast of the positive outlook.

"We've seen this in many other countries with corrective measures in place... we expect a rebound," said IMF official Chris Papageorgiou at a press briefing at the finance ministry.

He led a recent two-week mission to Dhaka. "We are expecting that we would see the inflation decline finally in the next year," he said.

Earlier on Wednesday, the IMF cut Bangladesh's growth outlook to 3.8 percent for FY25, which may rebound to 6.7 percent in FY26.

It also said that inflation is anticipated to remain around 11 percent in FY25 before declining to 5 percent in FY26.

"This is a very important point, when we start seeing inflation coming down to single digits, hitting the target rate of five to six percent, then we'll see growth start to pick up," Papageorgiou said.

### Earlier on Wednesday, the IMF cut Bangladesh's growth outlook to 3.8 percent for FY25, which may rebound to 6.7 percent in FY26

He said disruptions caused by floods in the northeastern region in August and September, and other disruptions earlier slowed growth this year.

"Frankly, a lot of the growth reduction we see is because of the disruptions in the months of July and August, and also flooding, unprecedented flooding that we've seen."

"From next fiscal year, we expect everything, the growth momentum, to start transitioning, rebounding to better days Bangladesh used to have in the past," he added.

"We do not see inflation coming down to rates we were expecting," he said. "Inflation remains in double digits. We have numbers [inflation] as of November, and the price pressures remaining very high comes from two parts," he added.

He said that high inflation is driven by both supply-side and demand-side factors.

On the supply side, structural issues contribute to persistent food inflation. On the demand side, strong aggregate demand has also contributed to inflationary pressures.

"So inflation remains much higher than our expectations," he said.

He said this combination of low growth and high inflation has put additional strain on the balance of payments and foreign exchange reserves.

The IMF has long been vocal about the non-performing loans (NPLs) in the banking sector.

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## IMF pushes for more reforms to unlock additional \$750m

**AT A GLANCE**

The country seeks additional \$750m from the lender

IMF board to review the additional loan proposal in Feb 2025

CONDITIONS FOR ONGOING PACKAGE

- Prioritising revenue mobilisation
- Reducing tax exemptions
- Lowering subsidies
- Carrying out banking reforms

BANGLADESH WILL HAVE TO ...

- Form revenue mobilisation commission
- Make exchange rates more flexible

Bangladesh currently under \$4.7b IMF loan package

### STAR BUSINESS REPORT

The International Monetary Fund (IMF) has proposed more reforms, including the separation of tax administration and tax policy and greater exchange rate flexibility, as conditions for an additional \$750 million loan to Bangladesh.

The multilateral lender will present the proposal for the additional loan, along with the next instalment of the ongoing \$4.7 billion package, to its executive board meeting in February 2025.

Before the board meeting, Bangladesh will have to implement the revenue mobilisation commission and adopt more flexible exchange rate policies, according to IMF official Chris Papageorgiou, who led a two-week mission to Dhaka.

At a press conference at the finance ministry yesterday, Papageorgiou said the formation of the revenue commission fulfils one of the conditions. Once the second condition is fulfilled, the proposal will be submitted to the IMF board meeting on February 5 next year.

The meeting will finalise the fourth tranche of the ongoing programme, totalling \$645 million including \$80 million from the additional loan.

In a statement on Wednesday, the IMF confirmed that the government had requested an additional \$750 million from the fund, separate from the ongoing \$4.7 billion programme approved in January 2023.

The mission chief also said that

the IMF has already committed to the additional amount and will release \$80 million of it with the regular fourth tranche.

The IMF determined the additional amount in consultation with the Asian Development Bank (ADB) and the World Bank (WB).

After the IMF press conference, Finance Adviser Salehuddin Ahmed and Power and Energy Adviser Fouzul Kabir Khan spoke to journalists.

Salehuddin said that the IMF has

However, Energy Adviser Fouzul Kabir Khan said that the government would not increase electricity prices this year due to high inflation.

Khan added that the IMF agreed to this and that the government would reduce power subsidies by lowering generation costs and increasing revenue.

### REVENUE BOOSTING EFFORTS SLOWING DOWN

At the press conference, Papageorgiou said revenue mobilisation efforts of Bangladesh are slowing down instead of progressing.

He said the IMF supports structural changes at the National Board of Revenue (NBR), including the separation of tax policy and administration, which he described as a "big reform."

"It is going to bring very good things to the country, because, like many other countries, this should be the case, policy should be separated from administration," Papageorgiou said.

The IMF has also identified specific measures to increase revenue, specially addressing tax exemptions.

Papageorgiou said these exemptions have become a long-standing cultural issue, which needs massive effort and political will to change.

Another key area of focus for the IMF is exchange rate flexibility. While the central bank governor has made significant strides, the IMF is advocating for a more

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## Padma Bank seeks Tk 1,300cr bailout

### MD MEHEDI HASAN

Problem-ridden Padma Bank has applied to the Bangladesh Bank for Tk 1,300 crore in liquidity support to mitigate its crisis and strengthen its ability to repay depositors.

"We applied to the central bank for liquidity support last week but are yet to get any green signal," said Kazi Md Talha, chief executive officer (current charge) of Padma Bank.

The bank needs the fund to mitigate its current liquidity crisis, he added.

After getting the fund, the bank will be able to repay its individual and institutional depositors, according to officials of the bank.

The bank currently has a liability to repay deposits amounting to Tk 6,100 crore.

A new chairman has also been appointed, so the bank will now identify more ways to repay depositors, Talha said.

Md Shawkat Ali Khan, CEO and managing director of Sonali Bank PLC, was appointed to concurrently serve as chairman of Padma Bank through a meeting of the board of directors on December 18.

### After getting the fund, the bank will be able to repay its individual and institutional depositors, said officials of the bank

Officials of the central bank said the Bangladesh Bank was yet to take any initiative to provide liquidity support to Padma Bank.

Padma Bank, which was established as Farmers Bank in 2013, became a hotbed for financial irregularities within just three years of its inception. More than Tk 3,500 crore was siphoned out of the bank in that period, according to the Bangladesh Bank.

Its ownership and management underwent a significant overhaul in 2017 after Muhiuddin Khan Alamgir, a former presidium member of the Awami League, stepped down as chairman.

To rescue Farmers Bank from financial distress, the government stepped in with a financial lifeline: state-owned Investment Corporation of Bangladesh, Sonali Bank, Janata Bank, Agrani Bank and Rupali Bank bought a 60 percent stake in the bank for Tk 715 crore.

In January 2018, Chowdhury Nafeez Sarafat, chairman of RACE Asset Management, took charge as chairman of Padma Bank.

The bank was also rebranded as Padma Bank in 2019 to give it a clean slate. But the ghosts of Farmers Bank continued to haunt the institution.

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## Deposits in full-fledged Islamic banks fall

### STAR BUSINESS REPORT

Savers are increasingly parking their funds at Islamic banking branches and windows of commercial banks in Bangladesh in a move away from full-fledged Shariah based banks, which were mired by irregularities during the tenure of previous government ousted in August this year.

Deposits at 10 full-fledged Islamic banks fell 2.9 percent to Tk 390,760 crore at the end of September this year from Tk 402,541 crore at the end of June.

Year-on-year, these banks lost 1.11 percent of their deposits amounting to Tk 395,142 crore in September 2023, according to a Bangladesh Bank quarterly report on Islamic banking.

On the other hand, conventional banks with Islamic banking branches recorded roughly 3 percent growth in deposits to Tk 20,582 crore at the end of September from Tk 19,986 crore at the end of June.

Similarly, banks that have Islamic banking windows recorded growth in the flow of savings during the July-September period, data showed.

It is because these banks are relatively in better health and have not faced any major allegations of irregularities like some of the full-fledged Shariah based banks have,

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## Adani pressed by Bangladesh to reopen power deal

### REUTERS, Dhaka

Bangladesh's interim government has accused energy supplier Adani Power of breaching a multi-billion-dollar agreement by withholding tax benefits that a power plant central to the deal received from New Delhi, according to documents seen by Reuters.

In 2017, the Indian company controlled by billionaire Gautam Adani signed an agreement with Bangladesh to provide power from its coal-fired plant in eastern India. Dhaka has said it hopes to renegotiate the deal, which was awarded by then-Prime Minister Sheikh Hasina without a tender process and costs Bangladesh far more than its other coal power deals, according to Bangladesh power agency documents and letters between the two parties reviewed by Reuters, as well as interviews with six Bangladesh officials.

Dhaka has been behind on payments to Adani Power since supply started in July 2023. It owes several hundred million dollars for energy that has already been



PHOTO: AFP/FILE

A general view of the Adani Corporate House in Khodiyar village near Ahmedabad in India's state of Gujarat on November 21, 2024.

supplied, though the two sides dispute the exact size of the bill.

Bangladesh's de facto power minister Muhammad Fouzul Kabir Khan told Reuters the country now had enough domestic capacity to cope without the Adani supply, though not all domestic power generators were operational.

Nobel peace prize laureate Muhammad Yunus took power in August after a student-led revolution ousted Hasina, who critics accuse of stifling democracy and mismanaging the economy. She ran Bangladesh for most of the last two decades and was a close ally of Indian Prime Minister Narendra

### Modi.

Reuters is reporting for the first time that the contract came with an additional implementation agreement that addressed the transfer of tax benefits. The news agency is also revealing details about Bangladesh's plan to reopen the 25-year deal, and that it hopes to use the fallout from US prosecutors' November indictment of Adani and seven other executives for their alleged role in a \$265 million bribery scheme to press for a resolution.

Adani Power has not been accused of wrongdoing in Bangladesh. A company spokesperson said in response to Reuters' questions that it had upheld all contractual obligations and had no indication Dhaka was reviewing the contract. The company did not answer questions about the tax benefits and other issues raised by Bangladesh.

Adani Group has called the US allegations "baseless."

**TAX EXEMPTIONS**  
Adani Power's Godda plant runs off imported coal and was built to serve Bangladesh.

READ MORE ON B2

## Panel formed to make tax expenditure policy

### STAR BUSINESS REPORT

The National Board of Revenue (NBR) yesterday formed a nine-member committee to make a policy framework for tax expenditure.

The tax expenditure is a form of tax subsidy that includes rebates, discounts, exemptions and reduced rates of taxation.

The tax administrator has formed the committee to assess its overall direct and indirect tax exemptions as the International Monetary Fund has been asking to cut the existing tax expenditure since it approved a \$4.7 billion loan for Bangladesh.

The committee has been asked to submit the report within seven days.

Mirza Mohammad Mamun Sadat, first secretary of tax policy of the NBR, will chair the committee while Md Bodruzzaman Munshid, second secretary of the VAT policy, will serve the committee as member secretary.

STOCKS	
DSEX ▲	CASPI ▲
0.26%	0.23%
5,221.57	14,522.70

  

COMMODITIES	
Gold ▼	Oil ▼
\$2,602.57	\$69.83
(per ounce)	(per barrel)

  

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 1.20%	▼ 0.69%	▼ 0.44%	▲ 0.36%
79,218.05	38,813.58	3,776.88	3,370.03

# Midland Bank signs MoU with Expose Furniture

STAR BUSINESS DESK

Midland Bank PLC has signed a memorandum of understanding (MoU) with Expose Furniture, a furniture manufacturer and retailer company in Bangladesh.

Alamgir Biplob, managing director of the furniture manufacturer, and Md Rashed Akter, head of retail distribution division and chief bancassurance officer of the bank, penned the MoU at the bank's head office in the capital's Gulshan recently, the commercial lender said in a press release.

Under this agreement, all the bank's Visa credit cardholders will enjoy EMI facilities for up to 24 months with zero percent interest.

Along with that, the bank's debit, credit and prepaid cardholders will enjoy up to a 10 percent discount on their total bill amount, while purchasing furniture from Expose Furniture outlets.

Among others, Md Abed-Ur-Rahman, head of cards of the bank, Md Rashadul Anwar, head of public relations division, Sazal Ahmed, merchant relationship officer, and Ayman Arabi, executive director of the furniture manufacturer, and Chiranjib Kumar Biswas, senior general manager, were also present.



Alamgir Biplob, managing director of Expose Furniture, and Md Rashed Akter, head of retail distribution division and chief bancassurance officer of Midland Bank, pose for photographs after signing a memorandum of understanding at the bank's head office in the capital's Gulshan recently. PHOTO: MIDLAND BANK

# New office bearers for Tea Traders Association

STAR BUSINESS DESK

Shah Moinuddin Hasan, general manager of Ispahani Tea Limited, was re-elected as the president of the Tea Traders Association of Bangladesh (TTAB) for a two-year term (2024-2026).



Shah Moinuddin Hasan

Md Yusuf has been elected as the vice-president of the association, according to a press release.

Golam Mostafa, Amanat Hossain, Zia Md Mahfuz Bhuiyan, Tasbir Hakim, Partha Sarathi Mutsuddi, Syed Mahmud Hasan, Sarwar Md Yusuf, Sharid Hossain, Selim Md Khadem, Shahadat Hossain, Md Amirul Islam, Md Delwar Hossain Chowdhury, Md Moinuddin Sharif and Shamsul Haque Chowdhury included in the new committee of the association.

# Al-Arafah Islami Bank gets new AMD

STAR BUSINESS DESK

Al-Arafah Islami Bank PLC has appointed Mohd Rafat Ullah Khan as its additional managing director (AMD).



Mohd Rafat Ullah Khan

Khan will also serve the bank as the chief risk officer concurrently, the bank said in a press release.

He has more than 30 years of experience in the banking industry.

Prior to joining the bank, he worked for NCC Bank PLC as deputy managing director, chief risk officer and CAMLCO. Khan embarked on his banking career at Eastern Bank PLC as a probationary officer in 1994.

He previously served BRAC Bank, Dutch-Bangla Bank and Prime Bank in different capacities.

He encompasses a diversified career in different sectors of banking like credit risk management, corporate banking, product development and process and policy making in both Islamic and conventional banking across the branches and head offices.



Ali Reza Iftekhar, managing director and CEO of Eastern Bank PLC, poses for group photographs with award-winning partners, merchants and officials of the bank at the "EBL Digital Excellence Summit 2024" at Bangabandhu International Conference Center in the capital's Agargaon recently. PHOTO: EASTERN BANK

# EBL honours 30 partners at excellence summit

STAR BUSINESS DESK

Eastern Bank PLC (EBL) has honoured some 30 partner companies for their significant contribution toward development of digital services and solutions of the bank at the "EBL Digital Excellence Summit 2024".

The event brought together key partners, merchants of EBL and industry leaders to celebrate the collective achievements in driving digital transformation.

The awards were presented to partners and merchants in three categories -- Partners in Progress, Excellence in Business, Enablers of Excellence -- at a

function at Bangabandhu International Conference Center in the capital's Agargaon recently, said a press release.

"This award reflects our strong commitment to collaboration, innovation, and excellence. Together, we are setting new standards in the digital financial services landscape and paving the way for a more inclusive and prosperous future for Bangladesh," Ali Reza Iftekhar, managing director and CEO of EBL.

M Khorshed Anwar, deputy managing director and head of retail and SME banking of the bank, presented a keynote speech on the "Current Scenario of Digital Inclusion in Bangladesh and Future Prospects of Digital Payments".

# Islami Bank wins remittance award

STAR BUSINESS DESK

Islami Bank Bangladesh PLC has received the "Remittance Award 2024" for collecting the highest remittances in the fiscal year 2023-2024.

Asif Nazrul, adviser to the Ministry of Expatriates' Welfare and Overseas Employment, handed over the award to Mohammed Monirul Molla, managing director of the bank, as the chief guest at Osmani Memorial Auditorium in the capital on Wednesday.

The ministry organised the award-giving ceremony on the occasion of

International Migrants Day and National Expatriates' Day 2024.

Asif Mahmud Shojib Bhuiyan, adviser to the Ministry of Youth and Sports and the Ministry of Local Government, Rural Development, and Cooperatives, attended the programme as the special guest.

Md Rafiqul Islam, deputy managing director of the bank, Mohammad Masud and Mohammed Eyahya, executive vice-presidents and Mohammad Shahadat Ullah, senior vice president, along with executives and officials of the bank were also present.



Mohammed Monirul Molla, managing director of Islami Bank Bangladesh, receives an award from Asif Nazrul, adviser to the expatriates' welfare and overseas employment ministry, at Osmani Memorial Auditorium in the capital on Wednesday. Asif Mahmud Shojib Bhuiyan, another adviser to the interim government, was also present. PHOTO: ISLAMI BANK BANGLADESH

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (DEC 19, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 68-Tk 80	0	13.85 ↑
Coarse rice (kg)	Tk 50-Tk 55	-1.87 ↓	7.14 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-10.53 ↓
Lentil (kg)	Tk 105-Tk 110	0	0
Soybean (litre)	Tk 163-Tk 165	-4.09 ↓	4.13 ↑
Potato (kg)	Tk 60-Tk 80	0 ↑	12.00 ↑
Onion (kg)	Tk 80-Tk 120	-25.93 ↓	-9.09 ↓
Egg (4 pcs)	Tk 45-Tk 50	-3.06 ↓	7.95 ↑

SOURCE: TCB

# Uttara Bank arranges business development conference

STAR BUSINESS DESK

Uttara Bank PLC has organised a programme titled "Business Development Conference & Future Planning for 2025" at Jol Torongo, an army welfare trust rest house, in

Cox's Bazar recently.

Azharul Islam, chairman of the bank, attended the conference as the chief guest, the bank said in a press release.

Mohammed Rabiul Hossain, managing director and CEO of the

bank, presided over the conference.

Badrunnesa Sharmin Islam, director of the bank, and Maksudul Hasan, Md Abul Hashem and Md Rezaul Karim, deputy managing directors, along with top executives of the bank were also present.



Azharul Islam, chairman of Uttara Bank, delivers his speech at "Business Development Conference & Future Planning for 2025" at Jol Torongo, an army welfare trust rest house, in Cox's Bazar recently. PHOTO: UTTARA BANK

# Agrani Bank receives 'Remittance Award 2024'

STAR BUSINESS DESK

Agrani Bank PLC has received the "Remittance Award 2024" for collecting a significant amount of foreign remittances in the banking sector for the fiscal year 2023-2024.

Asif Nazrul, adviser to the Ministry of Expatriates' Welfare and Overseas Employment, handed over the award to Md Anwarul Islam, chief executive officer of the bank, at Osmani Memorial Auditorium in the capital on Wednesday, the bank said in a press release.

The ministry organised the event on the occasion of International Migrants Day and National Expatriates Day 2024.

Asif Mahmud Shojib Bhuiyan, adviser to the Ministry of Youth and Sports and the Ministry of Local Government, Rural Development, and Cooperatives, attended the programme as the special guest.

Other high officials of the bank were also present.



Md Anwarul Islam, chief executive officer of Agrani Bank, receives an award from Asif Nazrul, adviser to the law ministry and expatriates' welfare and overseas employment ministry, at Osmani Memorial Auditorium in Dhaka on Wednesday. Asif Mahmud Shojib Bhuiyan, another adviser to the interim government, was also present. PHOTO: AGRANI BANK

# Adani pressed by Bangladesh to reopen power deal

FROM PAGE B1

The company said the Bangladesh deal helped further Indian foreign policy objectives and Delhi in 2019 declared the plant part of a special economic zone. It enjoys incentives such as exemptions on income tax and other levies.

The power supplier was required to inform Bangladesh swiftly of changes in the plant's tax status and to pass on the "benefit of a tax exemption" from India's government, according to the contract and implementation agreement signed on November 5, 2017 between Adani Power and the state-run Bangladesh Power Development Board (BPDB).

But Adani Power did not do so, according to letters sent by BPDB on September 17, 2024 and October 22, 2024 that urged it to remit the benefits.

The agreements and letters are not public but were seen by Reuters.

Two BPDB officials, who spoke on condition of anonymity because they were not authorised to talk to the media, said they did not receive responses.

BPDB estimates savings of roughly 0.35 cents per unit of power if the benefit was passed on, the officials said. The Godda plant supplied 8.16 billion units in the year to June 30, 2024, according to an undated Bangladesh government summary of power purchases seen by Reuters, suggesting potential savings of about \$28.6 million.

Power minister Khan said the savings would be a key part of future discussions with Adani Power.

**'NEGOTIATED HASTILY'**

Bangladesh in November scrapped a 2010 law that allowed Hasina to

award some energy deals without a competitive bidding process.

The absence of tenders is unusual, said Tim Buckley, director of Australia's Climate Energy Finance think-tank, adding that auctions ensure "the best price possible."

In September, Yunus's government appointed a panel of experts to examine major energy deals signed by Hasina. A Bangladesh court has separately ordered a probe of the Adani deal.

Another panel asked to study the economy said in a white paper submitted to Yunus on December 1 that the US charges against Adani meant Bangladesh should "scrutinise" the power deal, which it described as "negotiated hastily."

Hasina, who has not been seen in public since she fled to India, could

not be reached. Her son and adviser Sajeeb Wazed told Reuters he was not aware of the Adani Power deal but that he was "sure there was no corruption."

"I can only assume the Indian government lobbied for this deal so it was made," he said in response to allegations of political interference.

Modi's office and other Indian officials did not respond to requests for comment.

**HARDBALL**  
On October 31, Adani Power halved the power supply from Godda in response to the payment dispute with Bangladesh.

The company in a July 1 letter seen by Reuters also rejected a request from BPDB to extend a discount it had offered until May - resulting in savings of about \$13 million for

Bangladesh. It said it would not consider further discounts until payment was cleared.

Adani Power contends it is owed \$900 million, while BPDB says arrears are about \$650 million. Bangladesh suffers from a dollar shortage and BPDB officials told Reuters they haven't been able to obtain sufficient foreign currency for payment.

The halving of supply particularly angered Bangladesh, BPDB Chair Md Rezaul Karim said, because it came after Dhaka in October remitted \$97 million to Adani Power - its highest monthly payment this year.

The dispute revolves around how power tariffs are calculated, with the 2017 agreement pricing off an average of two indices.

The unit cost of energy from

Godda was 55 percent above the average of all Indian power sold to Dhaka, according to the summary of Bangladesh's power purchases.

Bangladesh is pressing for Adani Power to use other benchmarks that would lower the tariff after one of the indices was revised last year, said three BPDB sources.

Adani Power has rejected that, one of them said, adding the two sides were meeting soon.

The agreements stipulate that arbitration be carried out in Singapore, but Khan said Bangladesh's next move depended on the outcome of the court-ordered investigation.

"If it is proven that bribery or irregularities had happened, then we will have to follow the court order if any cancellation happens," he said.



Paritosh Kumar Biswas sorts and separates different types of dried fish at Dublar Char, an island at the edge of the Sundarbans mangrove forest, some 250 kilometres south of capital Dhaka. A resident of Paikgasa upazila of Khulna district, he will be engaged in this task for five months or so centring the winter season, the prime period for fish to be dried under the sun. Residents of nearby villages in Khulna, Bagerhat and Satkhira districts leave their families behind to make a living in this manner, earning anywhere from Tk 40,000 to Tk 1.5 lakh for the whole duration of their stay. The photo was taken recently.

PHOTO: HABIBUR RAHMAN

## REHAB housing fair to begin on Dec 23

STAR BUSINESS REPORT

The 2024 edition of the REHAB fair, the biggest exhibition of the housing sector, will begin in Dhaka on December 23.

The five-day exhibition will be organised at the Bangabandhu International Conference Centre in the capital's Agargaon and continue until December 27.

This year's REHAB fair will have 220 stalls, where seven will be occupied by gold sponsors, 18 by co-sponsors, 18 by building material companies and 10 by financial investment institutions.

Md Wahiduzzaman, president of the Real Estate and Housing Association of Bangladesh (REHAB), shared this information at a press conference at the Cirdap auditorium in Dhaka yesterday.

At the event, the REHAB president highlighted the sector's current problems.

The new Detailed Area Plan (DAP) -- prepared by the state development coordinator Rajdhani Unnayan Karttripakkha (Rajuk) -- is the biggest problem of the housing sector at present, he said.

In 2022, Rajuk made it mandatory for the realtors to follow the new DAP for developing urban housing projects.

In the new DAP, the floor area ratio -- the measurement of a building's floor area to the land size -- has been reduced inappropriately, he said.



If the new floor area ratio is maintained, the height of most buildings in Dhaka will decrease, leading to a spike in flat prices and house rents, Wahiduzzaman added.

Moreover, high registration costs and rising interest rates have significantly slowed new investment in the sector, he said.

Realtors have also halted the construction of existing apartments and stopped accepting new projects, he said, urging the government to immediately amend the DAP for 2022-2035.

There will be two types of tickets for this year's fair -- one for single entry priced at Tk 50 and the other for multiple entry at Tk 100.

The multiple-entry ticket will allow visitors to enter the show five times during the exhibition.

The entire amount received from ticket sales will be spent to help the needy, according to REHAB.

Attractive prizes will be given to the winners of a raffle draw of the entry tickets every day at 9pm during the fair.

Civil Aviation and Tourism Adviser AF Hasan Arif will inaugurate the fair as the chief guest, with Rajuk Chairman Maj Gen (Retd) Md Siddiqur Rahman Sarkar set to attend as the special guest.

## Poultry farmers scrap plan to halt supply

STAR BUSINESS REPORT

The Bangladesh Poultry Association (BPA) has cancelled its plan to halt supply of broiler chickens and eggs from January 1, 2025, as the government has promised to address their demands within the next two months.

The association shared this information yesterday through a press release, issued four days after presenting a 10-point demand and threatening to stop poultry supply if their demands are not properly met.

BPA President Sumon Howlader said they backtracked from its earlier decision as the Department of Livestock Services, the Department of Agricultural Marketing and the people concerned assured the association of meeting the demands in two separate discussions held in Dhaka on December 17-18.

The association had earlier placed the demands for the sake of the interest of the marginal farmers and the people of the country, he said.

It had urged the government to curb the influence of alleged corporate syndicates, which are increasingly monopolising and destabilising the domestic poultry market.

Competition among the small farms helps control prices and ensure smooth supply in the market whereas the corporate entities end up controlling all aspects of the business, according to the BPA.

## CPA to extend deal with Saif Powertec to operate New Mooring terminal

DWAIPAYAN BARUA, Chattogram

Chittagong Port Authority (CPA) has opted to extend its deal with Saif Powertec Limited, allowing the company to operate its New Mooring Container Terminal (NCT) under direct procurement, as the process of floating an open tender to this end is facing delays.

The agreement with the firm is set to end on January 7.

The CPA had earlier decided to float an open tender to appoint a new operator for the NCT for an interim period until a foreign operator is appointed under public private partnership and government-to-government basis.

The CPA also sent a proposal to the shipping ministry to amend some clauses in a previously issued statutory regulatory order that recognised Saif Powertec as the only firm competent enough to operate the terminal.

For long there has been criticism

over the appointment of Saif Powertec to operate the port's two main terminals, the NCT and Chittagong Container Terminal, through the direct procurement method.

Shipping Adviser Brig Gen (ret) M Sakhawat Hussain had criticised such practices while visiting the port in October.

In a letter on October 30, Nazrul Islam Azad, deputy secretary of the shipping ministry, directed the chairman of the CPA to take steps for lodging an open tender to appoint an operator for NCT.

CPA sources said the previous government issued an order in 2018 through the inclusion of two new clauses in the Regulation for Working of Chittagong Port (Cargo and Container), 2001.

Those clauses were actually obstacles for placing an open tender as they were included to make Saif Powertec the only competent firm for the job of operating NCT, they said.

In November, a committee of the CPA sent proposals to the shipping ministry for amending those clauses, but the process is yet to be completed.

A senior CPA official said the authority could not float open tenders for finding operators of NCT as the amendment is yet to be made.

Since the agreement with Saif Powertec is going to expire on January 7, and there is not enough time left for the CPA to float open tender, the CPA board in its recent meeting decided to extend its agreement with the firm.

Confirming it, CPA Secretary Md Omar Faruk said as the agreement with Saif Powertec would be expiring soon, the authority had to take a decision because the terminal cannot be kept idle.

He said the CPA board decided to extend the agreement by another six months on condition that the agreement would be cancelled as soon as a new operator is appointed through open tender.

## Trump, not yet in office, looms over global economy

REUTERS, Washington

The world's economic reckoning with the incoming Trump administration kicked off in earnest this week, with the US Federal Reserve flagging fewer rate cuts and other leading central banks signaling caution over future rate decisions.

The Fed cut rates as expected on Wednesday amid a busy year-end run of central bank meetings from Ottawa and Frankfurt to Tokyo and London that showed heightened uncertainty ahead of Donald Trump entering the White House in the new year.

But Fed officials dialed back projections for rate cuts in the face of stubborn inflation and Chair Jerome Powell said some in the bank were trying to judge how Trump's planned tariffs, lower taxes and immigration curbs might affect policy.

The upshot was US central bankers penciled in estimates for higher growth next year than previously estimated, but also notably higher inflation.

That left Powell repeatedly urging caution around additional rate cuts from here, which triggered a slide in stock prices and a recalibration of market estimates for further easing. Just a single Fed rate cut is now priced in for 2025.

"Some people did take a very preliminary step and start to incorporate highly conditional estimates of economic effects of policies into their forecasts at this meeting," Powell said when asked if Trump's policies factored into officials' thinking.

In Asia, The Bank of Japan kept ultra-low interest rates on Thursday as the threat of Trump's policies cast a shadow over the export-reliant economy. "There's uncertainty over the policies of the incoming US administration, so we need to scrutinise the impact

more carefully," BOJ Governor Kazuo Ueda told a press conference, adding that Trump trade and fiscal policies would have a huge impact on the global economy and financial markets.

A Reuters survey of Japanese businesses published last week showed nearly three-quarters expect Trump to have a negative effect on their operating environment, something BOJ officials may have to reckon with as the world's lone developed central bank still trying to tighten policy.



Donald Trump

In Europe, Norway's central bank held its policy interest rate unchanged at a 16-year high of 4.50 percent and highlighted the risk of a trade war between the United States and China.

"Higher tariffs will likely dampen global growth, but the implications for price prospects in Norway are uncertain," the bank said.

Sweden's central bank cut its key interest rate by a quarter percentage point to 2.50 percent as expected, but said it now saw reasons to be more cautious about cutting rates in early 2025.

UPHEAVAL

Ahead of the Fed decision, the European Central Bank and Bank of Canada had already lowered interest

rates last week. Both are seen easing further in 2025 amid weakening outlooks.

While ECB President Christine Lagarde was vague about further rate cuts, she went out of her way to emphasize downside risks to growth, including from prospective trade tensions with the United States under Trump.

The Bank of England is due to announce its latest rate decision on Thursday, widely seen on hold and with investors trimming bets on 2025 cuts after the Fed comments.

Although Trump may have been just at the periphery of officials' thinking at the Fed, he was a central focus in Ottawa when Canadian Finance Minister Chrystia Freeland quit after clashing with Prime Minister Justin Trudeau on how to handle possible US tariffs under the next US administration.

Freeland said the threat of new US tariffs represented a grave danger after Trump last month warned he would issue levies on goods imported from Canada and Mexico of 25 percent unless the two neighbors limit the flow of migrants and fentanyl into the United States.

"That means keeping our fiscal powder dry today, so we have the reserves we may need for a tariff war. That means eschewing costly political gimmicks, which we can ill afford," she wrote in a letter to Trudeau posted on X.

Meanwhile, crypto market enthusiasm for Trump's notion of establishing a strategic reserve of bitcoin was dealt a setback when Powell said that the Fed had no legal authority to hold it and no plan to seek a change in the law so that it could.

The remark contributed to a broad slide in crypto-related assets, including a 5 percent drop in bitcoin itself, its largest decline in more than three months.

## Oil price wavers on demand concerns

REUTERS

Oil prices wobbled on Thursday after the US Federal Reserve signalled it would slow the pace of interest rate cuts in 2025, which could hurt economic growth, reduce fuel demand and strengthen the dollar.

Brent crude futures were little changed, drifting down by 3 cents

to \$73.36 a barrel by 0952 GMT. US West Texas Intermediate crude lost 2 cents to \$70.56.

While a rebound from earlier declines meant prices were relatively flat on the day, they remained below levels on Wednesday, when prices settled higher as US crude stocks fell and the Fed cut rates by 25 basis points as expected.

## IMF sees brighter days

FROM PAGE B1

Papageorgiou said that historical NPL measures have been biased and that the actual level of NPLs is likely much higher.

The IMF appreciated the interim government's efforts to prioritise the banking sector. "We applaud them for that. But with that, we see that the banking sector is still in distress," he said.

He said the country has transitioned from a period of 7 percent growth with low inflation to a period of 3.8 percent growth with high inflation, putting pressure on reserves and the banking sector.

Regarding the IMF's programme evaluation, the mission chief said they started the programme with a clear request for stopping the decline in foreign exchange reserves.

The reserves have decreased

dramatically, from around \$50 billion three years ago to mere \$20 billion now, he said.

Papageorgiou said the IMF programme has coincided with a series of global shocks. When the programme began, the impact of the Russia-Ukraine war and subsequent commodity price increases was not fully anticipated.

He said these shocks, coupled with domestic challenges such as the July-August unrest, have further complicated Bangladesh's economic situation.

The mission chief said the main objective of the IMF programme is to stabilise the economy and restore sustainable growth.

"That is number one goal," he said, adding that Bangladesh would return to a path of healthy growth and low inflation.

## Deposits

FROM PAGE B1

said Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank, which also offers Islamic banking services.

He said the financial health of full-fledged Islamic banks was not good for many days even before the political changeover in August.

The central bank data showed that as a result of the decline in deposits

at fully Shariah based banks, total deposits in the Islamic banking system dropped to Tk 436,667 crore at the end of September this year, down 1.94 percent from Tk 445,309 crore in June.

As such, the share of deposits at Islamic banks compared to total deposits dropped by 25.08 percent as of September from 25.56 percent in June.

## IMF pushes for more reforms

FROM PAGE B1

transitional system to reduce reliance on reserve sales to support exchange rate reform.

The final major issue is the banking sector, according to Papageorgiou as he said the IMF is working closely with authorities, the taskforce and bilateral development partners.

He said they have developed a matrix to assist authorities in addressing banking sector challenges.

The immediate focus will be on the 10-12 banks identified as the most distressed. The mission chief talked about a roadmap that includes legislative measures, human resource adjustments and administrative changes.

While the process is not expected to be completed by the end of 2025, said the mission chief, the IMF expects the implementation of key measures to ensure notable progress.

## Padma Bank seeks Tk 1,300cr

FROM PAGE B1

The government had taken an initiative to merge the bank with EXIM Bank a few months after Chowdhury Nafeez Sarafat resigned from the bank in January of this year.

Industry insiders said the merger decision intensified the crisis at the bank as it prompted a frenzy of fund withdrawals by depositors.

Till September of this year, total outstanding loans of the bank stood at Tk 5,652.54 crore and of them Tk 4,855.98 crore or 85.91 percent had become defaulted, as per the central bank data.

Last month, the central bank injected Tk 22,500 crore as liquidity support into six crisis-hit banks -- First Security Islami Bank, Union Bank, Social Islami Bank, Global Islami bank, National Bank and Exim Bank.



The beaches of Cox's Bazar are currently teeming with visitors as people from all over Bangladesh are flocking to the popular tourist spot to enjoy their winter vacation. The situation is similar at other destinations in the country, breathing much-needed life into the domestic tourism industry.

PHOTO: MOKAMMEL SHUVO

## Past glory, future worry

MAHTAB UDDIN AHMED

Years ago, Karim, a skilled fisherman, had a secret trick to catch fish. He would quietly tap the water three times, toss some crumbs, and wait. Like magic, the fish always came. Proud of his "foolproof" method, he passed it down to his grandson, Rafi. One day, Rafi tried the same trick at the river. Confidently, he tapped, tossed, and waited without luck. Suddenly, a loudspeaker blared: "Feeding fish is prohibited. Cameras are watching!" Startled, Rafi saw the fish swim off, unfazed. Morale of the story: Times and contexts change. What worked in the past may not work today, especially when the fish are smarter, and the rules are stricter.

In Bangladesh, family-owned businesses form the backbone of the economy. From textile and manufacturing to retail and trading, these enterprises contribute significantly to employment and GDP growth. Generational businesses such as Abul Khair, TK, PHP, Akij, Ispahani and BSRM Group showcase the potential of visionary leadership and hard work. However, as the market evolves, many family business owners struggle to move beyond the success models of the past. Relying on business practices that are now outdated, they fail to adapt to modern challenges and sustain long-term success.

There's a growing trend of new generation groups venturing into new industries – from garments to telecom or electronics to FMCG. Oftentimes, many entrepreneurs try to clone the same success formula from the past and rely on their "old loyal brigade" – employees who thrived in the fax machine era but now blink cluelessly at mentions of TikTok or AI. In today's fast-paced, Gen Z driven world, handing a typewriter to a digital native won't cut it. Injecting fresh ideas; modern expertise, and addressing the generational gaps are critical for sustained success in any new venture.

Another issue with family business founders is their hesitation in delegating authority or lack of professional coaching to prepare the next generation. Despite having well-educated and competent successors, they seem to think, "You're competent but not just yet." Many wait until God's call comes, only to realise it is too late for the business and the baton.



Family businesses in Bangladesh often begin with a visionary leader who identifies market gaps, takes risks, and builds a thriving empire. In earlier times, simple structures, close-knit leadership, and stakeholder relationships worked in driving growth. But rapid economic developments in the post-independence era and through the 1980s and 1990s created immense opportunities. The ready-made garment industry, for instance, thrived on export-friendly policies and cheap labour. However, strategies like low costs, limited competition, and minimal regulations that succeeded 30 years ago are no longer effective in the present era of globalisation, technological advancements, and fierce competition.

In Bangladesh, new generation family business owners often replicate their predecessors' success models, failing to acknowledge the rapidly evolving business landscape shaped by digitisation, changing consumer behaviour, global competition, and environmental concerns. According to a 2022 International Finance Corporation report, only 30 percent of South Asian family businesses survive into the third generation, a trend mirrored in Bangladesh. What hinders progress are mainly resistance to change, emotional attachment to the founder's legacy, reliance on outdated loyal employees, and centralised decision-making. For long-term growth, businesses must embrace modern expertise, decentralise leadership, and adapt to the dynamic global market to stay afloat.

A few conglomerates demonstrate how modern practices, diversification, and sustainability initiatives are key to success. Preparing the next generation through education, coaching, and exposure ensures long-term growth and competitiveness.

The future of family businesses in Bangladesh is hopeful for those who embrace change, nurture innovation, and empower the next generation. By blending tradition with transformation, these enterprises can thrive, leaving a legacy of resilience, progress, and lasting success.

The author is president of the Institute of Cost and Management Accountants of Bangladesh and founder of BuildCon Consultancies Ltd

## Summit Power seeks time to provide financial report

STAR BUSINESS REPORT

Summit Power Limited (SPL) has sought a five-month extension from the Bangladesh Securities and Exchange Commission for providing the audited financial report for fiscal year 2023-24, which ended last June.

The report was supposed to be submitted by October this year, the publicly listed company stated in a statement on its website yesterday.

The company said it hoped to hold the associated annual general meeting (AGM) around April or May of 2025.

Public listed companies have to submit audited financial reports within 134 days of the end of a fiscal year and hold the AGM within the following fiscal year.

The financial report of fiscal year 2023-24 was supposed to be published by October 28 and the dividends declared at the same time, said officials.

The statement said Summit Corporation Limited has 18 power plants and of them, the SPL owns 15 which have a combined installed capacity of 976 megawatts (MW).

Of them, 10 plants of the SPL are operational, having a capacity of 808MW, said the statement. Three plants of Summit Corporation Limited are also operational, having a capacity of 1,279MW.

The remaining five of the SPL have been kept shut, either for fuel shortages or expiry of power purchase agreements with the government. They have a combined capacity of 168MW.

# Domestic tourism heats up this winter

MOKAMMEL SHUVO

If you call your friends and relatives, you may find that some are off in the hills of Sajek valley of Rangamati or the sandy beaches of Cox's Bazar and other tourist hotspots across Bangladesh.

This is because educational institutions in the country have all closed for winter vacation, signalling the start of the main holiday season as families rush to enjoy the rest of 2024 amid the winter weather.

The local tourism industry was suffering from apprehension over the loss of business amid a long recession stemming from mass unrest, which began in July.

But business has been recovering since September and is now ongoing at full swing, industry people said, adding that India's recent visa ban on Bangladeshi nationals has helped bolster domestic tourism.

The return of tourists has enabled hospitality service providers, such as hotels and restaurants, to hope for the recovery of losses sustained due to political turmoil in the third quarter of the current calendar year.

"We are totally full of tourists now. The flow of tourists in December exceeded our expectations," said Abul Kashem Sikder, president of the Cox's Bazar Hotel Guest House Owners Association.

"However, the tourists'



purchasing capacity seems to have been eroded by high inflation," he added.

He informed that the overall occupancy rate of hotels, resorts and guest houses in Cox's Bazar, the country's most popular tourist spot, has reached around 80 percent on weekdays and about 100 percent on weekends.

"But the flow of tourists has not increased compared to the previous December," Sikder said. This year, a number of events, including the national elections, unfavourable weather, recurrent floods, political turmoil centring the Awami League's ouster and deterioration of law and order, affected domestic tourism.

"We had a dull period during July-September. But business started picking up in October and is now good," said Abdul Awal, group director (sales and marketing) of the Sea Pearl Resorts and Spa in Cox's Bazar.

"It appears that the limited visa issuance by India has had a positive effect on the tourist flow," he added.

Industry people say that around 2 lakh tourists are visiting Cox's Bazar each day now, leaving its beaches packed with thousands of visitors, who are enjoying the wind and waves. Mohammad Faruq, a member of Sea Safe Life Guard, estimated that around 80,000 tourists are now on the beaches of Cox's Bazar during peak hours.

In fact, the number of visitors is so high that some are struggling for accommodation. Hasan Mir, a tourist from

Gopibag of Dhaka, said he and his family came to Cox's Bazar without booking a hotel and had to suffer before finding a suitable hotel.

Tayen Ullah, the owner of Mermaid Resort Saint Martin, said around 2,000 tourists are coming to Saint Martin every day.

"But the number is not enough for locals to run their families round the year. Many hotel owners could not find guests. However, beach side hotel and resort owners are doing good business," he added.

Mirza Muslequr Salahin, chief executive officer of the Travel Together and Ruilui Resort at Sajek, said the tourist flow recently increased.

"You will find many tourists on the streets of Sajek looking for hotels," he added.

However, he also said that it is normal for people to make a mad dash for tourist spots every December.

"We have not seen much of rush this year, particularly in the hills," he added.

According to our correspondent in Patuakhali, the number of people visiting the seaside town of Kuakata has increased amid the ongoing winter vacation and typically peaks on Fridays and Saturdays.

Motaleb Sharif, president of the Kuakata Hotel Motel Owners Association, said they hope the seasonal traders will benefit from the current influx of tourists.

## China's oil consumption to peak by 2027

REUTERS, Beijing

China's oil consumption is set to peak by 2027, state refining giant Sinopec said on Thursday, as diesel and gasoline demand weaken in the world's biggest oil importer, a slowdown that has rattled global oil markets this year.

The 2027 peak will top out at no more than 800 million metric tons, or 16 million barrels per day of crude oil, Sinopec said. Last year, Sinopec forecast peak China oil demand, also at 800 million tons, around the middle of 2026-2030.

China's energy sector faces fresh uncertainty in 2025 with President-elect Donald Trump's return to the White House raising the prospect of heightened trade tensions and potential disruption to Iranian oil exports, said Wang Pei, deputy general manager of the Sinopec Economics and Development Research Institute.

Trump is expected to tighten sanctions enforcement on Iran, which exports roughly 1.5 million barrels of oil a day, mostly to China and its independent refiners.

"We want to remind everyone to pay attention to the uncertainty of Trump's Iran policy," Wang said during Sinopec's annual outlook event in Beijing.

Trump, however, could also reduce tensions in Ukraine and the Middle East, removing some risk premium, she added.

Driven by the shift towards electric vehicles and the rise of trucks fuelled by liquefied natural gas (LNG), the speed of China's move toward peak oil has taken the industry by surprise, with crude imports on track to peak as soon as 2025, analysts have said.

# India gears up for potential trade deal as Trump targets China

REUTERS, New Delhi

India is preparing to offer tariff cuts on some farm and other goods mainly imported from the US, aiming to clinch a broader trade and investment deal once president-elect Donald Trump takes charge, government and industry sources in New Delhi said.

To tackle Trump's threat of a "reciprocal tax" on Indian goods for high tariffs, some officials of the Indian commerce ministry are ready to consider cuts on certain products such as pork, a senior government source said. Currently India slaps about a 45 percent import tariff on pork, which is mostly supplied by the US.

Tariffs could also be reduced on high-end medical devices such as pace makers and luxury motor-cycles, including Harley Davidson, said a second official with direct knowledge of trade issues, citing the 25 percent to 60 percent tariffs on these products.

With bilateral trade between India and the US exceeding \$118 billion in the 2023/24 fiscal year ending in March, and India enjoying a \$32 billion trade surplus, the country is readying for trade talks with the US, aiming to clinch a broader trade and investment deal once president-elect Donald Trump takes office.

To address Trump's concerns over the trade imbalance, officials have also proposed buying more LNG and defence equipment from the US, the second official said.

India's energy imports from the US,

including crude oil, refined fuel and coal, were estimated at \$12 billion in fiscal 2024, and aircraft and parts at \$2 billion. Such imports could rise by \$5 billion to \$10 billion annually, a third government source said.

The government and industry sources spoke on condition of anonymity because the discussions remain confidential.

A commerce ministry spokesman declined to comment.

Commerce ministry officials have previously said they would wait for the Trump administration to take office before any offer of trade talks, while working out plans for possible negotiations.

Indian officials are also sensing an opportunity in Trump's plans to impose up to 60 percent tariffs on Chinese imports, by pitching India as an alternative manufacturing base.

The government has held consultations on the issue within ministries, as well as with local think-tanks and industrial groups, said a government source who attended some of the meetings.

"That is an opportunity," said Arvind Virmani, a government adviser and member of the state-run policy think-tank NITI Aayog.

"It is in the interest of the US and India that more of critical manufacturing or the sensitive manufacturing be done in India rather than China," he said, adding a "preferential trade cum investment deal," which is more ambitious than an earlier proposed mini-trade deal, would benefit both countries.



To tackle Trump's threat of a "reciprocal tax" on Indian goods for high tariffs, some officials of the Indian commerce ministry are ready to consider cuts on certain products.

PHOTO: REUTERS/FILE