



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 exposition 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 production

STAR BUSINESS REPORT

The Bangladesh Poultry Association (BPA) has cancelled its plan to halt production 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 production 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

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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

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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

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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

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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.