



Commerce Adviser Sk Bashir Uddin and other experts attend the annual conference of the Institute of Cost and Management Accountants of Bangladesh organised by its Chattogram office at the Radisson Blu Chattogram Bay View yesterday. Participants of the inaugural session urged for both political and economic reforms. PHOTO: COLLECTED

Russia using bitcoin in foreign trade

RUETERS, Moscow

Russian companies have begun using bitcoin and other digital currencies in international payments following legislative changes that allowed such use in order to counter Western sanctions, Finance Minister Anton Siluanov said on Wednesday. Sanctions have complicated Russia's trade with its major partners such as China or Turkey, as local banks are extremely cautious with Russia-related transactions to avoid scrutiny from Western regulators. This year, Russia permitted the use of cryptocurrencies in foreign trade and has taken steps to make it legal to mine cryptocurrencies, including bitcoin. Russia is one of the global leaders in bitcoin mining. "As part of the experimental regime, it is possible to use bitcoins, which we had mined here in Russia (in foreign trade transactions)," Siluanov told Russia 24 television channel. "Such transactions are already occurring. We believe they should be expanded and developed further. I am confident this will happen next year," he said, adding that international payments in digital currencies represent the future.

Economic stabilisation should be first priority

Speakers say at annual ICMAB conference

STAFF CORRESPONDENT, Chattogram

Bangladesh needs both economic and political reforms to address three major challenges, namely macroeconomic instability, rising inequality and poor governance, which are restricting the country's development potential, according to experts. Against this backdrop, they said forming a comprehensive and coordinated stabilisation programme should be the first priority in efforts to restore the country's macroeconomic stability. They were speaking at a daylong annual conference organised by the Chattogram branch of the Institute of Cost and Management Accountants of Bangladesh (ICMAB), styled "Navigating Bangladesh's Evolving Economic Landscapes". Criminalisation grew in the industrial sector during the ousted Awami League's regime, said Commerce Adviser Sk Bashir Uddin while addressing the event's inaugural session at the Radisson Blu Chattogram Bay View yesterday. "It is very sad that every sector from business communities, bureaucracy, judiciary, secret service and police were part of this nexus," the commerce adviser added. Mentioning how the country suffers from crony capitalism in different sectors, Bashir said a situation akin to circular debt has been created in power tariffs. Still, businesses are asking for more incentives to allay the coming headwinds of Bangladesh's graduation from a least developed country. As such, he stressed increasing value added taxes to cover costs of increased incentives. "An economy like ours is very sensitive to changes in global commodity prices. So, everybody is looking for how the state will incentivise them. But where will the state get the money from?" he said. Bashir further said that the 100 chief executive officers and 300 chief finance

CHALLENGES

Macroeconomic instability

Rising inequality

Dearth of good governance

SUGGESTIONS

Take comprehensive and coordinated stabilisation programme to restore macroeconomic stability

Boost private investment and job creation

Make coordinated action plan with regular updates and monitoring across government agencies

Establish an economic advisory council comprising key advisers, governor of central bank, experts and business leaders

officers of different private organisations that are ICMAB members should work together to find a solution for the country's dearth of revenue. Presenting a thematic paper at the session, Towhique Islam Khan, senior research fellow at the Centre for Policy Dialogue, said economic reforms are absolutely critical and must be prioritised alongside political reforms for Bangladesh's advancement. The first priority of economic policymaking should be restoring macroeconomic stability, he said while adding that a comprehensive and coordinated stabilisation programme is needed to this end. He emphasised on boosting private investment and job creation with the aim

of addressing the economic struggles of average citizens. The business community is seeking assurance from policymakers on efficient port and logistic facilities alongside a stable supply of gas and electricity and resolution of law-and-order issues to enhance business confidence, he said. Khan added that a potential economic stabilisation programme of the interim government would require a coordinated action plan to guide policy measures across government agencies, with regular updates and monitoring. To this end, he emphasised on establishing an economic advisory council comprising key ministry advisers, the Bangladesh Bank governor, independent experts, business and labour leaders with support from the bureaucracy. Presenting the keynote at a technical session, economist M Masrur Reaz said the main cause for persistent inflation is supply constraints for declining imports due to the foreign exchange shortage. Food inflation rose 13.8 per cent in November, up from 12.66 per cent in October, contributing to a general inflation rate of 11.38 per cent. He recommended promoting agricultural production through modern techniques, improving rural infrastructure and providing support to farmers in facing challenges of low agricultural productivity and high food inflation in the country. He also urged for improving the quality of public spending, focusing on urgent issues like social safety nets and climate adaptation, while reducing harmful subsidies. Md Selim Uddin, secretary of the commerce ministry, Md Abdur Rahman Khan, chairman of the National Board of Revenue, Alihussain Akberali, chairman of BSRM, and Mahtab Uddin Ahmed, president of ICMAB, also spoke at the event. The inaugural session was chaired by Pradip Paul, chairman of the ICMAB's branch in Chattogram.

EXIM Bank discards plan to merge with Padma Bank

STAR BUSINESS REPORT

EXIM Bank has decided to abandon the proposed merger with Padma Bank. This decision, made during a board meeting held on December 23, reverses the bank's earlier plan from March 2024 to merge with Padma Bank, according to a recent disclosure on the Dhaka Stock Exchange. Padma Bank, formerly known as Farmers Bank, has struggled since its inception in 2013. It faced significant financial challenges that necessitated government intervention and a rebranding in 2019. Despite efforts to stabilise the bank, including a substantial overhaul of its management in 2017, Padma Bank continued to report high levels of non-performing loans.

Energypac Power posts Tk 35cr loss in Q1

STAR BUSINESS REPORT

Energypac Power Generation PLC plunged into losses in the first quarter of the current fiscal year (FY) as higher finance charges denied any benefit from a recent surge in revenue. The power engineering company saw its revenue rise 33 percent year-on-year to Tk 93.15 crore in the July-September period of FY25, indicating robust sales growth. However, mounting finance charges pulled the company into a loss of Tk 35.17 crore, a stark reversal from the Tk 99.65 lakh profit recorded during the same period last year. This setback translated into a loss per share of Tk 1.85, compared to earnings per share (EPS) of Tk 0.05 in the prior year's corresponding quarter, according to its unaudited financial statements. Despite the net loss, Energypac's operational cash flow showed modest improvement. The company's net operating cash flow per share climbed to Tk 0.22 from Tk 0.01 in the same quarter last year, which was attributed to tightened receivables monitoring and extended credit terms with suppliers.

India's growth trajectory poised to pick up in Oct-Mar: cenbank

REUTERS, Mumbai

India's growth trajectory is expected to pick up in the second half of 2024-25, driven by domestic private consumption and a sustained revival of rural demand, the central bank said in its monthly bulletin released on Tuesday. "High frequency indicators for the third quarter of 2024-25 indicate that the Indian economy is recovering from the slowdown in momentum witnessed in Q2, driven by strong festival activity and a sustained upswing in rural demand," the Reserve Bank of India said in an article titled 'State of the Economy'. Additionally, the prospects for agriculture and rural consumption are looking up due to "brisk" expansion of rabi sowing, it said. India's GDP growth rate fell unexpectedly to 5.4 percent in the July-September quarter, its slowest pace in seven quarters, while inflation in November was well over the RBI's medium-term target of 4 percent.

US banks sue Fed over 'opaque' stress tests

AFP, New York

A business coalition led by large US banks filed suit Tuesday against the Federal Reserve, criticizing the central bank's annual stress test implementation as "opaque" and detrimental to economic growth. "For years, we have highlighted serious concerns about the stress testing framework and the need for reform," said the Bank Policy Institute, which represents US banking giants, large regional lenders and international banks operating in the United States. BPI is leading a coalition that includes the US Chamber of Commerce, the American Bankers Association and the Ohio Bankers League who are challenging the Fed's implementation of stress tests following reforms enacted in the wake of 2008 Global Financial Crisis. Large banks have often argued that post-2008 capital requirements are excessive and harmful to businesses who need loans. "The current opaque regime, combined with the lack of clear standards for the global market shock and the operational risk charge, continues to produce capital charges that are inaccurate, volatile and excessive, resulting in reduced lending and economic growth," BPI said. The Fed did not immediately respond to a request for comment. On Monday, the Fed announced that it planned to soon seek public comments on "significant changes to improve the transparency" of the stress tests and reduce volatility on required capital buffers. A Fed statement noted that since the inception of the tests more than 15 years ago, large banks have more than doubled their capital levels, an increase of more than \$1 trillion.

REUTERS, Hong Kong

In 2025, a competition to master assisted and autonomous driving will begin in earnest. Carmakers like Tesla are chasing a market that McKinsey reckons could be worth \$400 billion by 2035. But the benefits may prove elusive. Cars that don't require hands on the wheel are arriving. The industry grades capabilities on Levels 0 to 5, ranging from no support to vehicles handling any scenario without a human pilot. Alphabet's Waymo, Pony AI and Baidu already operate Level 4 rentable cars, dubbed robotaxis, which can operate without drivers in test zones. Only 5.5 percent, opens new tab of cars sold in 2024 include simpler Level 2+ assistance like cruise control and automated lane changes, estimates Canalsys. Incoming US President Donald Trump may be a catalyst. He wants to shrink regulations on artificial intelligence development, the Washington Post reported, opens new tab, and appointed Tesla CEO and Cybercab creator Elon Musk to reduce bureaucracy. Even small steps like expanding pilots would allow carmakers to gather data and commercialise advances sooner.

Trump and Tesla will turbocharge self-driving race

For what happens next, look to China, where at least 19 companies are trialling fully autonomous vehicles. Goldman Sachs reckons the People's Republic could see 90 percent of sales boast Level 3 or above by 2040, versus 65 percent in the United States. If Trump accelerates

adoption, US highways will look more Chinese. Countries in Europe and elsewhere will face pressure to follow suit. Chart shows Goldman Sachs analysts estimate that partially autonomous cars will achieve more than 60 percent penetration by 2035, compared with



A prototype of US car manufacturer Tesla's self-driving electric Cybercab is seen in Tesla's showroom at the Mall of Berlin on November 20. PHOTO: AFP

a forecast of approximately 25 percent penetration in 2025. Chart shows Goldman Sachs analysts estimate that partially autonomous cars will achieve more than 60 percent penetration by 2035, compared with a forecast of approximately 25 percent penetration in 2025. Progress brings risks. Carmakers use both incentives and features to lure customers. In China, autonomous technology has become a deflationary weapon in a price war. A Bernstein survey showed around half of consumers there now expect self-driving gizmos at no extra cost when buying electric cars. Citi research suggests that, in 2025, models below 200,000 yuan (about \$28,000) will include those features, and they'll be key in purchase decisions. That means the \$400 billion prize will be hard to grasp, as autonomous tech increases costs without necessarily enabling higher prices. Yet products without these features will be less competitive, forcing laggards to pay to catch up. BYD whose founder once dismissed, opens new tab the concept, has pledged \$14 billion towards developing self-driving rides. Toyota earmarked 1.7 trillion yen (\$11.3 billion) for software and earlier this year.