

Star BUSINESS



Stock market lost steam in 2024

AHSAN HABIB

The year 2024 witnessed a lacklustre performance of the stock market as the benchmark index faced erosion, average daily turnover showcased no significant rise while no notable company entered the market.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), dropped 16 percent in the last one year. It had almost flatlined in 2023 due to the imposition of floor prices.

At the same time, DS30, the blue-chip index, dropped 7 percent.

In 2022, the Bangladesh Securities and Exchange Commission (BSEC) set floor prices, which is the lowest price at which a stock can be traded, for every share to halt the freefall of the market indices.

This was amid uncertainties brought on by the lingering fallout of the coronavirus pandemic and the Russia-Ukraine war.

After changes came about in key positions of the BSEC following the ouster of former prime minister Sheikh Hasina, the floor price mechanism was lifted.



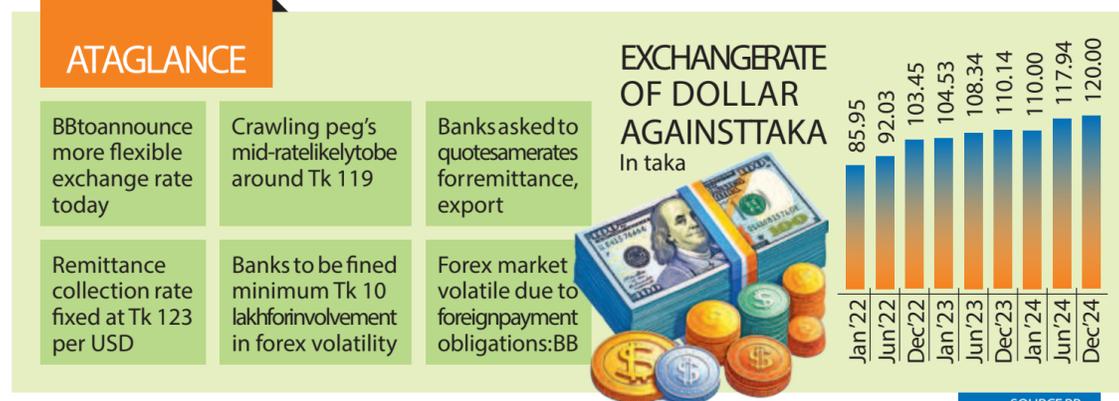
This is when the market started to undergo adjustments in tune with the reality instead of being propped up artificially.

Apart from the index, average daily turnover of the DSE, which is the total value of shares traded in a day, also remained low, rising 5 percent to Tk 632 crore in 2024.

Usually, stock investors get to make a little money from initial public offerings (IPO). But there were only four IPOs in the last one year whereas there were three in 2023, which was the lowest in around two decades.

READ MORE ON B3

BB plans to raise exchange rate amid forex volatility



MD MEHEDI HASAN

After seven months of implementing a crawling peg exchange rate system in spot purchases and sales of US dollars, the Bangladesh Bank (BB) is now considering increasing the mid-rate to Tk 119 from Tk 117 per greenback, according to central bank officials.

They said a circular will likely be issued today, announcing this upward adjustment amid the recent US dollar volatility, which pushed the exchange rate for remittances to Tk 128.

With the new mid-rate, the exchange rate will be allowed to swing by 1.5 percent to 2 percent from it.

The BB will publish a daily interbank exchange rate based on bank transactions, according to central bank officials. The interbank exchange rate has not been fully operational in recent months.

Besides, the exchange rate for remittance collection will be around Tk 123 per US dollar. Importantly, the exchange rate for remittance collection and export earnings will be the same.

The central bank warned that banks found to be involved in spurring volatility in the

foreign exchange market will face financial penalties starting from a minimum of Tk 10 lakh.

These decisions were taken during a meeting between the central bank and chief executives and treasury heads of around 27 banks yesterday.

Bangladesh Bank Governor Ahsan H Mansur chaired the meeting, which was attended by four deputy governors, relevant executive directors and other top officials.

Among others, representatives from various banks, including Janata Bank, Rupali Bank, Sonali Bank, Agrani Bank, Standard Chartered Bangladesh, HSBC Bank Bangladesh, Dhaka Bank, City Bank, Mercantile Bank, Pubali Bank and Mutual Trust Bank, were also present.

At the meeting, central bank officials shared data indicating an improvement in the external position of the foreign exchange market, according to a source who was present.

The foreign exchange reserves recently crossed \$21 billion as per the BPM-6 calculation of the International Monetary Fund (IMF) after declining in November due to the clearance of overdue letter of credit (LC) obligations.

The growing trend of remittance and export earnings has contributed to the increase in the US dollar stocks of the country.

The source also mentioned that banks were instructed to operate within a reasonable band on both sides of the mid-rate and to offer the same rate for all inward remittances, whether export or remittance related.

The difference between the buying and selling rates should not be more than Tk 1 per US dollar, the official said.

The banking regulator further directed banks to publish the rates offered to clients and to transact strictly according to the published rates.

"Banks will have to report their transactions to the Bangladesh Bank, which will in turn publish the overall market rates twice a day to enhance transparency and disclosures for both the banking industry and its clients," the official added.

Meanwhile, a senior central bank official said the banking regulator will strictly monitor compliance with the guidelines and set up a complaint cell under senior leadership of the BB.

Therefore, any credible whistleblowing or complaints from the industry or impacted

READ MORE ON B3

Eastern Bank PLC.

Earn more
with EBL Offshore Banking Account

Enjoy up to **7.50%** Interest in USD

USD/GBP/EURO Account for NRB & Foreigner

Fund freely remittable abroad

No tax payable

Deposit \$ 25,000 for Priority Banking facilities

Scan to open account from anywhere in the world

*Conditions Applied, based on benchmark reference rate

16230

Economic woes far from over



M Riyaaz Rasheed

Robi gets acting CEO

MAHMUDUL HASAN

Robi Axiata has appointed an acting CEO as Rajeev Sethi was assigned to a new role within Axiata Group, according to a letter sent to the Bangladesh Securities and Exchange Commission.

M Riyaaz Rasheed, the chief financial officer (CFO), was named as the acting CEO by the board of directors with effect from February 1 of 2025.

Sethi was appointed as the CEO in October 2022, replacing Rasheed, who had been serving as the acting CEO since August 2021, following the resignation of Mahtab Uddin Ahmed.

Sethi joined the country's second-largest mobile phone operator on having

READ MORE ON B3

SOHEL PARVEZ

Just a year ago, this newspaper ran a story leaving a question for our readers as to whether Bangladesh would be able to put its economy back on track in 2024.

As we look back, the nation is set to bid farewell to one of the most significant years – both politically and economically – since its journey began more than five decades ago.

The country saw a political changeover in early August following a mass uprising just seven months after the national election.

Besides, the economic challenges that persisted in 2023 continued in the outgoing year, with the situation getting worse in many cases.

Despite policy tightening by the authorities, inflation, which has hovered above 9 percent since March 2023, stayed elevated as the prices of various locally produced and imported items continued to soar, leading to a gradual erosion of living standards for middle and low-income groups.

The strain on the foreign exchange reserves and pressure on external accounts also persisted as exports did not pick up enough to bolster the forex flow despite a contraction in imports due to policy measures by the central bank.

Industrial production growth slowed sharply, suffering from a decline in the people's purchasing capacity amid high inflation and sluggish exports.

After posting only 4.2 percent growth in the 2023-24 fiscal year that ended in June, the general index of large-scale industrial production fell by 0.71 percent year-on-year during the July-September of FY25 compared to 11.87 percent growth during the same period a year ago, according to the Bangladesh Bank.

There was no good news in private investment. Amid high inflation, rising interest rates and uncertainty, the appetite for investment waned as evinced by a dip in imports of capital machinery, a key indicator of private investment. Growth of private credit declined as well in the outgoing year.

And the challenges increased further amid the deepening banking crisis. Non-performing loans surged to a multiyear high – around 17 percent of the total outstanding loans of Tk 16.82 lakh crore – in September this year.

One good news is the revival in the flow of remittances as the use of informal channels for transferring money reduced after the political changeover in August that ended the 15-year rule of Awami League.

Against this backdrop, the International Monetary Fund (IMF) and other major multilateral agencies predicted a slower growth of Bangladesh's economy.

Recently, the IMF said Bangladesh's economy may grow 3.8



Bangladesh's exports and imports

In billion \$; Data as of Oct

SOURCE: BB



TREND OF INFLATION

12-month average basis

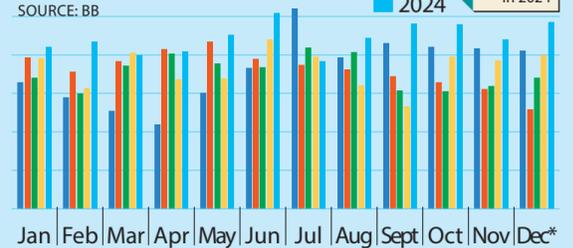
SOURCE: BB



Remittance inflows

In million \$; *Dec 28, 2024

SOURCE: BB



Remittance soared 22% y-o-y to over \$26.65b in 2024

LOOKINGBACK

- Soaring inflation and erosion of quality of life
- Political turmoil and labour unrest
- Rising interest rate
- Slowing exports and domestic business
- Falling private investment
- Recurrent flood-induced crop losses
- Concerns over law and order

SILVER LINING

Surging remittances

percent in FY25, the slowest since FY20, because of output losses caused by the July uprising, floods and tighter policies.

It said annual average inflation is anticipated to remain around 11 percent in FY25 before declining to 5 percent in FY26, supported by tighter policies and easing supply pressures.

However, the outlook remains highly uncertain, with risks skewed to the downside, it added.

"The year 2024 has been an unprecedentedly challenging year marred by numerous obstacles, be it the economic slowdown, environmental disasters or mass uprising in July-August," said Zaved Akhtar, president of the Foreign Investors Chamber of Commerce and Industry (FICCI).

"Businesses had to work with three multifaceted stakeholders and environments, one pre-election, one post-election and then the final set with the interim government."

Deen Islam, associate professor of economics at the University of Dhaka, said 2024 was an especially difficult year for poor and

vulnerable groups.

"Rising prices of essential commodities, such as food and fuel, disproportionately affected those with limited financial resilience. Price hikes of basic necessities, including rice, wheat and edible oil, placed a significant strain on household budgets, exacerbating poverty and inequality."

"The economic pain was further compounded by two devastating floods, which disrupted agricultural production and threatened local food security," he added.

Islam further said that the year 2024 stands out as one of the most eventful and challenging periods in Bangladesh's economic history.

Shams Mahmud, managing director of Shasha Denims Ltd, an apparel exporter, said the year 2024 will be remembered as a watershed year for Bangladesh.

"We had seen the policies undertaken by the previous government stifle private sector growth as well as reinvestment," he added.

READ MORE ON B3

Prime Bank

24/7 Helpline 16218

MAKE THE RIGHT CHOICE ALONG THE WAY

Prime Hasanah Kotipoti DPS

HASANAH ISLAMIC BANKING

BRAC Bank signs cash management deal with NSU

STAR BUSINESS DESK

BRAC Bank has signed a partnership agreement with North South University (NSU) to deliver advanced cash management solutions.

Prof Abdul Hannan Chowdhury, vice-chancellor of NSU, and Tareq Refat Ullah Khan, deputy managing director and head of corporate and institutional banking at the bank, penned the deal at the former's office in Dhaka recently, said a press release.

Through this partnership, BRAC Bank will implement a cutting-edge tuition fee collection system for NSU via the Universal Collection Platform.

This solution empowers students and guardians to deposit tuition fees

effortlessly over the counter at BRAC Bank branches.

This partnership alleviates the university's administrative tasks by simplifying the fee collection process. It also provides real-time transaction updates to enhance transparency and accuracy and allow for immediate reconciliation.

AKM Faisal Halim, head of transaction banking of the bank, Mohammad Arif Chowdhury, unit head of transaction banking, Muntasir Rahman, head of application development and enterprise systems, and Zia Sajid, head of product, transaction banking, and Sheikh Nabidur Rahman, cluster manager of Bashundhara branch, among others, were also present.



Prof Abdul Hannan Chowdhury, vice-chancellor of North South University, and Tareq Refat Ullah Khan, deputy managing director and head of corporate and institutional banking at BRAC Bank, pose for photographs after signing an agreement at the former's office in Dhaka recently.

PHOTO: BRAC BANK



Md Nurul Afser, deputy managing director of Electro Mart Group, a local distributor of Gree in Bangladesh, receives an award on behalf of Gree at a function organised by Bangladesh Brand Forum at a hotel in Dhaka recently.

PHOTO: ELECTRO MART GROUP

Gree wins 'most emerging AC brand' award

STAR BUSINESS DESK

Renowned air conditioner (AC) brand Gree has been honoured with the "Most Emerging Brand Awards-2024 in Bangladesh".

The air conditioner brand has earned this recognition in the air conditioner category based on its marketing activities over the past three years.

Md Nurul Afser, deputy managing director of Electro Mart Group, a local distributor of Gree products, received the trophy and certificate on behalf of Gree at a hotel in Dhaka recently, said a press release.

Afser expressed his heartfelt gratitude to customers, well-wishers and patrons for their persistent support, trust and faith in the Gree brand.

"Each recognition creates new responsibility that will make us more responsible and motivated in the future," he said.

The award was recognised through a rigorous survey process conducted jointly by the Bangladesh Brand Forum, nSearch Limited and The Daily Star.

Gree was founded in 1991. Now it is the world's largest specialised air conditioning enterprise which has integrated residential air conditioners, multi VRF air conditioning system and magnetic bearing chiller air conditioning system.

Gree products are now marketed widely in more than 200 countries and regions with over 300 million users across the world.

Mercantile Bank opens sub-branch in Meherpur

STAR BUSINESS DESK

Mercantile Bank PLC has opened a sub-branch on Main Road at Kasari Para in Meherpur to provide simplified and technologically advanced banking services to customers.

This is the 45th sub-branch of the bank which will be conducted under the Chuadanga branch. Mati Ul Hasan, managing director of the bank, inaugurated the sub-branch yesterday as the chief guest, said a press release.

Md Zakir Hossain, Adil Raihan, Shamim Ahmed, Ashim Kumar Saha and Md Zahid Hossain, deputy managing directors of the bank, Tapash Chandra

Paul, chief financial officer, Shah Md Sohul Khurshid and Mohammad Iqbal Rezwana, senior executive vice-presidents, and Mohammad Rezaul Karim, company secretary, were present.

Mohammad Hossain, vice-president and head of branches division of the bank, Ariful Anam Bakul, secretary of the Meherpur Chamber of Commerce and industries, and Md Waheduzzaman, chief executive officer of ASLOB International Ltd, Ruhidas Paul, assistant vice-president and head of business of Chuadanga branch, and Jewel Rana, in-charge of Meherpur sub-branch, along with senior executives of the bank were also present.



Mati Ul Hasan, managing director of Mercantile Bank, inaugurates a new sub-branch of the bank on Main Road at Kasari Para in Meherpur yesterday.

PHOTO: MERCANTILE BANK

NRBC Bank opens new branch in Jhalakathi's Kathalia

STAR BUSINESS DESK

NRBC Bank PLC has extended its banking operations to Kathalia upazila of Jhalakathi with a new branch.

This is the 109th branch of the bank, the commercial lender said in a press release.

AKM Mostafizur Rahman, director and chairman of the risk management committee of the bank, inaugurated the branch as the chief guest.

During the launch of the branch, Rahman said that NRBC Bank is expanding its network in remote areas to serve the unbanked people.

"The bank is committed to providing loans on easy terms to entrepreneurs and is working to develop the rural economy through employment generation," he added.

Besides, the bank has launched an Islamic banking window, styled "Islamic Banking Al Amin", to serve the people.



AKM Mostafizur Rahman, director and chairman of risk management committee of NRBC Bank, inaugurates a new branch of the bank in Kathalia upazila of Jhalakathi recently.

PHOTO: NRBC BANK

Trust Bank signs payroll banking deal with bKash

STAR BUSINESS DESK

Trust Bank PLC has signed a strategic agreement with bKash Limited to provide payroll banking facilities for the latter's employees.

Mahboob Hossain, senior executive vice-president of the bank, and Mohammed Ferdous Yusuf, chief human resources officer of bKash, penned the deal at the bank's head office in the capital recently, the bank said in a press release.

Under this agreement, bKash employees will benefit from exclusive services, including the Trust Bank-bKash co-branded debit card, preferential retail loan and account services and a range of other banking facilities tailored to their needs.

Ahsan Zaman Chowdhury, managing director of the bank, and Kamal Quadir, chief executive officer of bKash, attended the programme.

Other senior officials from both the organisations were also present.

Pubali Bank opens sub-branch in Kalabagan

STAR BUSINESS DESK

Pubali Bank PLC has opened a sub-branch in the capital's Kalabagan area with a view to provide advanced banking services for its

customers.

Mohammad Ali, managing director and CEO of the bank, inaugurated the sub-branch yesterday as the chief guest, the bank said in a press release.

In his speech, Ali said that Pubali Bank is committed to providing the best and innovative banking services in the fastest possible time.

"As a part of providing better

services and increasing demand from clients, Pubali Bank has opened its sub-branch at Kalabagan," he said.

He expressed hope that Pubali Bank would surely serve its customers with utmost satisfaction by applying modern technology through this sub-branch which would also make a remarkable contribution in the business development of this area.

Abu Laich Md Samsujjaman, general manager and regional manager for Dhaka central region of the bank, was present as the special guest.

Md Khudus Ali, assistant general manager and head of Panthapath branch, presided over the inaugural ceremony.

Local businessmen and senior executives of the bank were also present.



Mohammad Ali, managing director and CEO of Pubali Bank, inaugurates a sub-branch of the bank in the capital's Kalabagan yesterday.

PHOTO: PUBALI BANK

UK study warns of perils in AI-driven 'intention economy'

AFP, London

Conversational artificial intelligence (AI) tools may soon "covertly influence" users' decision making in a new commercial frontier called the "intention economy", University of Cambridge researchers warned in a paper published Monday.

The research argues the potentially "lucrative yet troubling" marketplace emerging for "digital signals of intent" could, in the near future, influence everything from buying movie tickets to voting for political candidates.

Our increasing familiarity with chatbots, digital tutors and other so-called "anthropomorphic" AI agents is helping enable this new array of "persuasive technologies", it added.

It will see AI combine knowledge of our online habits with a growing ability to know the user and anticipate his or her desires and build "new levels of trust and understanding", the paper's two co-authors noted.

Left unchecked, that could allow for "social manipulation on an industrial scale", the pair, from Cambridge's Leverhulme Centre for the Future of Intelligence (LCFI), argued in the paper published in the Harvard Data Science Review.

It characterises how this emergent sector - dubbed the "intention economy" - will profile users' attention and communicative styles and connect them to patterns of behaviour and choices they make.

"AI tools are already being developed to elicit, infer, collect, record, understand, forecast, and ultimately manipulate and commodify human plans and purposes," co-author Yaqub Chaudhary said.

The new AI will rely on so-called Large Language Models - or LLMs - to target a user's cadence, politics, vocabulary, age, gender, online history, and even preferences for flattery and ingratiation, according to the research.

That would be linked with other emerging AI tech that bids to achieve a given aim, such as selling a cinema trip, or steer conversations towards particular platforms, advertisers, businesses and even political organisations.

Co-author Jonnie Penn warned: "Unless regulated, the intention economy will treat your motivations as the new currency."

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (DEC 30, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 70-Tk 8	4.05 ↑	14.07 ↑
Coarse rice (kg)	Tk 50-Tk 55	0	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 166	-1.20 ↓	4.44 ↑
Potato (kg)	Tk 50-Tk 55	-23.33 ↓	-4.17 ↓
Onion (kg)	Tk 60-Tk 85	-40.82 ↓	-21.62 ↓
Egg (4 pcs)	Tk 45-Tk 50	-3.06 ↓	9.20 ↑

SOURCE: TCB

RBI should loosen

FROM PAGE B4

The appointment of Sanjay Malhotra as the RBI's new governor earlier this month, a development that market participants had not expected, is further fuelling expectations of a change in how the rupee is managed.

"The RBI governor plays an important

role in driving the central bank's currency management strategy," Nomura said in a note released immediately after the change in guard at RBI. "It is possible that a bit more flexibility is allowed in currency fluctuations, going forward, as compared to the relatively tighter leash seen over the last one year and more."

Janata Bank puts up S Alam Refined Sugar's land for auction

STAR BUSINESS REPORT

State-owned Janata Bank has put up for auction a piece of land which has been mortgaged by S Alam Refined Sugar Industries, a concern of S Alam Group, against a loan.

The company owes Tk 1,777 crore to the bank, with the loan recorded at the Sadharan Bima Corporation Bhaban corporate branch in Chattogram. To recover the dues, the bank is auctioning 2,971 decimals of land.

Janata Bank announced the auction through a notification published in a newspaper yesterday.

According to banking laws, the land will first be auctioned and if it does not cover the dues, the bank will resort to other means for a full recovery

A source told The Daily Star that the majority of S Alam Group's Tk 10,000 crore loans with Janata Bank have soured. Consequently, the bank is auctioning land mortgaged against the loans one by one.

According to banking laws, the land will first be auctioned and if it does not cover the dues, the bank will resort to other means for a full recovery.

Janata Bank had previously auctioned other properties of S Alam Group to recover defaulted loans.

On November 20, the bank auctioned 1,860 decimals of land to recover Tk 1,850 crore in unpaid loans owed by the group's subsidiary, Global Trading Corporation.

This loan was also issued by the Sadharan Bima Corporation Bhaban corporate branch of Janata Bank in Chattogram, where the auction was held.



Container handling by Chattogram port saw negative growth in 2022 and 2023, when the country experienced a slowdown in foreign trade caused by global and domestic crises.

PHOTO: STAR/FILE

Ctg port handles record number of containers

DWAIPAYAN BARUA, Ctg

The Chattogram port handled a record number of containers and cargoes this year thanks to an increase in foreign trade.

As of December 29, the port handled 32.58 lakh TEUs (twenty-foot equivalent units) of containers, which is 6.8 percent higher than last year's 30.51 lakh TEUs and even higher than 2021's record of 32.15 lakh TEUs.

Out of the 32.58 lakh TEUs, around 17.62 lakh TEUs were import containers and 14.97 lakh export.

The port officials believe the port will be able to handle around 15,000 TEUs more in the last two days of 2024.

Container handling by the port saw negative growth in 2022 and 2023 when the country experienced a slowdown in foreign trade, caused by global crises such as the Russia-Ukraine war and conflicts in



the Middle East, as well as domestic challenges like US dollar scarcity and rising inflation.

This year, the Chittagong Port Authority (CPA) prepared the container handling data by tallying the number of import, export and empty containers that were loaded and unloaded at the port's main jetties, the Pangaon Inland Container Terminal in Keraniganj and Kamalapur Inland Container Depot in Dhaka.

A significant number of empty containers – over 7 lakh TEUs – were also included in the total. Every month, some 60,000 TEUs of empty containers on an average – generated after taking out the import cargo – are returned to the transshipment ports.

Meanwhile, the port handled a total of 12.31 crore tonnes of overall cargo, including the containerised ones, this year until December 29, topping last year's record of 12.02 crore

tonnes. The increase in container and cargo handling demonstrates the enhanced capacity and efficiency of the port, said CPA Secretary Md Omar Faruk.

He expressed hope that such growth in annual container throughput would contribute to the port securing a higher ranking among the world's 100 busiest container ports.

Faruk highlighted that the phased addition of various new types of equipment to the port's fleet played a significant role in enhancing its capacity.

The rise in container and cargo handling also indicates that the country's foreign trade is expanding and gradually recovering from recent economic challenges.

The acute container congestion, which hit the port during the political unrest in the July-August period, eased gradually with coordinated efforts of the port's officials and users, said Syed Md Arif, chairman of Bangladesh Shipping Agents Association.

Dhaka trade fair starts tomorrow in Purbachal

STAR BUSINESS REPORT

The monthlong Dhaka International Trade Fair (DITF) is all set to begin tomorrow at the Bangladesh China Friendship Exhibition Center in the Purbachal area of Dhaka.

Chief Adviser Prof Muhammad Yunus will inaugurate the 29th edition of the DITF, jointly organised by the Export Promotion Bureau (EPB) and the commerce ministry.

The EPB and participating commercial institutions have nearly completed preparations for the event, with last-minute works underway to enhance its appearance.

EPB sources said this year's fair, which aims to facilitate exports, is being organised with the spirit of the student movement in July in mind.

The EPB has constructed three pavilions named after the July revolution. They believe this year's fair will attract more domestic and foreign visitors compared to previous editions.

The event will feature 361 stalls and pavilions with exhibitors from Bangladesh and seven other countries, with 11 foreign businesses set to showcase their goods and services.

This will be the fourth time that the fair will be held at the Purbachal venue.

Products such as local textiles, machinery, carpets, cosmetics and beauty products, electrical and electronic products, furniture, jute and jute products, home furnishings, leather, artificial leather and leather products will be exhibited at the fair.

These include shoes, sports goods, sanitaryware, toys, stationery, crockery, plastics, melamine polymers, herbal items, toiletries, imitation jewellery, processed foods, fast food, handicrafts, home decor, and more.

According to the EPB, to ensure the overall security of the fair and safety of visitors, a sufficient number of law enforcers will be deployed on the premises. Private security guards have also been appointed to maintain order at the service gate and VIP entrance.

Additionally, an adequate number of CCTVs have been installed in various areas of the fair premises, including entry gates and parking areas, the sources said.

STOCKS	
DSEX ▲	CASPI ▲
0.22%	0.01%
5,216.44	14,473.34

COMMODITIES	
Gold ▼	Oil ▲
\$2,618.66	\$70.71
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.57%	▼ 0.96%	▲ 0.64%	▲ 0.21%
78,248.13	39,894.54	3,795.73	3,407.33

India saw highest ever coal production in 2023-24

ANN/THE STATESMAN

India recorded its highest ever coal production of 997.826 million tonnes (MT) in the financial year 2023-24 which represents an 11.71 percent increase in comparison to the corresponding figure of 893.191 MT in the year 2022-23, according to the year-end review of the Coal Ministry.

During the calendar year 2024 (up to December 15, 2024), the country supplied about 963.11 MT of coal as compared to about 904.61 MT of coal during the same period of last year with a growth of about 6.47 percent. This comprised a coal supply to the Power Sector of 792.958 MT as compared to 755.029 MT coal during the same period of last year with a growth of 5.02 percent.

The coal supply to the non-regulated sector during the calendar year was 171.236 MT as compared to 149.573 MT during the same period of last year with a growth of 14.48 percent.

The Ministry of Coal has launched 'Mission Coking Coal' to enhance domestic coking coal production to reduce the import of coking coal, keeping in view the demand projection of the steel sector. This mission aims to increase domestic raw coking coal production up to 140 MT by FY 2029-30.

The total domestic raw coking coal production during the financial year 2023-24 is 66.821 million tonnes (MT) while the domestic raw coking coal production target for the financial year 2024-25 is 77 MT.

The target to increase raw coking coal production by FY2029-30 from CIL subsidiaries is about 105 MT by FY2029-30 from 60.43 MT during FY 2023-24.

Modernization and renovation of existing ageing washeries of Bharat Coking Coal Limited (BCL) and Central Coalfields Limited (CCL), which have surpassed the designed lifespan, for its optimal utilization to make more high-quality coal available in the country.

Supply of coal to the steel sector through the Non-Regulated Sector (NRS) Linkage auction route to promote domestic coking coal for steel production and implementation of reforms in the auction process with the aim of substitution of coking coal import are also being undertaken.

Economic woes far from over

FROM PAGE B1

"Oligarchs and their businesses were prioritised at the expense of the private sector of Bangladesh."

Tanvir Ahmed, managing director of Sheltech and Envoy Legacy, said the political uncertainty has impacted consumer confidence on products and services offered by local industries.

"From construction and real estate to ceramics, steel, cement, rod, commodity industries and also the stock market, are all experiencing low demand for their products."

"While prices have driven the elasticity of demand in previous situations, this time it is more of socio-political issues that are keeping customers and consumers from spending their disposable income," he added.

LOOKING FORWARD TO 2025

Ashikur Rahman, principal economist at the Policy Research Institute of Bangladesh, said the outlook for FY25 is also cloudy primarily owing to the difficult law and order situation and political uncertainties.

"While there is an encouraging recovery in exports and remittances, import recovery is lukewarm and

both public and private investment are down. The ADB, the IMF and the World Bank have all revised their growth projections downwards for FY25," he added.

Deen Islam said global market trends suggest the prices of essential commodities like rice, wheat and edible oil are likely to rise further, driven by supply chain disruptions and climatic challenges.

To prevent a deepening crisis, the interim government must adopt proactive policies to safeguard the food supply and protect vulnerable populations.

Zaved Akhtar, also chairman and managing director of Unilever Bangladesh, said the global business environment will continue to be difficult given the geopolitical tensions and higher global energy and commodity costs in 2025.

He said in recent periods, businesses have seen challenges with the exchange rates of currencies.

While currencies tend to depreciate to adjust their values amid market forces, sudden and sharp depreciation creates an immediate impact on businesses and the economy as business plans and assumptions are based on currency

forecasts.

"In addition, given our country's import dependency, inflation is now unlikely to be abated soon and the cost of operations will likely go up. Companies that have exposure to foreign currency will have increased cost exposure," Akhtar said.

Kanti Kumar Saha, chief executive officer of Alliance Finance PLC, said following the political changeover in August, there has been growing optimism for reform on the macroeconomy and business fronts.

However, he said much will depend on reforms in the financial and other sectors alongside timely utilisation of the annual development fund to bring back the country's growth momentum.

Also, the adoption of market-based exchange rates is needed to support international trade, which is a lifeline for the domestic economy.

Ease of doing business, bringing down inflation and non-performing loans, maintaining remittance and export growth, and improving revenue collection will be key challenges in 2025, Saha said while suggesting that the right reforms for the capital market can boost investor confidence in the new year.

BB plans to raise exchange rate

FROM PAGE B1

clients will be thoroughly investigated, he added.

"After appropriate engagement with the alleged bank(s), if non-compliance is found, punitive measures will be taken," the official said.

Naser Ezaz Bijoy, CEO of Standard Chartered Bangladesh, welcomed the central bank's initiatives, labelling it "a transition phase towards market-based exchange rate regime".

He told The Daily Star that while the ultimate intention of the central bank is to eventually move to a market-based exchange rate regime, in the interim, the central bank is planning to adopt some measures to ensure transparency and stability of the foreign exchange market.

"Additionally, the BB has floated the ideas of alternative initiatives to garner stability of the exchange

rate with participation of banks that have access to forex liquidity. This will contribute to developing a more active and deeper interbank market."

Sources at the meeting said that it was also discussed that many intermediaries and aggregators in overseas locations are responsible for the increase in exchange rates over the last few weeks.

Hence, the banks were asked to be more diligent and ensure the benefits of exchange rates for importers to contain inflation.

In a statement, Bangladesh Bank executive director and spokesperson Husne Ara Shikha yesterday said that the Bangladesh Bank has officially announced a maximum exchange rate of Tk 123 per US dollar for remittance collection in a bid to stabilise exchange rates.

The central bank attributed the ongoing US dollar market volatility to

several interconnected factors.

One of the reasons is the increased demand for US dollars at the end of the financial year, which sees a spike in loan repayments and other financial obligations, she said in the statement.

Robi gets

FROM PAGE B1

served as the CEO of Myanmar's leading mobile operator, Ooredoo.

He had also previously served Grameenphone as CEO.

As of November this year, Robi had 5.71 crore mobile subscribers in a market of 18.78 crore mobile phone users, according to data from Bangladesh Telecommunication Regulatory Commission.

It ranked behind market leader Grameenphone, which had 8.45 crore subscribers.

Stock market lost steam

FROM PAGE B1

Saiful Islam, president of the DSE Brokers Association of Bangladesh (DBA), termed it a "very frustrating year".

The floor price was in place in the first quarter, meaning in the first three months of the year, which worked against the market and investors, he said.

Then, a highly controversial national parliamentary election was held, so the stock market did not get any benefit from the election, he added.

"After the uprising, the market gained a bit of a momentum but unfortunately, that could not be sustained due to a lack of confidence," Islam said.

If the interim government wants investors to regain confidence, it

needs to ensure transparency and accountability and continuously bring in companies with good performance records.

"This is the main problem of the stock market, that it does not have enough investible equity."

Investors will not regain their confidence if they only witness some reforms brought to policies. Rather, good companies can give them the assurance of an upbeat market, Islam said.

The government's activities should be such that it brings about a change in peoples' perception towards the capital market, he added.

In 2024, daily average turnover in the SME market almost doubled to Tk

15 crore. In the same year, turnover in the alternative trading board also rose as peoples' demand for treasury bonds increased.

Turnover registered specifically through trading over mobile phones also increased, although the number of registered users in the associated mobile app dropped by around 7 percent to 30,433.

With the fall of the market, the market's price-earnings ratio, which measures current share prices relative to its per-share earnings, stood at 9.50 percent whereas in the previous year it was 13.12 percent.

This indicates that the market is now lucrative enough to invest in good stocks.

BTRC approves terms for auditing Teletalk

MAHMUDUL HASAN

The Bangladesh Telecommunication Regulatory Commission (BTRC) has finalised key steps for auditing Teletalk, including setting goals, outlining the scope and detailing tasks for the process. The telecom regulator recently approved the revised terms of reference (TOR), scope of service, expression of interest (EOI), and request for proposal (RFP) for appointing an auditor to conduct the operator's procedure and system audit.

The approval was granted during a recent commission meeting, following recommendations from the information system audit coordination committee, which reviewed and refined the documents.

For the first time, Teletalk, the only state-owned mobile network operator, will face scrutiny over operational challenges and financial liabilities.

According to the BTRC, Teletalk owes the telecom regulator about Tk 1,849 crore in unpaid licensing fees, revenue sharing, spectrum fees and contributions to the Social Obligation Fund.

In April 2024, a six-member committee was formed to draft the TOR, EOI and RFP in compliance with Public Procurement Rules 2008 and other government regulations.

The documents were ultimately finalised after a series of meetings and revisions.

This audit initiative aims to assess and

KEY POINTS

Teletalk will face scrutiny over operational challenges and financial liabilities

Teletalk owes the telecom regulator about Tk 1,849cr

AUDIT AIMS TO ...

Assess and enhance Teletalk's operational transparency and efficiency

Ensure better compliance with regulatory standards

OTHER OPERATORS

BTRC will also carry out information system audits on Grameenphone and Robi Axiata



enhance the operational transparency and efficiency of Teletalk, ensuring better compliance with regulatory standards, according to an official of the BTRC.

The telecom regulator has also decided to carry out information system audits on Grameenphone and Robi Axiata in the years since 2015, and form committees to start the process of appointing auditors.

The decision to carry out the audits comes even though the claims of the first audits into the operators have not been settled yet.

The telecom regulator ran separate

audits on the two operators from their inception to December 2014 and claimed Tk 12,579 crore from Grameenphone and Tk 867 crore from Robi.

The claims include the amounts for unpaid annual spectrum fees, value-added tax and revenue sharing. However, both operators disputed the sum and claimed that they did not evade any taxes.

The dispute triggered a legal battle between the operators and the BTRC, with the companies filing lawsuits in 2019.

Based on the audit of Grameenphone from 1997 to 2014, the BTRC sent a

demand notice in April 2019, asking it to clear the payments.

Later, Grameenphone filed a case before the district court against the claim. The Supreme Court in November that year ordered the operator to give Tk 2,000 crore in three months to the commission.

Afterward, the appellate division directed the largest mobile network operator in the country to deposit Tk 1,000 crore by February 2020 and another Tk 1,000 crore by May 2020. Grameenphone complied.

Of the Tk 12,579 crore, the operator has not yet cleared the more than Tk 6,100 crore slapped as late fees.

Additionally, as of April this year, it paid more than Tk 2,392 crore out of Tk 4,085 crore owed to the National Board of Revenue.

Out of Tk 867 crore, Robi, the second-largest operator of Bangladesh, paid Tk 138 crore in five instalments by May 2020 to comply with the order of the High Court Division.

The telecom regulator also conducted audits on Banglalink from 1996 to 2019 and asked the operator to pay more than Tk 820 crore last year.

It has already paid a principal amount of Tk 390 crore in instalments, according to an official of the operator.

Banglalink is trying to mutually resolve the BTRC's audit outcome while Grameenphone has already initiated negotiations regarding late fees as both parties seek an out-of-court settlement on the matter.

Liberalising the foreign exchange regime

MAMUN RASHID

Since our independence, 53 years have gone by and the country has already become a quasi-dominant player in the global supply chain. Yet our dominant stakeholders are being forced to take shelter under the Foreign Exchange Regulation Act (FERA) 1947 delineated by East India Company, barring foreign exchange liquidity or exchange rate stability issues. Our trading community and investors, local or foreign, still find our foreign exchange regime to be the most cumbersome and complex among emerging economies. We, in most cases, have to go back to our central bank for almost every other cross-border transaction approval. Hence, it is not helping us at all. No matter how sympathetic our central bank officials are, they are mostly busy with day-to-day transaction approvals, with no time to think beyond or reforming the cross-border transaction domain we are in.

What do we need to do?

- Implement an easier pre-and post-facto approval process against outward remittance of surplus earnings, dividends, training, technical know-how, operational assistance, software purchase and renewal fees, etc.

- Liberalise the external borrowing guideline to promote access to cost-effective financing options for Bangladeshi borrowers.

- Develop a comprehensive guideline to promote financial market growth by removing case-to-case time-consuming approval.

- Allow a discount against export on compelling grounds (e.g., quality issues): As of now, the pre-facto discount approval process is quite painstaking and uncertain. Such a conservative approach remains a hindrance to remaining competitive, notably with increasingly demanding global apparel buyers.

- Open account trade is still restricted in the local context while global trade is heavily reliant on this.

- Allow electronic presentation of import and export related trade documents through secured electronic platforms.

A few more points on process and technical approaches could be:

- Relook at the role of exchange houses. Like exports, it has to happen like USD drawing arrangements (no buying of Taka, which is currently in place); the flow has to come in USD in designated banks and be converted into a published rate. With Taka buying, competition happens, and less USD comes into the country.

- Interbank foreign exchange market should be built up from the ground again. In absence of brokers like other similar countries, here interbank trades are one way traffic only – between two banks with sides known to each other. So, no market making is happening. In an ideal situation all excess from one bank to another bank should route via buy/sell through brokerage houses and in the absence, the central bank. In this way, transparency in rate may be ensured.

- L/C clearance mechanism not needed; as official outflow is already significantly down. The L/C clearance process may unnecessarily delay the process or may lead to unofficial forex outflow.

One may of course argue that external borrowing rates are already high now. Hence, it is not certain if liberalising would help.

Without liberalising interest rates of the government bills and bonds, and letting FX forward pricing based on market forces, steps may not be very effective.

I would also push for a few more fundamental points: (a) The quality of auditors and BB's enlistment process for Auditors. It must be made more stringent; (b) strict compliance with local rating companies' rating process. A local rating company rated known to be 'quite bad bank' AAA. What would you think, when a relatively far better bank is rated AAA? After S Alam took over and bad loans started piling up, Islami Bank's rating improved.

We are now talking of various reforms with the interim government, then why not reforming our cross-border trade, remittance and payment regime?

The writer is the chairman at Financial Excellence Ltd

Mobil Jamuna to expand with oil tanker, land purchase

STAR BUSINESS REPORT

Mobil Jamuna Lubricants Bangladesh PLC is planning to buy an oil tanker and acquire land to expand its operations.

The company's board of directors has approved the purchase of a second-hand Aframax oil tanker, MT Nissos Delos, for \$45.3 million.

With a carrying capacity of 115,690 tonnes, the 12-year-old vessel will replace the aging MT Omera Legacy, according to the company's disclosure on the Dhaka Stock Exchange (DSE) website.

In a separate notification on the DSE website, MJL Bangladesh PLC revealed plans to acquire a 209 decimal industrial plot in Shahjahanpur, Bogura for future expansion.

The land, valued at Tk 18.81 crore, will be purchased through a tender process facilitated by Agrani Bank.

MJL Bangladesh PLC, a joint venture between East Coast Group's EC Securities and state-owned Jamuna Oil Company, has been a prominent company in high-quality lubricant blending in Bangladesh since its inception in 1998.

The company commissioned a lubricating oil blending plant in May 2003, according to its website.

Japan's factory activity shrinks at slower pace

REUTERS, Tokyo

Japan's factory activity shrank at a slower pace in December as declines in production and new orders eased, a private sector survey showed on Monday, edging closer to stabilisation after recent falls.

The final au Jibun Bank Japan manufacturing purchasing managers' index (PMI) rose to 49.6 in December, indicating the softest contraction in three months. The index was slightly higher than 49.5 in the flash reading and 49.0 in November but stayed below the 50.0 threshold that separates growth from contraction for the sixth straight month.

"The headline reading moved closer to neutrality amid softer reductions in both production and new order intakes," said Usamah Bhatti at S&P Global Market Intelligence, which compiled the survey.

The subindex of production shrank for a fourth straight month in December but the contraction was also slower than last month. Manufacturers noted that subdued new orders were the main factor behind the decline in output.

New orders contracted for the 19th straight month on subdued demand in both domestic and key overseas markets. Some firms in the survey suggested the semiconductor market was behind the weakness in new orders.

Employment expanded in December, reversing its fall in November, to reach its highest level since April. Firms in the survey said they hired more workers due to labour shortages as well as in preparation for future demand.

Input prices grew at the strongest pace since August, with firms citing higher costs of raw materials and labour. The weak yen also boosted inflation. To cope with rising prices, firms raised their output prices at the fastest rate in five months.

Manufacturers stayed confident about their outlook as they expect business to expand thanks to the launch and mass production of new products.

Gold gains 27% so far this year

REUTERS

Gold prices slipped in thin trade on Monday, as markets awaited next week's US economic data and the potential impact of President-elect Donald Trump's return to office on the Federal Reserve's 2025 outlook.

Spot gold was down 0.3 percent to \$2,611.39 per ounce as of 0854 GMT. US gold futures fell 0.3 percent to \$2,624.00.

"Quiet day with lower liquidity across all asset classes likely due to the holiday season," UBS analyst Giovanni Staunovo said, adding that market participants will track upcoming US economic data to see if the economy is slowing down, allowing the Fed to keep cutting interest rates.

Gold has gained around 27 percent so far this year, with it hitting an all-time high of \$2,790.15 on Oct. 31.

Fed Chair Jerome Powell said earlier this month that US central bank officials "are going to be cautious about further cuts" after an as-expected quarter-point rate reduction in December.

After this quiet week, traders are set to focus on next week's US job openings data, ADP employment report, the Fed's December FOMC meeting minutes, and the US employment report, all of which could provide insights into the health of the world's largest



PHOTO: AFP/FILE

Gold necklaces are on display at a jewellery shop in Bangkok.

economy.

Looking ahead, "we still see the same factors in place which supported gold in 2024 – ongoing central bank purchases with a desire to diversify their reserves and ongoing US rate cuts supporting investment demand," Staunovo said.

Markets are gearing up for significant US policy shifts in 2025, including potential tariffs, deregulation, and tax changes, as Trump prepares to return to the White House in January.

Gold is considered a hedge against economic and geopolitical turmoil.

RBI should loosen its hold on rupee in 2025: economists

REUTERS, Mumbai

India's central bank will need to rethink its foreign exchange strategy and loosen its hold on the rupee in 2025, economists said, with the currency at its strongest against peers in at least two decades in trade-weighted terms.

The rupee's 40-currency trade-weighted real effective exchange rate (REER) stood at 108.14 in November, indicating the currency was overvalued by around 8 percent, the Reserve Bank of India's latest bulletin showed.

The rupee's overvaluation relative to its trading partners makes India's exports more expensive. This is the most overvalued the rupee has been since 2004, RBI data showed. Data prior to 2004 is not available.

The rupee's overvaluation on a REER basis reflects its appreciation in nominal terms against its peers and the widening interest rate differentials, economists said.

The former is largely thanks to a central bank that has intervened regularly in the forex markets to slow the pace of rupee's decline, keeping volatility in check.

In fact, the RBI's repeated two-sided intervention this year has meant the rupee

has been the least volatile Asian currency after the pegged Hong Kong dollar.

But that could change in 2025.

"Given the rise in rupee's overvaluation...the pace of RBI forex

intervention will need to slow," said Gaura Sen Gupta, India economist at IDFC FIRST Bank. That would mean the currency is likely to weaken and witness higher volatility.



A vegetable vendor counts rupee notes in Mumbai. The rupee's overvaluation relative to its trading partners makes India's exports more expensive.

PHOTO: AFP/FILE

Wall Street's holiday cheer ended abruptly on Friday, with all three major indexes closing lower in a broad-based sell-off.

There is already evidence of this. The rupee's 30-day daily realised volatility is at a six-month high and the currency is on course to post its biggest monthly decline in two years having dropped 1.2 percent so far in December.

Last Friday, the rupee dropped to an all time low of 85.8075 against the US dollar and traded in a 50-paisa range, the widest this year.

Considering the "flagging" overvaluation, there is likely to be further rupee depreciation, said Kanika Pasricha, chief economic advisor at Union Bank of India.

A shallow rate cut cycle by the US Federal Reserve, worries over the likely impact of Donald Trump's trade policies, rising US bond yields and India's growth slowdown will be challenges for the rupee.

"It is after several years that both 'pull' (growth slowdown) and 'push' factors (external headwinds) for portfolio flows are not in favour of the rupee," said Dhiraj Nim, an economist and FX rates strategist at ANZ. "So, an adjustment is warranted."

READ MORE ON B2