Professional exam not mandatory for bankers' promotion

STAR BUSINESS REPORT

Bangladesh Bank (BB) has relaxed the requirement for bankers to pass a professional exam or diploma for promotions, according to a circular issued yesterday.

The new regulation exempts bankers appointed or promoted before February 8, 2023, from needing to pass the Banking Professional Exam for further promotions.

A previous regulation, issued on February 8, 2023, which had made the diploma mandatory for promotions to senior officer positions or above, has been invalidated.

As per the new regulation, senior officers with 15 years of experience will automatically receive full marks for the exam requirement, even without passing it.

It also states that from January 1, 2026, bankers appointed to higher positions in other banks must pass the Banking Professional Exam.

The circular also stated that from February 1, 2025, officers promoted to senior roles must pass a Junior Associate of the Institute of Bankers, Bangladesh (JAIBB) exam for their first promotion.

As per the new regulation, senior officers with 15 years of experience will automatically receive full marks for the exam requirement, even without passing it

They must pass an Associate of the Institute of Bankers, Bangladesh (AIBB) exam for the second promotion.

Officers in non-core banking departments are exempt unless they shift to core banking operations, where passing the exam becomes mandatory.

It also states that financial incentives for passing the exam have been increased, effective from the 99th exam.

The Banking Professional Exam, conducted by the Institute of Bankers, Bangladesh (IBB), consists of two parts: the JAIBB exam for foundational knowledge and the AIBB exam for advanced skills, with updated syllabi to align with modern banking practices.

HikeinVAT/SD

PRODUCT NAME	PREVIOUSVAT,SD	NOW
Machine-madebiscuits,cakes,pickles, chutneys,tomatopaste,tomatoketchup, tomatosauce,mango,pineapple,guava and banana pulp	5% VAT	15%
Fruit juices and fruit drinks	10% SD	15%
Artificial, flavoured drinks and electrolyte drinks	0% SD	15%

SOURCE:BAPA

Food processors PROTEST TAX HIKE

They also urge govt not to raise gas prices

STAR BUSINESS REPORT

Food processors have urged the interim government to withdraw the increased value-added tax (VAT) and other taxes imposed on agro-processed food products within the next seven days.

They also called on the government to refrain from raising gas prices, warning that they may be forced to suspend production activities if the government does not reconsider its plans.

They shared these concerns during a press conference at Dhaka Club in the capital yesterday.

MA Hashem, president of the Bangladesh Agro-Processors Association (BAPA), said the VAT hike would result in a sharp decline in demand and adversely affect food processing factories, which directly employ 250,000 workers.

He noted that this sector engages a wide range of individuals, from low-income workers to marginal farmers.

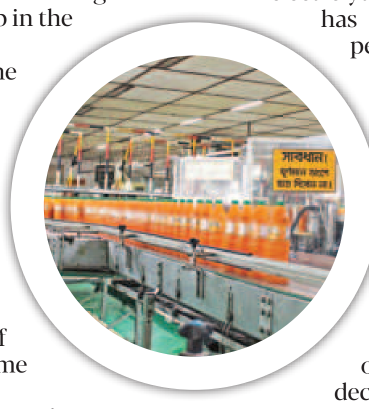
"The government claims these measures will have minimal impact, but the reality is quite different," he said. "If we consider the culture of the people in Bangladesh, many low-income individuals start their mornings with a cup of tea and biscuits. However, with rising gas prices alongside higher VAT on confectioneries, it will no longer be possible to produce a Tk 5 biscuit."

He added that this would leave low-income individuals struggling even more to fight hunger.

On January 9, the National Board of Revenue increased the VAT and supplementary duty on more than 100 goods and services.

The duty on factory-made biscuits, cakes, pickles, chutneys, tomato paste, tomato ketchup, tomato sauce, and mango, pineapple, guava, and banana pulp has increased from 5 percent to 15 percent.

Additionally, the supplementary duty on fruit juices and fruit drinks has risen from 10 percent to 15 percent. The supplementary duty on artificial or flavoured drinks and electrolyte drinks (non-carbonated) has increased from zero to 15 percent.



At the merchant level, the previous tax rate of 5 percent has been raised to 7.5 percent.

The BAPA also announced plans to seek a direct meeting with Chief Adviser Prof Muhammad Yunus regarding the issue.

They expressed optimism that a favourable decision can be achieved if they are able to directly convey the potential consequences of these measures to the chief adviser.

Ahsan Khan Chowdhury, chairman and chief executive of PRAN-RFL Group, said they process a variety of agricultural products, such as mangoes, tomatoes, pineapples, and bananas, to produce juices, pickles, and sauces.

"If the prices of these products rise due to increased VAT and gas prices, many consumers will stop buying them. This will severely impact marginal mango, banana, and tomato farmers," he said.

He further warned that factory shutdowns resulting from these price hikes would leave countless workers facing uncertainty and hardship.

Chowdhury urged the interim government to revoke the increased VAT and duty on processed food products and reconsider the decision to raise gas prices.

"We are already grappling with challenges such as high inflation, high interest rates on loans, complications in debt securities, instability in the dollar market, the 2024 general elections, the July-August uprising, and recent labour unrest due to salary hikes," he said.

"In this critical situation, both businesses and the public are alarmed by the increased VAT."

Iqtadul Hoque, general secretary of BAPA, said that if gas prices rise again, the entire sector could face a severe crisis.

"Increased operational costs would jeopardise the competitiveness of exports, risking the loss of vital export markets. This, in turn, would deliver a significant blow to the economy," he said.

He added that measures intended to boost government revenue could ultimately prove counterproductive.

Shafiqur Rahman Bhuiyan, president of the Bangladesh Auto Biscuit and Bread Manufacturers Association, said agriculture and processed food products are among the top five export sectors of the country.

"In this context, any sudden increase in VAT and gas prices would severely hinder the export sector," he said.

Rising production costs would make Bangladeshi products less competitive and potentially lose market share to neighbouring countries, including India, Pakistan, Thailand, and Vietnam, he added.

READ MORE ON B2

Future of jobs: Are we ready?

MAHTAB UDDIN AHMED

In Bangladesh, human resources (HR) often feel like driving a car without an engine—lots of noise, no progress. By 2030, 39 percent of core job skills will be obsolete, yet we're stuck debating Excel training. Heads of HR, treated as attendance monitors, lack the tools to tackle this shift. Automation looms, poised to replace jobs faster than Dhaka traffic consumes patience. Without urgent reskilling, our demographic dividend risks becoming a liability. With machines learning faster than humans, the future won't wait for us to catch up over endless cups of cha. It's time to act before it's too late.

The World Economic Forum's report on the future of jobs by 2030 highlights a transformative shift in the global workforce driven by technological advancements, demographic changes, and the green transition. By 2030, 41 percent of employers are expected to downsize, resulting in 92 million job losses globally. The report indicates that 41 percent of jobs are secure, while 59 percent will require reskilling or upskilling. Among those needing training, 29 percent will remain in their current roles, 19 percent will be redeployed to new positions, and 11 percent will face unemployment due to insufficient adaptation. This highlights the urgent need for workforce transformation to address the evolving demands of the global job market.

The report projects a net increase of 78 million jobs globally, with 170 million new roles emerging while 92 million are displaced. Roles such as AI and machine learning specialists, data analysts, digital marketing professionals, sustainability-focused jobs, wellness experts, digital security experts, and renewable energy professionals are expected to see significant demand. On the other hand, jobs reliant on manual or repetitive tasks, such as graphic design and certain manufacturing roles, face a marked decline.

In Bangladesh, where the economy is fuelled by industries such as garments, agriculture, and information technology, the implications of these transformations are profound. Many roles currently occupied by workers risk being automated or rendered obsolete. For example, machines are increasingly taking over repetitive tasks in manufacturing and clerical jobs, pushing the workforce toward roles requiring complex problem-solving, creativity, and digital proficiency.

A demographic dividend amplifies the challenge. Bangladesh boasts a large young population, offering an opportunity to harness their potential. However, this demographic advantage could become a liability if the workforce is not adequately equipped with job-ready skills. Education and vocational training systems need urgent reform to align with the demands of the evolving job market. Traditional memorisation-based learning methods must give way to curricula emphasising critical thinking, technological literacy, and adaptability.

The transition to a greener economy also offers both challenges and opportunities for Bangladesh. With an increasing global focus on sustainability, there is a growing demand for jobs in renewable energy and environmental management. These sectors provide an avenue for job creation but also require a workforce skilled in new technologies and practices. Investing in green skills and sustainable practices can position Bangladesh as a competitive player in the global economy while addressing local environmental challenges.

Businesses must prioritise upskilling and reskilling their employees, not only as a corporate responsibility but also as a strategic imperative. Collaborative efforts between the government, private sector, and international organisations can help bridge the skill gap. Initiatives such as public-private partnerships for vocational training, subsidies for skill development, and targeted investment in education technology can create a sustainable model for workforce development.

For individuals, the message is clear: lifelong learning is no longer optional but essential. Workers must take charge of their own professional development by leveraging online resources, enrolling in training programs, and remaining open to career pivots.

As Bangladesh navigates these transformative times, embracing change with a forward-thinking mindset will be crucial. By fostering a culture of continuous learning, innovation, and adaptability, the nation can turn challenges into opportunities and secure its place in the future of work.

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

WB plans $20b payout for Pakistan over coming decade

AFP, *Islamabad*

The World Bank plans to loan cash-strapped Pakistan $20 billion over the coming decade to nurture its private sector and bolster resilience to climate change, Prime Minister Shehbaz Sharif said.

Pakistan came to the brink of default in 2023, as a political crisis compounded shock from the global economic downturn and drove the nation's debt burden to terminal levels.

It was saved by a $7 billion bailout from the International Monetary Fund (IMF) and has enjoyed a degree of recovery, with inflation easing and foreign exchange reserves increasing.

Sharif said the World Bank funding would be used for "child nutrition, quality education, clean energy, climate resilience, inclusive development and private investment".

The deal "reflects the World Bank's confidence in Pakistan's economic resilience and potential," he said on social media platform X on Wednesday.

Pakistan has for decades grappled with a chronically low tax base and mammoth amounts of external debt, which swallow up half its annual revenues.

The IMF deal -- Pakistan's 24th since 1958 -- came with stern conditions that the country improve income tax takings and cut popular power subsidies, cushioning costs of the inefficient sector.

The World Bank said the new $20 billion scheme would begin in the fiscal year 2026 and last until 2035.

"The economy is recovering from the recent crisis as the government has launched an ambitious programme of fiscal, energy and business environment reforms," said a summary of the plan released by the World Bank.

US consumer inflation rose in Dec but underlying pressures eased

AFP, *Washington*

US consumer inflation rose for a third straight month in December as energy prices jumped but a widely watched measure eased slightly, raising hopes that underlying inflation may be moderating.

The consumer price index (CPI) accelerated to 2.9 percent last month from a year ago, up from 2.7 percent in November, the Labor Department said in a statement on Wednesday.

This was in line with the median forecast of economists surveyed by Dow Jones Newswires and The Wall Street Journal.

Stocks jumped on the news, with all three major indices on Wall Street closing sharply higher.

On a monthly basis, inflation rose by 0.4 percent, slightly faster than expected.

One of the biggest drivers of inflation in December was the energy index, which jumped by 2.6 percent, accounting for "over" 40 percent of the monthly increase, according to the Labor Department.

In some good news for the Federal Reserve, annual inflation excluding volatile food and energy costs came in at a lower-than-expected 3.2 percent, marking a slight decline from the month earlier.

The so-called "core" measure of inflation increased by 0.2 percent, also slightly below expectations.

"The focus is really on the core reading, and the core reading did come in better than the consensus expectations," Nationwide chief economist Kathy Bostjancic told AFP.

The US central bank has cut rates by a full percentage point since September as it looks to bolster the labor market.

A customer shops at a Safeway store in San Francisco, California. The consumer price index (CPI) accelerated to 2.9 percent last month from a year ago, up from 2.7 percent in November. PHOTO: AFP/FILE

The recent uptick in inflation adds to expectations that it will remain firmly on pause at its next rate decision later this month.

However, higher prices could complicate President-elect Donald Trump's economic plans as he prepares to return to office on Monday.

Trump has floated several policies, from tariffs to deportation, that many economists say could have an inflationary impact.

The Republican and his supporters have disputed this characterization, claiming that many of his proposals aimed at deregulation and boosting energy production should help keep prices in check.

US bonds rallied as investors reacted to signs of slowing core inflation, pushing down yields, which move inversely to prices.

"The softer core reading is really what the markets are focusing on right now, and that's why you're seeing a big rally in the bond market," said Bostjancic from Nationwide.

Lower yields on US Treasurys -- especially the popular 10-year note -- would be good news for consumers, since they are referenced by businesses when they price mortgages and car loans.