

# Star BUSINESS



Chief Adviser Prof Muhammad Yunus speaks at the 9th Social Business Youth Summit at the InterContinental Dhaka yesterday. PHOTO: PID

## Yunus calls for youth-led change through social business

STAR BUSINESS REPORT

Social businesses are designed to address societal needs rather than generate personal profit, Chief Adviser Professor Muhammad Yunus said yesterday.

"Making others happy is a higher form of happiness," Yunus said, reflecting on the philosophy that drives social business.

While addressing the 9th Social Business Youth Summit at the InterContinental Dhaka hotel, Yunus highlighted how the Covid-19 pandemic had further exposed flaws in traditional business models and urged the world not to return to the old system.

"We have an opportunity to build a new engine — one that drives a more sustainable and equitable world," he said.

Yunus reiterated the importance of imagination and action in achieving change.

"This is our mission: to create a new world. And we are committed to making it happen, step by step," he said, urging everyone in the room to continue moving forward and building the future they imagine.

"We can reshape the entire world within just a few years — with the people gathered in this very room. This is not a difficult task," said Yunus, who is renowned for his pioneering work in social business and microfinance.

He made these comments at the summit, which gathered representatives from 25 countries, serving as a platform to highlight the importance of youth-led change and innovation.

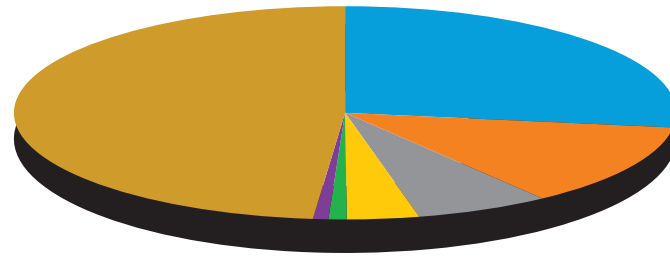
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## Safety net schemes fall short in the fight against poverty

Finds government taskforce

### MAJORSCHMESUNDERSAFETYNET

Allocation in crore taka; In FY25 budget  
SOURCE: TASKFORCE



Pension for govt employees	36,580
Agricultural subsidy	17,000
Interest of savings certificates	8,828
Honorarium for freedom fighters	4,728
Free textbook distribution among students	1,195
Housing for insolvent freedom fighters	1,004
Allocation for other 132 schemes	66,692

REJAUL KARIM BYRON and AHSAN HABIB

Social safety net programmes, such as Open Market Sales (OMS) and Vulnerable Group Feeding (VGF), provided less help to the actual poor, despite the government boasting about the impact of those schemes on reducing moderate and extreme poverty, according to a taskforce report.

The impact of those programmes was low because of an unclear focus, low benefits, and persistent targeting errors, the report, submitted to the interim government last week, said.

Using the 2022 Household Income and Expenditure Survey (HIES), the report estimated that social protection programmes contributed to reducing extreme poverty by only 0.6 percentage points and moderate poverty by 0.8 percentage points between 2010 and 2022.

"Most schemes fail to align with the core objective of addressing poverty, and the absence of robust income support measures leaves a critical gap in tackling both moderate and extreme poverty," it said.

Between 2010 and 2022, the poverty rate declined from 31.5 percent in 2010 to 18.7 percent in 2022, an average annual decline

of 1.07 percentage points, according to the Bangladesh Bureau of Statistics (BBS).

Over the same period, extreme poverty followed a similar trajectory, dropping from 17.6 percent to 5.6 percent, an average annual decline of 1 percentage point.

The number of people in poverty declined from 4.54 crore in 2010 to 3.09 crore in 2022, while the corresponding fall in extreme poverty is estimated to have been from 2.53 crore to only 93 lakh, BBS data showed.

These outcomes could improve significantly if inclusion errors were corrected and resources reallocated to poor households, said the taskforce, which was formed on September 10 last year.

It was established to develop strategies to boost the economy and mobilise resources for equitable and sustainable development.

Those adjustments to poverty alleviation schemes, the report said, could increase the reduction in extreme poverty to 1.3 percentage points and moderate poverty to 2.5 percentage points.

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## Islamic banks see fluctuations in deposits

STAR BUSINESS REPORT

Deposits in Islamic banks in Bangladesh have shown fluctuations in recent months, according to the latest data from the Bangladesh Bank.

Islamic banking deposits, which peaked at Tk 440,427 crore in June 2024, have declined in subsequent months, reaching Tk 432,937 crore in October — a 0.31 percent drop from September.

Despite a brief increase in September, when deposits rose by 0.57 percent, the overall trend suggests a slowdown in deposit growth.

A breakdown of the data reveals that full-fledged Islamic banks hold the majority of deposits, standing at Tk 386,314 crore in October, followed by Islamic banking branches of conventional banks with Tk 27,438 crore and Islamic banking windows with Tk 19,184 crore.

Deposits in Islamic banking windows saw the highest growth among segments, increasing by 3.55 percent in October.

Islamic banking, which operates on interest-free principles, accounts for approximately 23.10 percent of total banking deposits in Bangladesh. The sector has expanded significantly in recent years, with conventional banks also offering Islamic banking services.

In addition to deposits, investments in Islamic banking have followed an upward trend, reaching Tk 518,438 crore in October, marking a 0.29 percent rise from September.

Investment growth in the sector has been supported by demand for Shariah-compliant financial instruments, including Murabaha and Ijarah-based financing.

The Bangladesh Bank has introduced measures such as the Islamic Bank Liquidity Facility (IBLF) and the Mudarabah Liquidity Support (MLS) to ease liquidity pressures in the sector.

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## NBR panel suggests e-invoicing for VAT

The move will establish transparency in indirect tax collection

STAR BUSINESS REPORT

A panel of the NBR has suggested the introduction of an e-invoicing system to collect value-added tax (VAT) to establish transparency in the collection of the indirect tax, the biggest source of revenue for the state.

"The introduction of digital invoices will help the revenue authority and businesses go paperless," said the panel in a report submitted to the chairman of the National Board of Revenue (NBR) last week.

"This will enable the establishment of an integrated and transparent platform," it said.

The implementation of an automated chalan will save time and reduce the scope of human errors. It will also curb fraud in VAT collection and misreporting, the report stated.

The revenue administration, which collects 86 percent of total revenue,



formed the 13-member committee at the end of October last year.

It was aimed at strengthening the automation process of the NBR and formulate integrated plans for customs and VAT, which together account for nearly 70 percent of total taxes.

The committee noted that the three wings of the NBR—income tax, VAT, and customs—have separate automated systems. However, the data centres for



PHOTO: STAR/FILE

People shop at a clothing store in Dhaka. The implementation of an automated chalan in VAT collection will save time and reduce the scope of human errors.

these systems are set up in different locations.

In the absence of interconnectivity among these systems, complexities arise in the exchange of information, the report stated, urging the establishment of a central data centre.

The NBR panel also suggested the creation of a data warehouse so that all its departments and offices can access information, analyse data, and prepare reports through data mining.

In its submission, the panel recommended integrating all existing online platforms designed to facilitate business and boost the collection of

VAT, customs, and income tax to develop a modern and sustainable revenue infrastructure.

To facilitate imports and exports, the committee urged the NBR to introduce an "on-chassis delivery tracking system", which would significantly reduce risks.

In this regard, the panel cited an "Authorised Economic Operator" (AEO) system launched by the NBR to promote faster trade. Already, 15 firms are operating as AEOs, and a number of applications are under process.

The NBR team stated that steps should be taken to implement the AEO module for the smooth execution of the system.

The panel also suggested the introduction of an electronic cargo

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## Square Pharma's profit rises 26% in 2nd quarter

### SQUARE PHARMA'S NET REVENUE AND PROFIT

In crore taka; SOURCE: FINANCIAL STATEMENT

Period	Profit	Net revenue
Oct-Dec 2023	524	1,774
Oct-Dec 2024	660	1,997
Jul-Dec 2023	1,124	3,555
Jul-Dec 2024	1,269	3,771

STAR BUSINESS REPORT

A rise in both income from investments and profits from associated companies helped Square Pharmaceuticals post a 26 percent year-on-year rise in net profit in the October-December period of fiscal year 2024-25.

The drugmaker recorded a profit of Tk 660 crore in the second quarter, up from Tk 524 crore in the same period a year ago.

Its revenue grew by 13 percent year-on-year to Tk 1,997 crore during the quarter.

Meanwhile, the company's investment income surged by 51 percent, or Tk 54 crore, to Tk 159 crore, according to the company's financial report.

Square Pharmaceuticals' profit from associate undertakings rose 65 percent, or Tk 44 crore, to Tk 109 crore.

The company has investments in three associates—Square Textile, Square Hospitals, and Square Fashions.

Additionally, it has investments in three subsidiaries—Square Pharmaceuticals Kenya EPZ, Square Lifesciences, and Samson Pharma.

Its earnings per share stood at Tk 7.45 in the second quarter, up from Tk 5.92 in the same period of the previous fiscal year.

On Thursday, Square Pharmaceuticals' stock declined 0.37 percent to Tk 216.

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# IFIC Bank holds annual business conference

STAR BUSINESS DESK

IFIC Bank PLC held its "Annual Business Conference 2025" at IFIC Tower in the capital's Purana Paltan yesterday.

Md Mehmood Husain, chairman of the bank, attended the conference as the chief guest, the bank said in a press release.

Syed Mansur Mustafa, managing director of the bank, presided over the conference, which was themed "Together Towards Excellence."

Md Ebtadul Islam, Sajjad Zohir, and Kazi Md Mahboob Kasem, directors of the bank, were also present.

Dilip Kumar Mandal, chief financial officer of the bank, presented a comprehensive review of IFIC Bank's business performance in 2024.



Md Mehmood Husain, chairman of IFIC Bank, speaks at the "Annual Business Conference 2025" at IFIC Tower in the capital's Purana Paltan yesterday.

PHOTO: IFIC BANK

## Union Bank appoints new DMD

STAR BUSINESS DESK



Union Bank PLC recently appointed Mohammad Iqbal to the post of deputy managing director (DMD).

Prior to this role at the 4th generation Shariah-based bank, Iqbal served as a senior executive vice-president and head of business and CAMLCO at Citizens Bank, according to a press

release.

In his portfolio, he held various important positions, including head of corporate, emerging corporate, SME and special programmes, credit risk, agricultural credit, retail banking, Islamic banking (SME segment), sustainable finance, and financial inclusion.

A veteran banker with 28 years of experience, he previously worked at Agrani Bank PLC, Mutual Trust Bank PLC, and Midland Bank PLC.

Iqbal holds a bachelor's degree in finance and a master's degree in banking from the University of Dhaka.

## MetLife settled Tk 2,895cr claims in 2024

STAR BUSINESS DESK

MetLife Bangladesh settled claims worth Tk 2,895 crore in 2024. This amount includes the money customers received as insurance benefits and claims for loss of life and medical needs.

Of the total claims settled, claims for health and medical expenses amounted to Tk 237 crore, death claims totaled Tk 140 crore, and maturity, partial maturity, and other claims amounted to Tk 2,518 crore, the insurer said in a press release.

Commenting on the settlement of claims, Ala Ahmad, chief executive officer of the life insurer, said, "The most important part of a customer's insurance journey is receiving claims. We have relentlessly worked to improve our efficiency in settling claims quickly, adapting to ways that make it more convenient for customers."

# Midland Bank opens Kotiadi branch



Md Ahsan-uz Zaman, managing director and CEO of Midland Bank, inaugurates a branch of the bank at Shahidullah Bhaban on C&B Road in Kotiadi, Kishoreganj recently.

PHOTO: MIDLAND BANK

STAR BUSINESS DESK

Midland Bank PLC recently opened a branch at Shahidullah Bhaban on C&B Road in Kotiadi, Kishoreganj.

Md Ahsan-uz Zaman, managing director and CEO of the bank, inaugurated the branch as the chief guest, the bank said in a press release.

In his speech, Zaman thanked the audience for attending the program and encouraged them to establish a relationship with the bank by opening an account.

He also instructed the branch officials to provide the best customer service. Zaman further encouraged customers to use 'Midland Online'—the bank's digital banking platform—to enjoy modern banking services from anywhere, at any time.

Md Rashed Akter, head of retail distribution division of the bank, and Md Abdul Malak, branch manager of Kotiadi branch, along with the head of general services division, area head, cluster heads of the bank, customers, and other local businessmen, were also present.

## EXIM Bank organises business development meeting

STAR BUSINESS DESK

EXIM Bank PLC organised a "Special Business Development Meeting" for the Dhaka region at the bank's head office in Dhaka on Saturday.

Md Akhter Hossain, managing director (current charge) of the bank, attended the meeting as the chief guest, the bank said in a press release.

In his speech, the chief guest, Hossain, advised all branch managers to work with honesty, dedication, and provide the best services to customers.

While presiding over the conference, Abdul Aziz (Zumma), additional managing director of the bank, discussed the overall activities and business prospects of the bank and provided a clear action plan to achieve the desired results.

Md Zoshim Uddin Bhuiyan, Maksuda Khanam, and Md Moidul Islam, deputy managing directors of the bank, along with all branch managers, sub-branch in-charges of the Dhaka region, and divisional heads of the bank's head office, were also present.



Md Akhter Hossain, managing director (current charge) of EXIM Bank, poses for group photographs with participants of the "Special Business Development Meeting" for the Dhaka region at the bank's head office in the capital on Saturday.

PHOTO: EXIM BANK

# SBAC Bank arranges annual business development conference



Md Moklesur Rahman, chairman of SBAC Bank, poses for photographs after inaugurating the "Annual Business Development Conference 2025" at the Le Meridien Dhaka in the capital on Saturday.

PHOTO: SBAC BANK

STAR BUSINESS DESK

SBAC Bank PLC arranged the "Annual Business Development Conference 2025" at the Le Meridien Dhaka in the capital on Saturday.

Md Moklesur Rahman, chairman of the bank, inaugurated the conference as the chief guest, according to a press release.

Habibur Rahman, managing director and CEO of the bank, presided over the annual event, where Mohammad Nazmul Haque, Mohammad Mahbubor Rahman, Mohammad Helal Uddin, Md Emdadul Hoque, and Mushfiqur Rahman, directors of the bank, Md Altaf Hossain Bhuyan and Md Nazimuddoula, deputy managing directors of the bank, conducted the business session.

Among others, Md Maksudur Rahman Sarkar and Ziaur Rahman Zia, independent directors of the bank, along with senior executives, divisional heads, branch managers, and sub-branch in-charges, were also present.

# Intel beats revenue expectations

AFP, San Francisco

Intel reported a fourth-quarter loss on Tuesday, but better than expected revenue as the US chip giant continues to struggle to stake its place in the artificial intelligence revolution.

The company posted a net loss of \$126 million for the quarter ending December 28, compared to a profit of \$2.67 billion in the same period last year.

Revenue declined seven percent to \$14.3 billion, which was slightly better than expected by analysts.

The company's share price rose two percent in after-hours trading following the earnings release.

"While Intel's revenue decline remains concerning, the overall results came in ahead of the most pessimistic forecasts, possibly propped by broader market and geopolitical factors," said Emarketer analyst Jacob Bourne.

For the full year 2024, Intel recorded a substantial net loss of \$18.8 billion, compared to a profit of \$1.7 billion in 2023, largely due to restructuring charges and challenging market conditions.

Intel is one of Silicon Valley's most iconic companies, but its fortunes have been eclipsed by Asian powerhouses TSMC and Samsung, which dominate the made-to-order semiconductor business.

The company was also caught by surprise with the emergence of Nvidia, a graphics chip maker, as the world's preeminent AI chip provider.

Last month, Intel's Chief Executive Officer Pat Gelsinger was forced out after the board lost confidence in his plans to turn the company around.

His abrupt departure came after the company in August vowed to cut more than 15,000 jobs in a draconian cost reduction plan, and paused or delayed construction on several

chipmaking facilities.

Intel's shares fell 60 percent last year, and its market valuation is about \$90 billion, just a fraction of Nvidia, which makes the premium chips that are fueling the AI boom.

Despite the losses, interim co-CEO Michelle Johnston Holthaus highlighted positive developments. "The fourth quarter was a positive step forward as we delivered revenue, gross margin and EPS above our guidance," she said.

Holthaus told analysts during an earnings call that Intel could find opportunities to capitalize on buzz generated this week by Chinese startup DeepSeek, with its powerful new chatbot developed at a fraction of the cost of its US competitors.

"Because if we've seen anything this week, when there are constraints put on customers, they figure out different ways to deploy technology," Holthaus said when asked about DeepSeek.

Intel has chips and other assets it can "leverage" to win over customers looking to power AI without having to resort to premium Nvidia GPUs, Holthaus argued.

"That's a great opportunity, and something that I'm looking at to see if there are ways that we can be disruptive there," Holthaus said.

The company's Client Computing Group, which includes PC chips, saw revenue fall 9 percent to \$8 billion in the fourth quarter. However, Intel reported strong momentum in AI components for personal computers, saying it's on track to ship more than 100 million AI PCs by the end of 2025.

Intel has been engaged with the new presidential administration of Donald Trump and "feels good" about the effort to promote chipmaking in the United States, according to co-chief executive David Zinsner.

"This is a very positive sign, obviously, for us," Zinsner said.

# ECB cuts rate again as eurozone falters, with eye on Trump

AFP, Frankfurt

The European Central Bank cut interest rates again Thursday and signalled more to come as the eurozone economy flatlines, while warning of trade tensions and uncertainty amid US President Donald Trump's protectionist agenda.

The central bank cut its benchmark deposit rate by a further quarter point to 2.75 percent, its fifth reduction since June last year and a move widely expected by observers.

The ECB's decision stands in contrast to the latest move by the US Federal Reserve.

The central bank in the United States, whose economy has been outpacing the eurozone's, on

Wednesday left its key lending rate unchanged and said it was in no "hurry" to make changes, despite pressure from Trump for more cuts.

The ECB had previously hiked borrowing costs aggressively to tame runaway energy and food costs, but is now bringing them back down as price rises slow and the eurozone economy falters.

A recent uptick in inflation — which rose to 2.4 percent in December, above the ECB's two-percent target — has caused some jitters.

But policymakers believe price pressures will ease, and their focus has shifted to relieving the strain on the beleaguered 20-nation eurozone, which has been registering meagre growth.

After the ECB's rate call, central bank chief Christine Lagarde warned the single currency area's economy was set to "remain weak in the near term".

And she signalled that, as most economists expect, more cuts were coming, saying "we know the direction of travel — this is the direction that we will take".

With Trump threatening sweeping tariffs on imports into the United States, including from Europe, Lagarde also warned that upheavals to trade could hit the eurozone.

"Greater friction in global trade could weigh on euro area growth," she said, while also warning that trade tensions could have an impact on eurozone inflation.

Some economists have voiced fears that higher tariffs could potentially stoke inflation in the United States and beyond, hampering the work of central bankers in keeping a lid on prices.

But while she hinted at future cuts, Lagarde stuck to the ECB's position of refusing to firmly commit to future moves, warning that "we are facing significant and probably rising uncertainty at the moment".

Most analysts were however convinced that more cuts were on the cards for the ECB.

ING analyst Carsten Brzeski said the ECB "looks set to continue the current rate cut cycle", adding that current levels of borrowing costs were "too restrictive for the eurozone economy's current weak state".

## Nvidia CEO meets Trump amid AI trade tensions

AFP, Washington

Jensen Huang, CEO of AI chip giant Nvidia, met with President Donald Trump on Friday as the company suffered a rough week on Wall Street over competition with China and the threat of tariffs on semiconductors.

Trump said he would be putting tariffs on imports of computer chips to the United States, which will punish Nvidia's business that depends on imported components, mainly from Taiwan.

"It was a good meeting, but eventually we're going to put tariffs on chips," Trump told reporters afterwards.

**Trump said he would be putting tariffs on imports of computer chips to the United States, which will punish Nvidia's business**

High end versions of Nvidia's chips face US export restrictions to the major market of China, part of Washington's efforts to slow its Asian adversary's advancement in the strategic technology.

That policy came under scrutiny this week when Chinese startup DeepSeek achieved widespread adoption of its latest AI model that was developed without access to Nvidia's export-blocked H100 chips.

After the DeepSeek breakthrough, US media reported the Trump administration was exploring ways to expand the restrictions to Nvidia's lower end chips.

The DeepSeek model triggered a plunge in Nvidia's stock Monday, wiping out nearly \$600 billion in market value -- Wall Street's largest single-day loss ever.

"We appreciated the opportunity to meet with President Trump and discuss semiconductors and AI policy," an Nvidia spokesperson said.



Farm labourers are weeding an onion field in Chhoto Bahirdia village of Faridpur's Saltha upazila. A farmer named Md Shahjahan Matubbar invested approximately Tk 2 lakh to grow onions on this piece of land of around 2.5 bighas. He hopes to have a good harvest, saying the weather was favourable.

PHOTO: SUZIT KUMAR DAS

# BSRM opens Jica-funded eco steel plant

STAR BUSINESS REPORT

Bangladesh Steel Re-Rolling Mills (BSRM) Ltd launched a new environmentally friendly steel plant yesterday, which is funded by the Japan International Cooperation Agency (Jica), according to a press statement.

The plant, located in Chattogram's Mirsharai area, marks a significant milestone for Jica's support to Bangladesh's private sector.

The project, supported by a \$50m loan signed in October 2023, represents Jica's eighth Private Sector Investment Finance (PSIF) transaction and its first corporate loan project in Bangladesh, Jica said in the statement.

Industries, Housing and Public Works Adviser Adilur Rahman Khan, Italian Ambassador to Bangladesh Antonio Alessandro, Chattogram City Corporation Mayor Shahadat Hossain, BSRM Chairman Alihussain Akberali and Jica Bangladesh Chief Representative Ichiguchi Tomohide were present during the launch.

The new BSRM plant will add 5 lakh

tonnes of rebars per year. It also has the capacity to make 1 lakh tonnes of wire rods annually and will expand BSRM's billet production capacity by 2.50 lakh tonnes a year.

"By reducing dependence on imported steel, the facility will help stabilise the country's trade balance while generating

**The new BSRM plant will add 5 lakh tonnes of rebars per year. It also has the capacity to make 1 lakh tonnes of wire rods annually**

more than 500 new employment opportunities and supporting the development of local industries," Jica said, adding that it recognises that a strong domestic steel industry is crucial for infrastructure development and economic resilience.

"We hope that the inauguration of this new plant will serve as a symbolic milestone to develop Bangladesh's industries further,

attracting increased foreign investment to Bangladesh," said Tomohide.

Jica said it prioritises sustainable and responsible industrial growth beyond financing.

The BSRM plant incorporates cutting-edge environmental technologies, including an advanced air pollution control (APC) system to ensure clean air and a water treatment and recycling facility, the press release said.

Through the integration of rooftop solar power plants and energy-efficient production methods, the factory will mitigate climate change by reducing greenhouse gas (GHG) emissions by 10,000 tonnes (CO2 equivalent) a year, it added.

The plant also promotes a circular economy by repurposing slag from steel production for construction use, the Japanese agency said, adding that the initiatives contribute to achieving several Sustainable Development Goals (SDGs), including affordable and clean energy and climate action.

## Gold price hits Tk 145,123 a bhoori

STAR BUSINESS REPORT

Local gold prices are going to hit a new record high, as Bangladesh Jewellers' Association (Bajus) decided to hike its prices to Tk 145,123 a bhoori or 11.664 grammes with effect from today.

The standing committee on pricing and price monitoring of Bajus took the decision at a meeting yesterday, citing a rise in pure gold prices in the local market.

The previous price of each bhoori of 22 carat gold ornaments was Tk 142,790.

The price of gold in Bangladesh has been rising steadily for more than a year, influenced by hikes in the international market and volatility in domestic supply.

In July 2023, the price of gold crossed the Tk 100,000 mark for the first time in Bangladesh.

Although Bangladesh does not import any significant quantity of gold, its prices are linked with international trends.

In Bangladesh, the annual demand for gold stands at between 20 and 40 tonnes and about 80 percent of the demand is met through smuggling.

GLOBAL MARKET

Gold prices surpassed the key \$2,800 mark for the first time on Friday, fuelled by a rush to safety following US President Donald Trump's tariff threats, which heightened concerns about global economic growth and inflationary pressures, Reuters reported.

Spot gold rose 0.3 percent to \$2,801.29 per ounce by 01:41 p.m. ET (1841 GMT), after hitting a record peak of \$2,817.23 earlier in the session.

US gold futures settled 0.4 percent lower at \$2,835, trading a premium to spot gold rates.

"There's a lot of uncertainty out there right now and also wait-and-see attitude on the geopolitical stage with tariffs," said Bob Haberkorn, senior market strategist at RJO Futures.



STOCKS		WEEK-ON WEEK
DSEX ▲	CASPI ▼	
1.04%	1.07%	
5,112.90	14,294.07	

COMMODITIES		AS OF FRIDAY
Gold ▲	Oil ▲	
\$2,798.49	\$73.81	
(per ounce)	(per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▲ 0.97%	▲ 0.15%	▲ 1.44%	▼ 0.06%	
77,505.96	39,572.49	3,855.82	3,250.60	

## Safety net schemes fall short

FROM PAGE B1

Data from the 2022 HIES show that 53.9 percent of poor and vulnerable families are excluded from social protection programmes, mainly because of exclusion errors, while 62 percent of non-poor and non-vulnerable households receive some form of benefit because of inclusion errors.

**CORRECTION EFFORTS ALSO FALL FLAT**

To address the shortcomings of safety net programmes, the National Social Security Strategy (NSSS) was adopted in 2015, signalling a shift towards a structured framework grounded in the lifecycle approach.

The lifecycle approach means designing poverty alleviation policies and programmes that address the different vulnerabilities and needs people face at various stages of their lives, from childhood to old age.

The NSSS, which has seemingly well-defined reform objectives and time-bound action plans, is set to expire in June next year.

However, progress towards realising the NSSS vision has fallen significantly short of expectations, the taskforce report said.

Persistent issues, including structural inefficiencies, inadequate resource allocation, weak institutional capacities, and limited inclusivity, have hindered progress and undermined the system's effectiveness, the taskforce mentioned.

These shortcomings prevent vulnerable groups from escaping the cycle of poverty, thereby diminishing the overall impact of social protection programmes.

With the NSSS set to expire in June 2026 and many key reforms still unimplemented, its transformative potential remains unrealised.

For instance, programme fragmentation is still frequent, while progress in consolidating and harmonising poverty alleviation programmes is limited. Similarly, targeting errors in beneficiary selection continue to be pervasive.

Resource constraints exclude a substantial number of potential beneficiaries in all programmes,

the small benefits provided without adjustments for inflation render the impact negligible, and a comprehensive and integrated database on social protection beneficiaries remains elusive, according to the report.

It said there has been virtually no progress in introducing interventions based on social insurance principles (such as unemployment insurance), while the capacities of different ministries and departments remain grossly inadequate, with persistent dependence on development partners.

"More strikingly, despite its emphasis, the system has evolved without a clear focus on addressing poverty effectively, and given its current state of limited resources and meagre benefits—its role in dealing with inequality is highly questionable," the report mentioned.

**SOCIAL PROTECTION GROSSLY OVERSTATED**

The inclusion of numerous unrelated and irrelevant schemes in social protection allocations not only inflates the budget but also obscures the limited political commitment to addressing poverty and vulnerability, redirecting attention to the broader resource constraints faced by the country, the report said.

It said that social protection is grossly overstated because of the inclusion of schemes such as pensions for government employees, subsidies, interest payments on national savings certificates, and infrastructure development programmes.

Of the six largest schemes by budget allocation, only one—the old-age allowance—can be considered a genuine social protection measure.

Quoting government sources, it said social protection spending in fiscal year (FY) 2024-25 accounts for 2.5 percent of the gross domestic product (GDP) and 17 percent of the national budget.

However, when the programmes linked with pensions and subsidies are excluded, the allocation drops to only 1.2 percent of GDP and 7 percent of the budget.

The World Social Protection Report 2024-26, published by the International Labour Organization

(ILO), estimated that Bangladesh spends just 0.9 percent of its GDP on social protection. This figure is markedly below the South Asian regional average of 3.8 percent.

On the other hand, social protection benefits in Bangladesh are low and are rarely adjusted for inflation, resulting in a steady erosion of their real value over time.

Estimates suggest that monthly benefits from key programmes, such as the old-age allowance (OAA) and widow allowance (WA), amount to just 14 percent of the national poverty line income per person, while the allowance for persons with disabilities is slightly higher at 22 percent.

This issue is further compounded by the lack of annual inflation adjustments for most regular benefit payments, which exacerbates the decline in their purchasing power, leaving them increasingly inadequate to address poverty and vulnerability effectively.

**COVID EXPOSED FLAWS IN POVERTY FIGHT**

Regarding the vulnerabilities in the safety net programmes, the report said their impact was starkly evident during the Covid-19 pandemic in 2020, when the resulting economic shocks pushed many individuals and families into poverty, giving rise to a group widely termed the "new poor".

It is estimated that the richest 5 percent of households in 2022 held 30 percent of the national income, while the poorest 5 percent were left with less than 0.4 percent.

Regularly adjusting transfer values for social protection programmes to account for inflation is crucial to ensuring their effectiveness in alleviating poverty. Many programmes in Bangladesh have failed to provide adequate benefits as allowances are not consistently reviewed in line with economic development and inflation.

Consequently, the real value of benefits has significantly declined over time, eroding their purchasing power. The NSSS has recommended inflation adjustments for all cash transfers under lifecycle-based core schemes to address this issue.

READ FULL STORY ONLINE

## Yunus calls for youth-led change

FROM PAGE B1

Yunus began his speech by reflecting on the sacrifices made by the youth of Bangladesh during the July Revolution.

Over 1,000 young people lost their lives, while countless others endured severe injuries in their quest to overthrow a fascist regime.

Their vision of a new Bangladesh, Yunus said, was the catalyst for a nation that now stands as a testament to the power of youth-driven change.

"Every great journey begins with a single step, but the real challenge lies in how you progress to the next step," Yunus explained, drawing a parallel between the revolution of the past and the ongoing fight for a better future.

He described Bangladesh as a "living museum", where the dreams of the youth are embedded in the streets through murals and paintings that express the hopes and aspirations of a generation.

## NBR panel

FROM PAGE B1

tracking system, container movement tracking, electronic document transfer, and an electronic data exchange system following World Customs Organization guidelines.

"A national risk-targeting centre can be set up at the Customs Risk Management Commission to identify national and trade-related risks," the report recommended.

The committee, headed by Mohammad Faizur Rahman, commissioner of Customs, Excise, and VAT Commissionerate, Dhaka (South), highlighted the rising incidence of financial crimes facilitated by the expansion of ICT.

The expansion of ICT has also led to changes in the nature of financial crimes globally. The panel noted that illegal activities such as the release of goods through customs to evade taxes, the import of illegal items, and trade-based money laundering are rising due to the use of mobile devices, apps, hacking, and surveillance devices.

"There is no alternative to establishing a digital forensic lab and creating skilled manpower," it said.

"This is a historical moment. Thousands of young people gave their lives and sacrificed so much to get us here, and their dream is now our shared mission -- to create a new Bangladesh that echoes across the world."

Professor Yunus took a moment to welcome the international delegates and reflect on the significance of the summit.

"It's wonderful to be here again at the Social Business Summit. This year, we have an incredible turnout, with participants from 25 countries -- what an amazing gathering," he said.

He also said the summit was more than just a conference; it was a chance for reflection and connection.

He welcomed the international delegates to the "New Bangladesh," emphasising the country's transformation, which had been driven by the sacrifices and dedication of its youth.

Yunus pointed out that the murals on the streets of Dhaka were not just works of art but a living testament to the dreams and struggles of the young generation.

The conversation soon turned to the concept of building a new world, with Yunus asserting that it was far simpler than many might think.

## Islamic banks

FROM PAGE B1

Islamic banks face liquidity challenges due to the increasing demand for Islamic financial products and limitations in interbank borrowing mechanisms. Unlike conventional banks, Islamic banks cannot rely on interest-based borrowing, restricting their ability to manage short-term liquidity needs effectively.

The central bank has been monitoring the situation and may introduce additional regulatory measures to stabilise deposit growth. While the Islamic banking sector remains resilient, it requires more diversified liquidity management tools and enhanced financial instruments for long-term stability.

Customer preferences are also influencing deposit trends in Islamic banks. Many depositors prefer

"The thousand-mile journey begins with the first step," he noted. "You've already taken that first step by being here today. The question is, how do we improve with each subsequent step?"

Yunus shared several stories from his past work to illustrate how imagination and simple ideas could spark change.

Recalling his initial efforts in microcredit, he noted that what started as a small initiative to provide financial support to rural communities in Bangladesh has since evolved into a global movement.

Similarly, his campaign to provide a simple solution for treating diarrhoea -- a homemade saline solution -- had saved countless lives and transformed healthcare in rural Bangladesh.

He also spoke about the development of affordable housing, a project that led to the creation of a \$500 house for low-income families. This innovation earned recognition with the Dhaka Award for Architecture in 2008.

Yunus emphasised that these efforts were rooted in imagination and the desire to create practical solutions for societal issues. The concept of social business, which Yunus championed, was another key point in his address.

Shariah-compliant savings schemes, but competition from conventional banks offering higher returns affects deposit inflows. Introducing new Islamic banking products and improving financial literacy may help attract more deposits.

Remittance inflows through Islamic banks have also fluctuated. In October, total wage earners' remittances through Islamic banking channels stood at Tk 7,013 crore, reflecting an 8.27 percent increase from the previous month.

Islamic banks are expected to continue expanding their services, with several institutions planning to introduce new financial products. The sector's growth remains strong, but addressing liquidity concerns and enhancing regulatory frameworks will be crucial for its sustainability.

# Feature phones dominate local handset production

MAHMUDUL HASAN

Even in current smartphone age, feature phones continue to dominate local handset manufacturing as smartphone penetration struggles to gain momentum due mainly to affordability, availability and an illegal inflow of modern handsets in the country.

Feature phones last year accounted for 69 percent of the total handsets produced by local manufacturers, according to the Bangladesh Telecommunication Regulatory Commission (BTRC).

In 2024, local phone-makers produced 2.72 crore handsets, with 1.88 crore being feature phones.

An illegal inflow of smartphones is the primary reason for Bangladesh's low smartphone production, according to industry insiders. They said nearly all phones entering the country from abroad are smartphones.

A large chunk of those items goes to the unauthorised phone market, according to local phone-makers.

Rizwanul Haque, vice president of the Mobile Phone Industry Owners' Association of Bangladesh, said, "Around 35 percent of local handset demand is met by the grey market, severely impacting local manufacturers."

Roughly around seven to eight years ago, smartphone production surged in the local market, but this growth began to taper off over time.

In 2017, following the government's decision to offer substantial tax benefits to encourage local manufacturing, Walton, a leading local manufacturer, produced just 40,000 smartphones, all of which were 3G devices.



A man checks his phone while idling on a pushcart being driven by his colleagues through a street in Dhaka.

PHOTO: AFP/FILE

By the following year, feature phones – specifically 2G phones – accounted for 53.4 percent of the total 22.3 lakh handsets produced.

This shift occurred as 4G technology was introduced in the country, with the majority of smartphones falling into the 4G category.

In 2019, local handset production surged 7.27 fold, reaching 1.6 crore units, with 62.5 percent of them being feature phones.

The trend continued in 2020, when local manufacturers produced 2.4 crore handsets, 66.5 percent of which were feature phones.

In 2021, the number of locally produced handsets grew to 2.95 crore, with feature phones comprising 68 percent of the total. Similarly, in 2022, feature phones accounted for about 68 percent of the 3.16 crore handsets produced locally.

In 2023, the trend persisted, with 70 percent of the 2.33 crore handsets

manufactured being feature phones.

According to the World Bank's Digital Progress and Trends Report 2023, the rate of smartphone usage among mobile phone users in Bangladesh is around 51.77 percent.

This places Bangladesh as the country with the lowest smartphone penetration rate in South Asia, trailing even Afghanistan, which has surpassed Bangladesh with a smartphone usage rate of 55.79 percent, said the report.

# Forensic audits: A pathway to transparency

MAMUN RASHID

As we have been talking about enhanced transparency and accountability recently, it's important to have forensic audits, including specialised examinations of financial records which can uncover fraud, corruption or mismanagement. Forensic Audits are different from standard audits because they provide actionable evidence suitable for legal proceedings. So, in a country where corruption undermines progress, these kinds of audits can play a vital role in fostering economic growth and public trust.

According to Transparency International's Corruption Perceptions Index (CPI) 2023, Bangladesh scored 24 out of 100, ranking 149th out of 180 countries, highlighting the urgency of strong anti-corruption measures. For example, the banking sector struggled with rising non-performing loans (NPLs), which reached Tk 211,000 crore by mid 2024, according to Bangladesh Bank, further necessitating forensic audits to trace misappropriated funds and fraudulent activities.

Sectors like banking, healthcare, and public procurement are heavily affected by corruption. Forensic audit can help stabilise the economy in banking, by uncovering fraudulent activities and ensuring accountability. In the arena of public procurement, forensic audit can be used to promote transparency and integrity in infrastructure and development projects. Additionally, monitoring the financial activities of NGOs and development funds will prevent the misuse of donor contributions and ensure that resources intended for development reach their beneficiaries. By addressing these

key areas, Bangladesh can combat systemic corruption, strengthen transparency, and build a robust economic and policy framework.

Traditionally, Bangladesh relied on enquiry committees to investigate corruption. However, this has proven to have significant limitations since they lack specialised skills, are often subjected to political or institutional pressure,

and mostly focus on surface-level issues. Therefore, reports from these committees often lack the rigour required for legal proceedings. The sensible alternative would be forensic auditors who are trained to detect fraud and financial forensics, operate independently and use advanced techniques like transaction tracing, digital forensics and more, while complying with international standards. This amounts to evidence that can withstand court scrutiny and public trust.

Other uses of the insights gained from forensic audits include guiding policy reforms, strengthening institutional accountability, and improving regulatory structures. Furthermore, public confidence in government institutions will be restored if citizens see genuine efforts to combat corruption. Therefore, forensic audits not only promise to contribute to financial recovery but also lay the foundation for sustainable governance and development.

Nevertheless, despite all the benefits, Bangladesh is facing major obstacles when implementing forensic audits. A significant challenge is resistance from powerful individuals and entities who wish to protect vested interests. Furthermore, conducting forensic audits is resource intensive, requiring substantial financial investment and logistical support. Another bitter truth is the lack of trained forensic auditors in Bangladesh, which limits its ability to execute large-scale investigations. Overcoming these challenges calls for strategic planning, investment in capacity building, and potential international collaboration.

Therefore, a multifaceted approach is essential if we are to address these challenges effectively. Partnering with renowned global forensic firms can be an option. Simultaneously, building local capacity via robust training programmes to develop a skilled workforce capable of managing complex investigations could be another faucet. On top of that, strengthening our legal frameworks is crucial, including enacting laws that mandate forensic audits in high-risk sectors to ensure strict enforcement of audit recommendations. If Bangladesh can adopt these strategic measures, we can expect more transparency and overcome the existing barriers to forensic audits.

Forensic audits are indispensable for tackling corruption and financial misconduct in a country like Bangladesh, and the time to act is now.

The writer is the chairman of Financial Excellence Ltd.



# ACI's revenue rises in Q2

STAR BUSINESS REPORT

ACI Ltd, one of the leading conglomerates in the country, saw its revenue increase in the second quarter of fiscal year (FY) 2024-25, while its losses declined year-on-year.

The company's revenue rose 13 percent to Tk 3,648 crore in the October-December period of FY25, according to its financial statements.

In the quarter, the conglomerate reported a loss of Tk 17.68 crore, down 50 percent year-on-year.

ACI's loss per share stood at Tk 3.17 in Q2, compared to Tk 5.51 a year ago.

Net operating cash flow per share was negative Tk 63.58, improving from negative Tk 77.05.

However, the company's loss per share in the first six months of FY25 increased to Tk 7.99 from Tk 7.30 in the same period last year.

# OpenAI seeking \$40b in new fundraising round

AFP, San Francisco

OpenAI, the maker of ChatGPT, is seeking to raise \$40 billion in a fresh round of funding that would value the startup at a staggering \$340 billion, the Wall Street Journal Reported on Thursday.

Japan's SoftBank is leading the investment round and is in talks to invest \$15.25 billion in the deal that would make it the ChatGPT-maker's biggest financial backer.

The reports came after Chinese startup DeepSeek sparked panic this week with a powerful new chatbot developed at a fraction of the cost of its US competitors, dealing a blow to markets.

The Softbank investment was first reported by the Financial Times.

The investment plan comes just three months after OpenAI closed its previous funding round that valued the company at \$157 billion.

Doubling its valuation would be unprecedented in Silicon Valley history and signals the vast sums needed to build world-leading AI models from scratch, much of it on cutting-edge computing and infrastructure.

SoftBank and OpenAI are part of the Stargate drive announced by US President Donald Trump to invest up to \$500 billion in artificial



OpenAI CEO Sam Altman speaks at a conference in Seattle, Washington.

PHOTO: AFP/FILE

intelligence infrastructure in the United States.

The new funds would partly go to help OpenAI fulfill its roughly \$18 billion commitment to Stargate, the Journal said.

The Japanese firm's mooted investment would come on top of its commitment of more than \$15 billion to Stargate, the FT said, citing people with direct knowledge of the negotiations.

"Ultimately, the Japanese company could spend more than \$40bn on its partnership with OpenAI," the report said.

SoftBank was not immediately available for comment when

contacted by AFP. OpenAI did not immediately respond to a request for comment.

Shares in Softbank rose three percent in Tokyo trading on Thursday.

The company, founded by Japanese tycoon Masayoshi Son, made spectacularly successful early bets on Yahoo! and Alibaba in the 1990s but some of its other investments have bombed.

Securing huge funding from Saudi Arabia, Abu Dhabi and others, Son – an early backer of Trump – has sought to pivot into AI, helped by SoftBank's stake in chip designer Arm.

# Doreen Power's Q2 profit drops 48%

STAR BUSINESS REPORT

Profit of Doreen Power Generations and Systems declined in the second quarter of the ongoing fiscal year due to higher finance costs.

The power producer's profit fell 48 percent year-on-year to Tk 9.68 crore in the October-December quarter of FY25.

The company's consolidated earnings per share (EPS) stood at Tk 0.53 for October-December 2024, down from Tk 1.03 in the same period a year ago, according to its financial statements.

Doreen Power attributed the decline to a significant rise in finance costs for its subsidiary companies due to higher interest rates on bank loans. The company also cited increased exchange losses stemming from the depreciation of the taka against the US dollar.

For July-December 2024, the company's consolidated EPS dropped to Tk 2.01 from Tk 2.83 a year earlier.

Its consolidated net operating cash flow per share (NOCFPS) improved to Tk 0.42 from negative Tk 1.55.

The company attributed the NOCFPS growth to higher revenue receipts from the Bangladesh Power Development Board.

# Olympic Industries reports slight growth in Q2 profit

STAR BUSINESS REPORT

Olympic Industries' profit rose marginally in the second quarter of fiscal year 2024-25, while its revenue increased, riding on strong sales.

The company reported a net profit of Tk 59.89 crore in Q2, marking a marginal 1 percent year-on-year growth, according to its financial statement.

Its revenue for the first six months of the fiscal year stood at Tk 1,490 crore, reflecting a 15.89 percent increase from the same period a year ago.

The company attributed this growth to effective management strategies aimed at boosting sales.

Olympic Industries recorded a net profit of Tk 116.31 crore in the first half of the fiscal year, slightly up from Tk 115.22 crore in the corresponding period of the previous year.

The company's gross profit margin, however, declined to 25.01 percent from 25.91 percent, as stated in its financial statement.

The company's long-term loan liabilities have been fully liquidated, with the decrease in outstanding loans attributed to regular repayments, according to the statement.

AFP, San Francisco

Apple on Thursday reported its revenue was a whopping \$124.3 billion in the year-end holiday quarter, but sales growth fell shy of market expectations as the iPhone faces stiff competition, particularly in China.

Apple logged \$36.3 billion in profit in what chief executive Tim Cook called its "best quarter ever."

Revenue growth was powered by Apple's service and digital content unit, with iPhone sales slipping in markets like mainland China where they tallied \$18.5 billion. Overall iPhone sales in the quarter were \$69.1 billion, about a half-billion less than it took in for handsets in the same period a year earlier, according to an earnings release.

"Our record revenue and strong operating margins drove (earnings per share) to a new all-time record with double-digit growth," said Apple chief financial officer Kevin Parekh.

"We are also pleased that our installed base of active devices has reached a new all-time high across all products and geographic segments."

In the quarter, Apple's services segment – which includes Apple Music, iCloud, the App Store, and Apple TV+ – reported

revenue of \$26.3 billion, compared to \$23.1 billion in the same period a year earlier. Apple shares slipped before rising nearly three percent to \$244.67 in after-market trades.

The Americas remained Apple's largest market with \$56.2 billion in revenue, while Europe showed strong growth at

\$33.9 billion. "On the Apple intelligence side, we have not rolled out in China," Cook said on an earnings call.

"We did see better results in the markets that we had rolled Apple Intelligence out in than markets we hadn't; and, of course, it's the most competitive market in the world." Investors are eyeing demand for

new iPhones with artificial intelligence features, especially after Apple stumbled with the technology.

Apple Intelligence is a new suite of software features for all devices that was announced at the company's annual developers conference, where it also announced a partnership with ChatGPT-maker OpenAI.

In the short-term, the new powers include AI-infused image editing, translation, and small, creative touches in messaging, but not more ambitious breakthroughs promised by other AI players, such as OpenAI or Google.

"While the company's cautious approach to AI rollout has drawn criticism, robust services growth and ecosystem expansion are providing crucial momentum to help ease its continued iPhone struggles in China," said EMarketer analyst Jacob Bourne.

"However, Apple needs to accelerate its Apple Intelligence deployment and be a bit more aggressive in emerging areas like smart glasses development to maintain an innovative edge."

Apple pushed out a software update in mid-January which disabled news headlines and summaries generated using AI that were lambasted for getting facts wrong.



The new Apple iPhone 16 models are on display upon release on September 20, 2024 at the Apple Store at The Grove in Los Angeles, California.

PHOTO: AFP/FILE