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BUSINESS



**Inflation declined in December and further in January this year. We expect it would drop consistently in upcoming months.**

**Ahsan H Mansur**  
Governor of Bangladesh Bank

**Monetary policy for Jan-Jun 2025**

**KEY NUMBERS**

Policy rate 10%	Standing lending facility 11.5 %	Standing deposit facility 8.5%	Inflation to fall to a 7-8% range by June 2025
Private credit projected to grow 9.8% by June '25	Exchange rates to remain stable	Economy may grow in 4-5% range in FY25	Economic growth to bounce back to 6% or above in FY26

**TRENDS OF REPOOR POLICY RATE**  
In %; SOURCE: BB

Default loans may exceed 30% by June

**STAR BUSINESS REPORT**

The banking sector continues to face challenges, including rising non-performing loans (NPLs), which are likely to exceed 30 percent of total outstanding loans by June this year, raising serious concerns, said Bangladesh Bank (BB).

The central bank has forecast a surge in NPLs, which stood at 16.93 percent at the end of September 2024, up from 9.93 percent a year ago.

“Contributing factors include systemic weaknesses, regulatory gaps, and exploitative practices such as money laundering and illicit capital flight,” BB said in the monetary policy for the January-June period of 2025, unveiled yesterday.

The BB highlighted the growing concerns over NPLs, sluggish economic activity, and a slowdown in deposit and credit growth, all of which present formidable challenges for the banking sector.

The central bank noted that several banks are currently facing a significant liquidity crisis due to the rising NPLs, slow deposit growth, and weak loan recovery.

Deposit growth, which was 14.3 percent in March 2021, stood at 7.4 percent in December 2024, further constraining credit expansion.

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BB keeps policy stance tight to tame inflation

**MD MEHEDI HASAN**

The Bangladesh Bank (BB) has maintained its tight monetary policy stance for the second half of the current fiscal year (FY) 2024-25 to tame the stubbornly high inflation.

To this end, the policy interest rate, a key tool of monetary policy, has been kept unchanged at 10 percent for the January-June period of FY25.

Besides, the standing deposit facility (SDF) and standing lending facility (SLF) rates -- at which commercial banks deposit with and borrow from the BB -- will remain at 8.5 percent and 11.5 percent, respectively.

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Fully market-based exchange rate not now

**STAR BUSINESS REPORT**

The Bangladesh Bank (BB) is not moving away from the crawling peg mechanism to a free-floating exchange rate regime right now to “avoid any speculative role” by foreign currency market aggregators.

According to the central bank’s findings, foreign currency market aggregators -- systems used in forex trading to aggregate liquidity from several liquidity providers -- considerably influence the country’s exchange rate.

During a press briefing at the central bank yesterday, BB Governor Ahsan H Mansur said the complete transition from the crawling peg to a free market-based exchange system is not yet possible due to the speculative role of aggregators.

“If we make it fully market-based, they will take advantage of it,” said the governor while speaking at the press briefing to announce the monetary policy for the second half of fiscal year (FY) 2024-25.

Mansur focused on the central bank’s proactive efforts to protect the foreign exchange market from volatility by curbing the influence of these foreign currency aggregators.

On 12 January this year, the central bank implemented a reference-centric exchange rate mechanism to enhance flexibility and stability in the local foreign exchange market.

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Edible oil crisis to be resolved SOON

**Bashir says**

**STAR BUSINESS REPORT**

The temporary crisis in the edible oil market will be resolved within a few days, Commerce Adviser Sk Bashir Uddin said yesterday.

The syndicate, which is manipulating the essential commodity prices, is not stronger than the government, he said.

“The government is monitoring the stock and supply of various products in the country, and the temporary edible oil crisis will be resolved soon.”

The adviser made the comments while briefing journalists after inspecting the production activities of Daulatpur Jute Mills in Khulna, which is now being operated under private management.

Meanwhile, retailers and wholesalers in major cities, including Dhaka, Chattogram, and Barishal, reported to The Daily Star on Sunday that oil supply had declined after the government rejected refiners’ requests to raise prices in January.

On the other hand, the Bangladesh Trade and Tariff Commission (BTTC) met with the refiners on Sunday and concluded that the country does not currently have a shortage of edible oil.

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Unclaimed import boxes clog 18% of Ctg port capacity

**MOHAMMAD SUMAN**

Around 200,000 tonnes of imported goods, stuffed in 9,644 containers, have been abandoned at Chattogram port for years -- occupying 18 percent of its capacity, as customs officials point the finger at lengthy auction processes for the backlog.

The unclaimed goods are not only occupying a huge amount of space but also depriving customs authorities of revenue.

Shipping agents are also losing money as they cannot collect container rents from importers, sources said.

These containers arrived between 2013 and 2024. Customs officials and traders said importers tend to abandon consignments for various reasons.

These include falling local market prices, failure to submit required documents supporting the shipment, and refusal to pay fines for irregularities.

According to port and customs officials, delays in auctions have led to the deterioration of goods and wasted foreign currency.

To speed up the clearance process, Chattogram customs and Chittagong Port Authority have taken a number of steps, including amending auction laws recently.

Rear Admiral SM Moniruzzaman, chairman of the Chittagong Port Authority, said, “Unclaimed goods stuffed in containers occupy 18 percent of the port yard. This leaves insufficient space for emergency loading and unloading operations from ships and other regular activities.”

The port can house 53,518 TEUs (twenty-foot equivalent units) of containers, of which over 10,000 are unclaimed.

“Unclaimed containers at Chattogram port have racked up outstanding rent of around Tk 150 crore, with little hope of recovery,” the port authority chairman told The Daily Star.

He said these abandoned containers are hampering regular operations in vital areas of the port. Clearing this backlog will remain a challenge without streamlining and



The unclaimed goods are not only occupying a huge space at the Chattogram port but also depriving customs authorities of revenue.

PHOTO: RAJIB RAIHAN

expediting the auction process.

Port data shows that among the 9,644 unclaimed containers, 383 hold perishable goods like apples, oranges, and ginger, while 357 carry hazardous goods, including chemicals.

The remaining boxes contain non-perishable items such as commodities, cosmetics, plastics, automobiles, electronics, leather goods, construction materials, tiles, and ceramics.

Besides, some 453 imported vehicles brought in by 208 companies and individuals remain stuck at the port since 1995, officials said.

Despite goods worth nearly Tk 8,000 crore being stranded, customs has sold only Tk 380.83 crore worth of items through 148 auctions in the past five years, according to

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ACI MD to buy its Tk 38cr shares

**STAR BUSINESS REPORT**

The managing director of ACI Ltd has again announced plans to buy more of its shares, reflecting confidence in the listed conglomerate’s potential, even though the stock price is yet to respond in kind.

In a disclosure on the Dhaka Stock Exchange website yesterday, Managing Director Arif Dowla said he would buy 25 lakh shares at the prevailing market price within the next 30 working days.

The transaction will cost approximately Tk 38 crore, considering that each share stood at Tk 151.60 at the end of trade on Sunday.

The managing director had bought 6 lakh shares last month. Chairman M Anis Ud Dowla and Director Shusmita Anis had also followed suit.

M Anis Ud Dowla purchased 16 lakh shares, raising his total shareholding to 1.69 crore shares.

This is 19.33 percent of ACI’s total 8.76 crore outstanding shares.

Meanwhile, Shusmita Anis bought 15.15 lakh shares, increasing her holdings to 29.90 lakh shares, or 3.41 percent of the company’s total shares.

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Africawala to purchase Tk 7cr shares of BSRM

**STAR BUSINESS REPORT**

Ali Asghar Badruddin Africawala, a placement shareholder of BSRM Limited, yesterday informed that he intends to buy more of the company’s shares.

In a disclosure to the Dhaka Stock Exchange (DSE), the steel producer announced that Africawala—who holds 10.45 percent of its shares—aims to buy 9 lakh shares at the prevailing market price.

But despite this announcement, its share price dropped by 2.3 percent to close the day at Tk 79.90 per unit. Considering the current price, Africawala will have to spend Tk 7.19 crore on the purchase.

According to several of the company’s disclosures on the DSE website, he bought 18.5 lakh shares just last year.

The sponsors and owners of many listed companies are buying shares in the hope that it will boost investor confidence by reflecting their faith in the potential of their own businesses.

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