




Govt moves to prevent unusual airfare hike

STAR BUSINESS REPORT

The civil aviation and tourism ministry has issued 10 directives aimed at protecting passengers' interests by preventing an unusual increase in air ticket prices.

A gazette notification detailing the new measures was issued on Tuesday, targeting airlines and travel agencies operating in the country.

The ministry stated that, for all ticket bookings, including group reservations, travellers must provide their name, passport number, and a photocopy of their passport.

According to the gazette notification, "If a ticket is not issued in the passenger's name within three days, the airline must automatically cancel the booking after 72 hours".

Airlines and travel agencies must finalise the sale of all previously blocked group-booked tickets within the next seven days (from the issuance of the circular on February 11), providing passenger details.

READ MORE ON B3

Deferring LDC graduation not an option Economist says

STAR BUSINESS REPORT

Deferment of Bangladesh's country status graduation should not be even up for discussion as inclusion in the least developed country category is voluntary while upgrading to the developing country grouping is mandatory, said a noted economist yesterday.

Many are arguing in favour of the deferment, but the smart move for the country would be to start taking preparations for a smooth transition, said Mustafizur Rahman, distinguished fellow of the Centre for Policy Dialogue (CPD).

He was addressing a discussion on "Restoring stability in economic and political landscape" at an 8th SANEM Economists' Conference 2025 organised by the South Asian Network on Economic Modeling (SANEM) at BRAC Centre Inn in Dhaka.

No other peer country is demanding a deferment and while a country needs to meet two out of three criteria to be eligible for the graduation, Bangladesh has qualified in all three, said Rahman.

Even Nepal, which is scheduled to graduate with Bangladesh in November 2026, is not demanding a deferment, he said.

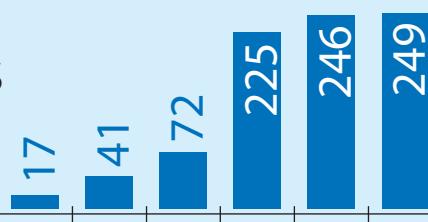
READ MORE ON B3

CONTAINER FLOW TO AND FROM BANGLADESH'S MAJOR SEAPORT

Some 2.92m TEUs of container transported through Ctg port in 2024
In 2023, 2.60m TEUs of containers were transported
Foreign ships carry over 90% of the total containerised goods
Local HR Lines operates a fleet of 8 container ships
BSC will be second Bangladeshi firm to carry containers

SHIPPING CORPORATION'S PROFIT

SOURCE: BSC ANNUAL REPORT



Major financials of BSC in FY 24

Net profit margin 41.88% | Earnings per share Tk 16.37
Return on equity 16.05% | Retained earnings Tk 507 cr

DWAIPAYAN BARUA and AHSAN HABIB

The Bangladesh Shipping Corporation (BSC) is going to purchase six modern container ships from South Korea at a cost of \$330.32 million to break the stranglehold enjoyed by non-Bangladeshi feeder vessels, which results in the loss of a substantial amount of foreign currency in freight costs.

Yesterday, the state-run corporation announced that it had received primary approval from the Planning Commission to acquire six container vessels from South Korea, each with a capacity of 2,500-3,000 twenty-foot equivalent units (TEUs).

This will be the first addition of container ships by the national flag carrier in more than a decade, with previous purchases having been out of commission for a long time.

The new ships, each capable of carrying 2,500-3,000 TEUs, will be bought at a cost of Tk 3,833 crore from two South Korean ship-building firms, with approximately 92 percent of the cost will be financed through a foreign loan.

BSC Managing Director Commodore

Mahmudul Malek told The Daily Star that South Korean EXIM Bank would provide Tk 3,500 crore as a loan for the project while the remaining funds would be financed by BSC.

He added that the government has approved a feasibility study on the purchase, to be conducted by Korea's Economic Development Cooperation Fund (EDCF).

According to a disclosure on the Dhaka Stock Exchange website, a concept paper has been signed between EDCF, Korea, and BSC, under which EDCF is conducting the feasibility study for the project.

With approval from the Korean side, the feasibility study is expected to take two to three months, after which a contract will be signed, he anticipated.

The six new vessels are expected to be commissioned by 2027.

Initially, BSC plans to operate the ships between Chattogram and transhipment ports in Singapore and Malaysia, though they may also be chartered for other global routes.

Malek expressed confidence that the six new container ships would generate an additional Tk 700 crore to Tk 800 crore in annual revenue, transporting over 500,000 TEUs of containers each year.

FOREIGN FEEDER SHIPS DOMINATING THE SCENE

At present, around 80 feeder vessels transport containerised cargo between transhipment ports and Chattogram port, which handles

98 percent of the country's total containerised goods transport.

Last year, a total of 2.92 million TEUs of import, export, and empty containers were transported through Chattogram port, according to shipping agents.

Yet, Bangladeshi feeder vessel operator HR Lines Limited, a subsidiary of Karnaphuli Group, is the only local firm that operates container ships at present, with its eight ships having a combined carrying capacity of 11,840 TEUs.

Through its latest initiative, the BSC will become the second Bangladeshi firm to venture into container shipping in recent years.

The state-run corporation was a pioneer in this regard, acquiring the first container ship owned by the country, named "Bangla Shikha", in 1991. It also operated two multi-purpose ships for container shipping.

However, all three of those vessels ceased operations over a decade ago.

Bangladesh Shipping Agents Association Chairman Syed Md Arif noted that private Bangladeshi firms had previously entered the container shipping business but could not sustain their operations.

As a result, the sector became entirely dependent on foreign-owned vessels for several years.

Bangladesh Freight Forwarders Association Vice-President Khairul Alam Suzan echoed that sentiment, saying foreign feeder vessels were currently dominating the trade, leading to a significant outflow of foreign currency due to freight costs.

With the inclusion of BSC's new ships, the country will not only save substantial foreign currency but also create more employment opportunities for local seafarers, he opined.

READ MORE ON B3



Bridge banks proposed to run failed banks

STAR BUSINESS REPORT

The Bangladesh Bank will be able to sell or liquidate weak banks by forming bridge banks—financial institutions that temporarily take over a failed bank, according to the draft Bank Resolution Ordinance.

Finalised by the Bangladesh Bank (BB), the draft was recently published on the Financial Institutions Division website of the Finance Ministry for public consultation.

Bridge banks are designed to ensure seamless banking services while providing time to find a buyer for the troubled institution. They play a crucial role in maintaining uninterrupted banking operations during the resolution process.

Additionally, bridge banks act as isolators, separating distressed banks from the broader sector and absorbing them to prevent panic withdrawals or bank runs.

Under the proposed legislation, the BB will have the authority to establish one or more bridge banks to run the critical and viable functions of distressed banks.

These bridge banks will ensure the continuity of essential banking services while addressing the financial instability of failing institutions.

According to the draft, the central bank will have the power to appoint temporary administrators to manage failing banks. These administrators will operate under the BB's directives to stabilise weak banks and implement necessary recovery

BRIDGE BANK

A temporary institution to manage a failed bank

Ensures seamless banking while finding out a buyer

measures.

Furthermore, the BB will be able to raise capital through new or existing shareholders to strengthen the financial position of distressed banks.

The proposed legislation also enables the BB to transfer shares, assets, and liabilities to third parties without requiring shareholder consent.

This is meant to facilitate swift resolutions and prevent prolonged disruptions in the banking sector.

The central bank will create a dedicated department to manage the resolution of scheduled banks so that these functions remain outside of its regulatory and supervisory roles.

A "Bank Restructuring and Resolution

BB WILL BE ABLE TO

Appoint temporary administrators to bridge banks

Raise capital through new or existing shareholders

Transfer shares, assets & liabilities without shareholder consent

GOALS

- » To help the bank return to solvency
- » To help the bank be bought by a healthy institution
- » To help the bank be liquidated

Fund" will also be formed to finance interventions, backed by government contributions, international financial institutions, and risk-based levies on banks.

A core focus of the draft ordinance is depositor protection, as it seeks to prevent abuses of bank resources by prohibiting insider transactions, unauthorised write-offs of interest for influential borrowers, and artificial inflation of profits.

According to the draft, the BB will be able to restrict shareholders of troubled banks from transferring or disposing of shares. This would help ensure accountability for those responsible for a bank's failure.

READ MORE ON B3

NBR launches digital hub to facilitate import-export

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has launched a digital hub containing answers to all common queries related to imports and exports as part of its automation efforts, welcoming newcomers to make their mark in external trade.

The digital platform offers Harmonized System (HS) code specific document requirements and provides information on necessary certificates for imports and exports, applicable tariff rates and more, according to NBR.

The tax administration launched the platform at an event at the NBR headquarters in the capital's Agargaon yesterday.

Chowdhury Ashik Mahmud Bin Harun, executive chairman of the Bangladesh Investment Development Authority (BIDA), was present as the chief guest.

NBR Chairman Md Abdur Rahman Khan said this platform would serve as a one-stop solution where businesses can find answers to all their queries.

"It will provide information on the necessary documents for conducting import and export business, applicable tariff rates, and details on any available incentives," he said.

READ MORE ON B3

Downgrading errant firms to junk punishes investors

AHSAN HABIB

No one expects to bear the consequences of offenses committed by another person. Yet, this is exactly what is happening in the stock market, where investors are suffering due to the wrongdoings of company directors.

A directive issued by the Bangladesh Securities and Exchange Commission (BSEC) in May last year has led to this situation.

According to the regulatory directive, if any company fails to distribute at least 80 percent of its declared dividends, it will be downgraded to the Z or junk category.

Under this regulation, several companies have been placed in the junk category over the past few months.

ANALYSIS

While some firms have since completed their dividend disbursements and been upgraded, 19 companies remain in the Z category due to their failure to distribute dividends.

The downgrading has caused stock prices to drop, leading to losses for investors.

Additionally, the settlement period for Z-category stocks is three days, compared to a shorter period for other categories. This means investors must wait at least three days to encash their investments in junk stocks.

However, investor ordeals do not end there.

Stocks downgraded to the Z category become non-marginal. This means that if an investor purchased such shares on margin, they must deposit funds against the loan.

Otherwise, brokers execute a forced sale, further driving down stock prices and worsening investor losses.

READ MORE ON B3



Niranjan Chandra Debnath becomes MD of ICB

STAR BUSINESS DESK

Niranjan Chandra Debnath has recently been appointed as the managing director (MD) of the Investment Corporation of Bangladesh (ICB).

Prior to joining ICB, Debnath served the Rajshahi Krishnan Unnayan Bank as the managing director, according to a press release.

He was the deputy managing director and chief anti-money laundering compliance officer (CAMLCO) of Sonali Bank PLC, and the deputy managing director and chief financial officer of BASIC Bank Limited. He started his banking career as an assistant manager at BASIC Bank Limited in 1997.

Debnath obtained his master's degree in accounting from Chittagong University.

He earned a CMA degree from the Institute of Cost and Management Accountants of Bangladesh (ICMAB), and CGMA and CMA degrees from the Chartered Institute of Management Accountants, UK.

NRBC Bank opens Banaripara, Dowarabazar-Banglabazar sub-branches



AKM Mostafizur Rahman, director and chairman of the risk management committee of NRBC Bank, inaugurates the bank's Banaripara sub-branch in Barishal yesterday.

PHOTO: NRBC BANK

STAR BUSINESS DESK

NRBC Bank PLC yesterday opened two sub-branches in two different districts of the country: a Banaripara sub-branch in Barishal and a Dowarabazar-Banglabazar sub-branch in Sunamganj.

Of these, the Banaripara sub-branch was inaugurated by AKM Mostafizur Rahman, director and chairman of the risk management committee of the bank, as the chief guest, according to a press release.

In his speech, Rahman stated that NRBC Bank is dedicated to enhancing the fortunes of marginalised people. "The main objective of the bank is to foster new entrepreneurs and generate employment opportunities through micro-credit loans," he said.

Md Abdul Halim, head of the Khulna and Barisal zones, Md Pirzada Pervez, manager of Torki branch, Md Kutub Uddin, manager of the Endurhat branch, Md Moniruzzaman, upazila agriculture officer of Banaripara,

and Md Enayetur Karim, businessman, were present.

On the same day, the Dowarabazar-Banglabazar sub-branch was inaugurated by Md Kamrul Hasan, head of the Sylhet zone.

Among others, Abdul Kader Talukder, manager of Sylhet branch, Monowar Hossain, general manager of JM Apparels, and Md Shah Alam Babul and Zakir Hossain, local businessmen, were also present.

ICCB organises workshop on global banking commission outlook



Ataur Rahman, secretary general of ICC Bangladesh, poses for photographs with participants and guests of a workshop on "Global Banking Commission Outlook, DSI, Compliance and Trade Finance Risk Management for the Bankers of Bangladesh," jointly organised by ICCB and ICC HQs Paris in Dhaka recently.

PHOTO: ICCB

STAR BUSINESS DESK

The International Chamber of Commerce, Bangladesh (ICCB) recently organised a daylong workshop on "Global Banking Commission Outlook, DSI, Compliance and Trade Finance Risk Management for the Bankers of Bangladesh," jointly with ICC HQs Paris in Dhaka.

A total of 96 participants from 26 different banks, including Bangladesh Bank, the Bangladesh Institute of Bank Management, Karnaphuli Fertiliser Company Limited, and some clients of Mutual Trust Bank, attended the workshop.

The objective of the workshop was to discuss the global financial landscape, macroeconomics, geopolitics, compliance, global digitalisation trends, and initiatives linked to MLETR digitalising international trade.

The workshop was sponsored by ODDO BHF SE Bank, Frankfurt, Germany, according to a press release.

In his opening remarks, Ataur Rahman, secretary general of ICC Bangladesh, said that Bangladesh's

economy has increasingly been involved in international trade transactions, and, as such, improved and efficient cross-border trade will have notable implications for the country's LDC graduation process.

"The regulatory environment entails greater involvement of the trade finance banks, which carry greater risks," he said.

"In the context of growing business complexities, higher compliance requirements, widespread technological adoption, high market expectations, and growing financial crimes, trade finance is becoming increasingly challenging for the banks of the country," he added.

"Compliance and risk management must remain at the heart of our trade finance operations."

"As global regulatory frameworks become more stringent, our banks and financial institutions must strengthen their due diligence processes, adopt robust risk management frameworks, and enhance transparency to mitigate financial crimes and ensure long-term sustainability," he concluded.

Adnan Masud made AMD of UCB

STAR BUSINESS DESK

Adnan Masud has recently been appointed as the additional managing director (AMD) of United Commercial Bank PLC (UCB).

Prior to taking on his new role, Adnan served in regional leadership roles for Southeast Asia and India at BBVA Bank SA, Singapore, where he played a pivotal role in expanding business operations, increasing revenue, and driving strategic growth, according to a press release.

His extensive leadership experience includes senior positions at MUFG Bank, Bank of America Merrill Lynch, Citibank, and Standard Chartered Bank.

He successfully led corporate and investment banking and transaction banking teams, managed multi-billion-dollar portfolios, and contributed significantly to the financial sector in Southeast Asia.

With over two decades of experience in top-tier global banking institutions across multiple international markets, including Malaysia, the UAE, India, the USA, and Singapore, Adnan brings a wealth of expertise in corporate and investment banking, credit, transaction banking, financial institutions, and institutional banking.

He is a certified credit professional with strong expertise in credit management, liquidity, structured trade finance, and sustainable financing.

His deep understanding of unique banking solutions, strategic vision, and leadership capabilities will be instrumental in strengthening UCB's market position and driving future growth, the press release added.

His solid academic foundation, combined with training from NUS, MIT Management School, Columbia Business School, and Tuck Business School, has provided the groundwork for his successful career in banking and finance.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (FEB 23, 2025)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 72-Tk 85	1.29 ↑	16.30 ↑
Coarse rice (kg)	Tk 50-Tk 55	-6.25 ↓	7.14 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-10.53 ↓
Lentil (kg)	Tk 105-Tk 110	0	0
Soybean (litre)	Tk 185-Tk 190	9.65 ↑	19.81 ↑
Potato (kg)	Tk 20-Tk 30	-16.67 ↓	-13.79 ↓
Onion (kg)	Tk 40-Tk 50	-14.29 ↓	-60.87 ↓
Egg (4 pcs)	Tk 43-Tk 45	-4.35 ↓	-3.30 ↓

SOURCE: TCB

Beza developing 3-phase

FROM PAGE B4

The second phase, running from FY31 to FY35, will focus on introducing large-scale industries such as automobile manufacturing, pharmaceuticals, and heavy engineering.

In this phase, railway and expressway connectivity will be strengthened, and more public-private partnerships (PPP) and government-to-government (G2G) collaborations will be promoted.

Work is currently underway for the issuance of legal and environmental clearances for the land of these economic zones, and by 2035, these are expected to house large-scale industrial parks that will contribute to Bangladesh's growing manufacturing and export sectors.

The final phase, extending from FY36 to FY46, aims to transform

Bangladesh into a global industrial hub by introducing AI driven logistics, automated factories, and IoT-based infrastructure.

It will set up green economic zones with eco-friendly policies, renewable energy, and circular economies.

In this stage, specialised clusters will be created to compete with global industrial zones in Vietnam, India, and China.

The master plan states that despite efforts toward structured rollouts, land acquisition issues, environmental regulations, and policy inconsistencies remain key challenges.

Through successful implementation, the master plan sees to transform Bangladesh into a regional industrial powerhouse, creating millions of jobs and boosting economic diversification beyond Dhaka and Chattogram.

US business stalling

FROM PAGE B4

Manufacturers passed on the higher prices to consumers, which could raise the cost of goods. Goods deflation has accounted for the slowdown in inflation.

While services businesses also faced higher prices for inputs, they appeared to absorb some of the increase as slowing demand boosted competition, which could bode well for the overall inflation outlook, with price pressures trending higher in recent months. A measure of prices charged by businesses for their goods and services fell to 51.6 from 53.9 last month.

The survey's measure of new orders received by private businesses dropped to 50.6 this month from 53.7 in January. Its measure of employment decreased to 49.4 from 54.0 in January.

The survey's flash manufacturing PMI edged up to 51.6 from 51.2 in January. Economists polled by Reuters had forecast the manufacturing PMI rising to 51.5.

Its flash services PMI dropped to 49.7, the first contraction in just

over two years, from 52.9 last month. That confounded economists' expectations for a 53.0 reading.

The raft of weak reports extended to the housing market.

The National Association of Realtors said in a third report that sales of previously owned homes decreased 4.9 percent in January to a seasonally adjusted annual rate of 4.08 million units, blamed on high mortgage rates and house prices. Mortgage rates track the yield on the 10-year Treasury note, which remains elevated amid the economy's resilience and stubborn inflation.

There are also concerns that tariffs would raise the cost of building materials, including lumber and appliances, making it harder for builders to close a national housing shortage that is keeping house prices elevated and reducing affordability.

"Given that borrowing costs have stayed above 7 percent, we expect this weakness in buying activity to continue in the coming months," said Bradley Saunders, North America economist at Capital Economics.



M Akhter Hossain, managing director (current charge) of EXIM Bank, inaugurates a branch of the bank at the Shuvoraj Tower on Wiseghat Road in the Islampur area of Dhaka recently.

PHOTO: EXIM BANK

Social Islami Bank opens Khilkhet Namapara sub-branch

STAR BUSINESS DESK

Social Islami Bank PLC (SIBL) opened a Khilkhet Namapara sub-branch with modern banking facilities in Dhaka yesterday.

This is the 237th sub-branch of the bank, according to a press release. Anwar Hossain, director of the bank, inaugurated the sub-branch as the chief guest.

In his speech, Hossain said that good governance has been established at all levels in the bank. As a result, trust among customers has also been restored.

Expressing gratitude to the customers, he urged everyone to continue banking activities as before by trusting SIBL.

"Social Islami Bank is one of the Sharia-compliant banks in the country. The bank has been providing banking services to its clients for three decades," Md Nazmus Saadat, managing director (acting) of the bank, said while presiding over the event.

He said the people of Khilkhet Namapara will benefit from receiving Islami banking services.

Other senior executives of the bank, along with businessmen and local dignitaries, were also present.



Anwar Hossain, director of Social Islami Bank PLC, inaugurates a new Khilkhet Namapara sub-branch of the bank in Dhaka yesterday.

PHOTO: SOCIAL ISLAMI BANK

Allowing more women to workforce key to growth

STAR BUSINESS REPORT

Bangladesh's economic growth could face significant challenges unless obstacles to women's participation in the labour market and vocational training are effectively addressed, said Tuomo Poutiainen, country director of the International Labour Organisation (ILO) for Bangladesh.

Gender imbalances and restrictions on women's access to diverse job opportunities may hinder the country's overall progress, he said.

He made the comments at a session titled "Setting the Labour Market Priorities Right for Bangladesh" on the third day of the eighth SANEM Annual Economists' Conference, organised by the South Asian Network on Economic Modeling (SANEM) at the capital's Brac Centre Inn.

Poutiainen further stressed that job creation should be driven through collaborative efforts between the public and private sectors, with foreign direct investment playing a significant role.

"True reform in the private sector is essential to create a path for quality jobs for Bangladeshi graduates."

There is no job that women cannot do

but men can, he said.

"We must overcome the mental block that creates obstacles for women in the labour market," he added.

Syed Sultan Uddin Ahmed, executive director of the Bangladesh Institute of Labour Studies, said, "We can't reform labour rights in isolation; it must be linked to skill development, education, and industry associations."

"Without a living wage, we cannot ensure decent jobs for everyone," he added.

Bangladesh's labour policies are largely shaped by international influences while domestic priorities remain overlooked

Bangladesh's labour policies are largely shaped by international influences while domestic priorities remain overlooked, he said.

He added that the country's own workforce needs and labour rights concerns are often sidelined, as global stakeholders play a dominant role in policy decisions.

Iyanatul Islam, adjunct professor at

the Griffith Asia Institute at Griffith University, Australia, said excessive regulations can hinder job creation, but well-designed policies, including minimum wages, effectively protect workers and promote equity.

He also highlighted the need for a strong foundation in labour economics, stating, "If you want to justify minimum wages, safe working conditions, and policies addressing gender disparities in Bangladesh, we need analytically robust and empirically credible labour economics."

Kazi Iqbal, senior research fellow at the Bangladesh Institute of Development Studies, addressed the 13 percent graduate unemployment rate in Bangladesh, attributing it to an oversupply of unskilled tertiary graduates and a lack of technical education.

He stressed the need for expanding affordable polytechnic institutes and targeted skill development programmes to better align the workforce with market demands.

Iqbal pointed out the mismatch between education and industry needs, noting, "There is an oversupply of tertiary graduates in Bangladesh, which

is incompatible with the structure of the industry and the country's needs."

Bangladesh's growth has surpassed 6 percent, but labour market performance remains weak, with rising unemployment, increased self-employment, and declining real wages, said Radhika Kapoor, senior employment specialist at the Decent Work Team for South Asia of the ILO, during her keynote presentation.

Rural female labour force participation surged from 36 percent to 52 percent, adding 4.2 million women.

Youth employment is higher, with educated youth favoured, she added.

Formal paid job growth is minimal, fuelling demand for government jobs. Labour-displacing technology and shifts from high- to low-productivity sectors further strain job creation, she said.

Productivity growth has outpaced real wage growth, while exports and investment as GDP shares are falling. Addressing these challenges requires industrial policy reforms, increased government expenditure, infrastructure development, and a focus on employment-driven growth, she added.

Deferring LDC

FROM PAGE B1
Leaders of different countries attending the ministerial conference of World Trade Organization (WTO) in Abu Dhabi last year did not show interest in extending the transition period, he said.

Bhutan has already graduated and if Bangladesh defers the graduation, it will be left with war-torn Afghanistan as the only two least developed countries (LDCs) in South Asia, said Rahman.

After the graduation, Bangladesh will become ineligible for almost all trade benefits, such as zero duty access, and strictly abide by the Trade Related Aspects of Intellectual Property Rights (TRIPs), said Rahman.

Moreover, Bangladeshi exporters will face duties of over 10 percent in many countries, he said.

However, some countries such as those under the European Union, Canada and the UK will continue to provide the facilities for a grace period of three years, he said.

Yet many businesses want the government to provide export incentives till the end of the grace period in 2029, he said.

Seven sub-committees are working on providing recommendations to the government for a smooth graduation, said Rahman.

Of the total losses of advantages that the 12 graduating LDCs are enjoying now, nearly 90 percent will befall Bangladesh as it avails the highest trade benefits among all the LDCs, he said.

While Bangladesh requested the United Nation for inclusion in the LDC group in 1972,

Zimbabwe, which was then struggling, refused to accept the LDC status, Rahman said.

He suggested increasing direct tax collections, as there was a possibility of a fall in revenue from indirect taxes in the form of import duties.

Bangladesh should also focus more on countries in the Global South, South East and the Association of Southeast Asian Nations (Asean) as only 11 percent of its annual exports are destined for those countries, he said.

Nearly 77 percent of illicit financial outflow was through trade such as mispricing—over invoicing and under invoicing. But the fact remains that trade related mispricing is a major issue, and it has to be addressed, he said.

Zahid Hussain, former lead economist of World Bank's Dhaka office, said Bangladesh was already in the middle-income trap.

The export to GDP ratio and investment are declining, but inflation is rising. The volume of bank loan rescheduling is also increasing while the central bank's foreign currency reserves are at a low level, Hussain said.

The discontinuation of a loan programme by International Monetary Fund (IMF) for Bangladesh will have consequences, he said.

READ FULL STORY ONLINE

Bridge

FROM PAGE B1
In cases where banks fail to meet capital or liquidity requirements or engage in fraudulent activities that risk their financial health, the BB will be authorised to take immediate corrective action.

If approved by the President, the Bank Resolution Ordinance will enhance the central bank's ability to stabilise the financial sector, protect depositors, and ensure the smooth resolution of non-viable banks.

Moreover, Bangladesh will have to pay \$6

billion annually in debt repayments from 2026 when the grace period for the largest project on loan, the \$14 billion Rooppur nuclear power plant project, will come to an end, he said.

Referring to the sizes of the new vessels, Suzan mentioned that the BSC, with these cellular ships, would have the option to launch direct shipping to European destinations, significantly reducing both time and costs in foreign trade.

BSC'S STORIED HISTORY

The BSC began its journey with only two ships in 1972 and got listed in the stock market in 1977.

In 2018, six new ships, comprising three oil tankers and three bulk carriers, were purchased. However, one of the six new ships, "Banglar Samridhi", was damaged in a bomb attack at a Ukrainian port in 2022.

At present, the BSC owns five vessels, featuring two bulk carriers and three

BSC to buy 6 ships

FROM PAGE B1

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At present, the BSC owns five vessels, featuring two bulk carriers and three

chemical and oil tankers.

And despite a 5 percent drop in revenue to Tk 487 crore, the national flag carrier reported a solid profit last year.

In the financial year 2023-24, freight revenue from lighterage and time charter decreased year-on-year due to off-hire and dry docking of ships, which ultimately reduced the company's total revenue.

Its freight revenue dropped by over 9 percent to Tk 392 crore. Despite this, the company reported a record net profit of Tk 249.69 crore in FY24, the highest in its 53-year history.

Just three years ago, the company's net profit was below Tk 100 crore. The surge in the past three years has been attributed to the increase in its fleet size in 2018.

BSC's net profit margin is comparatively high among neighbouring countries, standing at around 42 percent in FY24, compared to 12 percent for the Shipping Corporation of India, 44 percent for Pakistan National Shipping Corporation, 20 percent for Singapore Shipping Corporation, and 19 percent for Malaysia's Shin Yang Shipping Corporation.

The net profit margin, or simply net margin, measures how much net income or profit a company generates as a percentage of its revenue.

BSC's earnings per share rose to Tk 16.37 last year from Tk 16.15 in the previous year. The company's retained earnings nearly doubled to Tk 507 crore, up from Tk 284 crore in FY23.

Govt moves

FROM PAGE B1

Failure to comply will result in automatic cancellation within three days.

The ministry also requires airlines to report the actual sale price of group-booked tickets, which will then be published on the civil aviation ministry's website for public access.

All air tickets must be sold online, with prices clearly displayed both on the tickets and on the respective airline or agency's website.

Airlines and travel agencies must comply with the tariff filing provisions outlined in Rule 289 of the Civil Aviation Rules, 1984 and publish approved fares on their websites.

Airlines and travel

agencies are prohibited from selling tickets at prices higher than the officially submitted fare.

Travel agencies must issue receipts indicating the original price set by the airline.

Under Rule 15 of the Bangladesh Travel Agency (Registration and Control) Rules, 2022, travel agencies that artificially inflate prices by reselling tickets through unauthorised agents could face suspension or cancellation of their registration certificates.

The civil aviation ministry also directed airlines and travel agencies in Bangladesh to introduce special airfares for individuals traveling on work visas.

Downgrading errant firms

FROM PAGE B1

"What offense have investors committed here?" questioned Hasanul Bannah, a stock investor. "If there was any wrongdoing by the company, the punishment should be faced by the company's top officials or board members."

"If a company does not have adequate cash, why does it announce dividends? There must be some ill intention on the part of the board. Therefore, the board should be held responsible and accountable," he added.

Meanwhile, Saiful Islam, president of the DSE Brokers Association of Bangladesh, said the BSEC's directives on categorisation have been "misused and abused" by certain groups and listed companies.

"It has become common practice for companies to announce dividends to

maintain their category for six months [the timeframe for dividend disbursement]," he said.

During this period, investors risk losses by investing in such companies, Islam noted.

He argued that categorisation has long been a tool for manipulation and that there should not be any categories at all, as is the case in other developed stock exchanges.

Islam believes that investors should make investment decisions based on a company's portfolio rather than its category.

Under the existing system, the brokers association president proposed that the BSEC amend its directive to penalise board members instead of investors.

Mazeda Khatun, president of the Bangladesh Merchant

Bankers Association, supported Islam, stating that investors are suffering due to the downgrading.

"The regulator should change the policy to ensure that investors are not unfairly penalised," she added.

Speaking on condition of anonymity, the company secretary of a listed firm said his company's board recommended a dividend despite knowing their cash-strapped position.

However, some companies claim they face difficulties in disbursing dividends due to outdated investor information.

Previously, listed companies did not prioritise updating their records, as they were not scrutinised. However, the recent rules linking dividend disbursement to categorisation have brought this issue to the forefront.

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Gold prices drop after hitting historic high



STAR BUSINESS REPORT

After hitting an all-time high last Thursday, gold prices in the country saw a slight decline yesterday.

On February 20, gold prices reached an all-time high of Tk 154,525 per bhorti.

However, the price of gold decreased by Tk 1,154 per bhorti, bringing it down to Tk 153,369, Jewellers' Association (Bajus) announced yesterday, with the rate effective from today.

Gold prices have been rising steadily for over a year. This is due to both hikes in the international market and volatility in domestic supply.

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

The country requires between 20 and 40 tonnes of gold annually, with about 80 percent of the demand being met through smuggling.

GTPR-26/24-25


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GD-496

Foodpro begins tomorrow

STAR BUSINESS REPORT

The 10th Bangladesh Agro-Processors' Association (BAPA) Foodpro International Expo 2025 is set to begin at the International Convention City Bashundhara in the capital on Tuesday.

Commerce Adviser Sk Bashir Uddin is expected to inaugurate the three-day international fair, organisers said at a press conference at the Economic Reporters' Forum (ERF) in Dhaka yesterday.

Over 200 leading food and beverage companies from 22 countries will showcase their products and services at the fair, which is being organised by BAPA and Rainbow Exhibition and Event Management Services (REEMS).

Alongside the main exhibition, the "12th Agro Bangladesh Expo 2025" and the "Food Ingredient Expo 2025" will also take place.

The fairs, which are open to all, will run daily from 10:00 am to 7:00 pm.

A panel discussion will also be held as part of the event.

Gold eases from record high

REUTERS

Gold prices eased on Friday as investors booked profits from the previous session's record high, but were set for an eighth straight weekly gain, driven by strong safe-haven demand amid concerns over US President Donald Trump's tariff plans.

Spot gold shed 0.1 percent to \$2,939.63 an ounce as of 02:24 a.m. ET (1924 GMT). Bullion has gained around 1.9 percent this week after rising to a record \$2,954.69 on Thursday.

US gold futures settled 0.1 percent lower at \$2,953.20.

"It's just a classical movement of new all-time highs and profit-taking... (but) the fundamentals for gold remain solid," said Alex Ebkarian, chief operating officer at Allegiance Gold.

Prices have shattered two record highs this week to trade above \$2,950 an oz, as uncertainties surrounding global economic growth and political instability have underscored investor appetite for bullion, which has risen 11.5 percent so far in 2025.

US business activity nearly stalled in February amid mounting fears over tariffs on imports and deep cuts in federal government spending, erasing all the gains notched in the aftermath of President Donald Trump's election victory.

The tumble in activity to a 17-month low reported by S&P Global on Friday was the latest in a string of surveys to suggest that businesses and consumers were becoming increasingly rattled by the Trump administration's policies.

Business and consumer sentiment soared following the Republican's November 5 victory on hopes for a less stringent regulatory environment, tax cuts and low inflation.

"The Trump business honeymoon is over, it seems," said Kyle Chapman, FX markets analyst at Ballinger Group.

S&P Global's flash US Composite PMI Output Index, which tracks the manufacturing and services sectors, fell to 50.4 this month. That was the lowest reading since September 2023 and was down from 52.7

Beza developing 3-phase plan for ECONOMIC ZONES

Economic zones (EZs) at a glance

Only 10 EZs have become operational since 2015
2 state-run and 8 are under private sector

EZs have created around 60,000 jobs

- » 7,000 in state-owned zones
- » 53,000 in private zones

Products worth \$14.47b were produced in the EZs in FY23



MASTER PLAN FOR INDUSTRIALISATION

First phase (2024-2030)

Developing and attracting investment in eight EZs

Second Phase (2030-2035)

Scaling up industrialisation in five EZs

Third Phase (2035-2045)

Focusing on competitiveness to compete globally & smart industrialisation in seven EZs

STAR BUSINESS REPORT

The Bangladesh Economic Zones Authority (Beza) is developing a comprehensive three-phase implementation plan to develop economic zones across the country, ensuring balanced industrialisation, employment generation, and sustainable infrastructure development.

As part of a draft "National Master Plan of Economic Zones", Beza is prioritising establishing 20 economic zones by 2046, strategically phasing the implementation for resource optimisation and to attract local and foreign investment.

Beza disclosed this during a workshop on "Economic zone prioritisation and phasing, offsite infrastructure planning and development mechanism" at its office in Biniyog Bhaban at the capital's Agargaon yesterday.

According to the master plan, which is currently being formulated through financing from World Bank, the phased approach helps mitigate challenges related to land acquisition, infrastructure readiness, and investor confidence.

This in turn ensures that economic zones develop in a structured and sustainable manner, states the master plan.

Only 10 economic zones have become operational since Beza rolled out a massive industrialisation plan in 2015.

Of the 10 economic zones, two – the National Economic Zone in Chattogram and Srehatta Economic Zone in Sylhet – are government-run while eight are under private management.

The private ones are City Economic Zone, Meghna Industrial Economic Zone, Meghna Economic Zone, Hoshendi Economic Zone, Abdul Monem Economic Zone, Bay Economic Zone, Aman Economic Zone, and East West Economic Zone.

According to Beza report, the 10 economic zones employ around 60,000 people. Some 7,000 people are working in government-run zones and 53,000 in the private zones.

Products worth \$14.47 billion were produced in the 10 economic zones in the last fiscal year of 2022-23, it said.

Addressing the workshop, Ashik Chowdhury, executive chairman of Beza, reaffirmed his commitment to turning the master plan into a blueprint for success, driving growth, innovation, and sustainable industrialisation.

"Whenever I am given a big project, I know it is a huge responsibility. There are many challenges, but I see them as chances to learn and grow," he said.

Beza has grown because of hard work, good planning, and always aiming for the best."

The first phase, spanning from FY25 to FY30, will prioritise economic zones that are already under development or at an advanced planning stage

Speaking about Bangladesh's economic growth, Chowdhury said, "A long time ago, we chose Narayanganj as an important place for development. We made that decision after careful study, and now we see the results.

"We are creating a space where businesses can succeed, new ideas can grow, and young people can dream big," he added.

Beza is not just building economic zones, it is shaping the future of Bangladesh, he said.

"We must create more jobs, grow our economy, and make Bangladesh even stronger. Let us work together for a better future," Chowdhury said.

Gayle Martin, country director of World Bank, emphasised the importance of rationalising economic policies to foster sustainable growth.

From the international financial institution's perspective, a well-functioning private sector is crucial for innovation, entrepreneurship, job creation, and

sustainable management of natural resources, she said.

World Bank has been supporting Bangladesh in its economic progress, analysing growth trends, and enhancing policy frameworks, she said.

In collaboration with the International Finance Corporation, World Bank is preparing a private sector diagnostic, set to launch in the coming weeks, Martin informed.

According to her, another critical area is tax policy and administration. Bangladesh has one of the lowest tax-to-GDP ratios in the world and tax exemptions account for 6 percent to 7 percent of the GDP.

Rationalising these policies is essential for fiscal sustainability, she emphasised.

While the strong growth trend of the past has lost steam, strategic private sector investment can revitalise the momentum, said Martin, adding, "The World Bank remains committed to supporting structural reforms that maximise economic zones' impact."

According to a presentation on the master plan, the first phase, spanning from FY25 to FY30, will prioritise economic zones that are already under development or at an advanced planning stage.

Beza is focusing on the construction of roads, power supply, water management, and telecommunications to attract investors.

It is also offering incentives and ensuring a "favourable" business environment by focusing on select industrial sectors such as agro-processing, textiles, and light engineering due to their low capital requirement and high employment potential.

These zones being prioritised have already been provided land, face minimal legal disputes, and have high investor interest, making them ideal for early implementation.

By 2030, these zones are projected to generate over 300,000 jobs and contribute significantly to export earnings, thereby strengthening Bangladesh's position in global trade.

READ MORE ON B2

Combating financial scams in banking system

SALEKEEN IBRAHIM

Remarkably, the pandemic has acted as a blessing for digital services and dramatically transformed our financial setting, steering it in a nature where digital banking has renewed as an easy solution in our everyday lives.

In terms of cost savings, time management and overall comfort, digital platforms managed by different banks have given us a quantum leap considering customer satisfaction. It has empowered more individuals than ever to engage with financial institutions online. The supreme aim for financial inclusion has also received a significant push here.

However, this accelerated shift has also unlocked a sluicegate for financial scams and digital frauds. But as we navigate into this new reality, it becomes necessary to explore effective measures for financial institutions to reinforce their digital platforms against such threats.

The most effective way to counter digital fraud is to implement strong authentication measures. Banks should adopt a multi-factor authentication system (MFA) requiring users to provide different information before accessing their accounts. This could include a combination of passwords, biometric data (fingerprints or facial recognition), and one-time codes sent via email or SMS.

Banks should use modern technology, and employ advanced analytics and artificial intelligence to monitor transactions in real time, identifying any unusual pattern that can indicate fraud. By evaluating risk constantly, banks can respond swiftly to prospective threats and prevent significant financial damage. A group of skilful employees or departments will have a close look at the digital ecosystem of the bank on a regular basis.

Customer education and learning about potential scams are important. Banks should invest in awareness programmes that enlighten clients about common fraud approaches and encourage safe online banking practices.

Regular updates through customer newsletters, workshops, and social media can help users to identify and report suspicious happenings. Bank employees must also be trained to distinguish potential threats and respond appropriately.

Conducting regular vulnerability assessments, stress testing and penetration testing is important to understand the bank's current strength against evolving threats. Third-party audit experts can be deployed periodically to ensure an impartial appraisal of prevailing processes and propose improvements to keep it robust.

The government and the central bank also have some crucial role in creating a secure financial environment. They should establish complete security regulations and provide proper guidelines.

The Bangladesh Bank can introduce a unified regulatory framework only for digital platforms that guide minimum security standards across the board, ensuring a baseline of defence for all.

Collaboration between the government, central bank, and private banks can also lead to joint initiatives focused on combating financial scams. Strengthening customer protection law is also important to safeguard customer rights against any fraud. We must ensure that victims get timely assistance and needful compensation for genuine cases.

With the escalation of digital banking in our country, a culture of security must be reinforced at all levels of financial institutions. This encompasses not only technology and processes but also the people who are engaged with these systems.

As Bangladesh continues to embrace digital banking, it is imperative for our banks to proactively adopt solutions that reduce the risks of financial scams. Through a combination of enhanced cybersecurity, employee and customer education, rigorous internal controls, and strong regulatory support from governmental bodies, the financial sector can secure itself against digital threats.

The writer is a banker.

US business stalling, inflation expectations surge

REUTERS, Washington

in January. A reading above 50 indicates expansion in the private sector.

The services sector accounted for the drop in the PMI, contracting for the first time since January 2023. Manufacturing activity rose to an eight-month high, though that was attributed to "front running" potential cost increases or supply shortages linked to tariffs."

The S&P Global survey was conducted between February 10-20.

Trump in his first month in office slapped an additional 10 percent tariff on Chinese imports. A 25 percent levy on imports from Mexico and Canada was suspended until March. Trump this month raised tariffs on steel and aluminum imports to 25 percent.

He said on Tuesday that he intended to impose auto tariffs "in the neighborhood of 25 percent" and similar duties on semiconductors and pharmaceutical imports. In addition, federal government spending is being slashed, with thousands of workers from scientists to park rangers,

mostly those on probation, fired by billionaire Elon Musk's Department of Government Efficiency, or DOGE – an entity created by Trump.

Companies report widespread concerns about the impact of federal government

polices, ranging from spending cuts to tariffs and geopolitical developments," said Chris Williamson, chief business economist at S&P Global Market Intelligence.

"Sales are reportedly being hit by the uncertainty caused

by the changing political landscape, and prices are rising amid tariff-related price hikes from suppliers."

Stocks on Wall Street were lower. The dollar rose against a basket of currencies. US Treasury yields slipped.

A survey from the University of Michigan on Friday showed its consumer sentiment index dropped to a 15-month low of 64.7 in February from a final reading of 71.7 in January. That was lower than the preliminary reading of 67.8.

Consumers' 12-month inflation expectations deteriorated to 4.3 percent, the highest reading since November 2023, from 3.3 percent in January. Over the next five years consumers saw inflation running at 3.5 percent, the highest since 1995, compared with 3.2 percent in January.

The Federal Reserve in January paused its policy easing cycle, having cut interest rates by 100 basis points since September. Minutes of the US central bank's January 28-29 meeting published on Wednesday showed Trump's initial policy proposals raised concern at the Fed about higher inflation.

"You can bet that Chairman Powell and company will take note of that and that this further seals the case for the

Fed remaining on hold for a while," said Stephen Stanley, chief US economist, Santander US Capital Markets.

The question is whether President Trump and the administration are paying attention to the souring of consumer moods due to the threat of tariffs."

In financial markets, though, concern about a weakening economy appeared to outweigh fear of resurgent inflation, with futures contracts that settle to the Fed's policy rate pricing in a firmer chance of two interest rate cuts this year, rather than just one. Market bets put the first cut as likely by June, and the second as soon as October.

Inflation concerns, meanwhile, dominated in the S&P Global's survey. Its measure of prices paid by businesses for inputs increased to 58.5 this month from 57.4 in January. It was boosted by the manufacturing gauge, which jumped to 63.5 from 57.4 last month, "overwhelmingly blamed by purchasing managers on tariffs and related supplier-driven price hikes."

READ MORE ON B2



People carry shopping bags as they walk through SoHo in New York City. Business and consumer sentiment soared following Donald Trump's November 5 victory on hopes for tax cuts and low inflation.

PHOTO: AFP/FILE