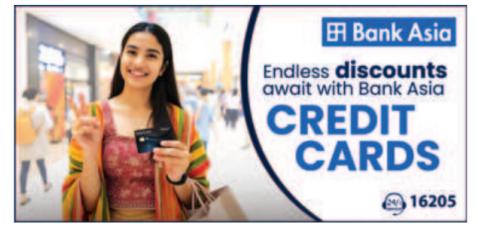


# Star BUSINESS



## Emerald Oil in crisis again

**BASIC Bank reveals plans to auction off company's assets**

AHSAN HABIB

Emerald Oil, a rice bran oil maker, has seen a bumpy performance since being listed with the Dhaka Stock Exchange (DSE), which in turn has led its investors down a tumultuous road.

Now, the latest development from its banking partner – BASIC Bank – has plunged investors into real jeopardy yet again.

The state-owned lender said it would auction off the assets – land and machinery – pledged as collateral by Emerald Oil Industries after multiple failures to recover the company's outstanding loans.

However, the listed company provided a disclosure yesterday, alleging that it has not received any such letter from the bank or any court order/notice yet.

According to the auction notice posted by the bank, Emerald Oil's outstanding dues amounted to Tk 91.95 crore till 2018. In order to recover the amount, a total of 541 decimals of land, along with local and international machinery, will be auctioned if suitable bidders come forward.

READ MORE ON B3

## Stock market shrank 38% over 16-year span

Stockbrokers estimate, point finger at mismanagement

### STATISTICALLY SPEAKING

#### CURRENT STATE

- Inflation-adjusted return: 2.9% per year
- Market capitalisation to GDP ratio: 6%
- 134 IPOs raised Tk 9,000 cr in 15 years
- One-third of listed firms now 'junk'
- Tk 9,700 cr in negative equity
- Poorly governed firms dominate SME market
- Insider trading, mismanagement hurt investor trust

#### HURDLES

- IPO valuation lacks financial logic
- Half of margin loans turned into negative equity
- Mutual funds accused of fund abuse, embezzlement

#### WAY FORWARD

- Review Demutualisation Act
- Reform IPO valuation, regulatory practices
- Lower AIT on investments to 5%
- Operationalise and consolidate key market bodies

#### STAR BUSINESS REPORT

The stock market has declined 38 percent in real value over the past 16 years, largely due to negative returns and poor management practices. While some companies

showed growth, widespread mismanagement limited overall income generation.

Combined with high inflation, these factors eroded the market's real value, leaving investors holding the bag.

A discussion by Dhaka stockbrokers yesterday elaborated on the market missteps, including political interference and inconsistent regulatory actions, which contributed to the stock decline.

Over the years, they said, the market failed to attract good companies for listing and initial public offerings (IPOs).

In the past 15 years, 134 IPOs were launched, while nearly one-third of total listed firms got classified in the "Z category" – junk stocks that typically do not perform well.

Besides, margin loan practices – where brokers lend money to investors to buy securities – worsened the situation by contributing to negative equity

READ MORE ON B3



Shafiqul Alam

## Economy rebounding: press secretary

### STAR BUSINESS REPORT

Bangladesh's economy has been rebounding in the last six months on reaching the verge of collapse, Chief Adviser's Press Secretary Shafiqul Alam said yesterday.

"It's just a miracle," he said at a discussion organised by the Development Journalist Forum of Bangladesh (DJFB) at the Planning Commission in Dhaka.

Right before the interim government took over, the economy was in such a fragile state that it could have fallen apart at any moment, Alam said.

"However, in the last six months, we have witnessed remarkable improvements," he said.

Consumer prices have been declining over the past two months and inflation is expected to drop to 7 percent by June, he added.

"The priority now is to restore confidence and stability among the public," he said, reassuring savers that their deposits were

READ MORE ON B3

STOCKS	
DSEX ▼	CASPI ▼
0.27%	0.15%
5,253.79	14,683.20

COMMODITIES	
Gold ▲	Oil ▼
\$2,912.34	\$69.04
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.20%	▼ 0.25%	▼ 0.2%	▲ 1.02%
74,602.12	38,142.37	3,908.05	3,380.21



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# 'Beyond Bottom Lines' launched

**STAR BUSINESS REPORT**

Corporate and thought leaders came together at The Daily Star Centre in the capital yesterday for the launch of a book written by Mahtab Uddin Ahmed, president of the Institute of Cost and Management Accountants of Bangladesh and founder of BuildCon Consultancies Ltd.

Titled "Beyond Bottom Lines", the book was published by Daily Star Books.

The key themes of the book—leadership, business transformation, and the pursuit of purpose beyond financial success—were highlighted at the event.

The book offers real-world lessons drawn from decades of experience in multinational corporations, financial strategy, and industry transformation.

Mahtab Uddin Ahmed, who earlier

served as the CEO of private mobile network company Robi from 2016 to 2021, shared his journey of compiling his experiences and insights into this book.

Taken from his columns published in The Daily Star, "Beyond Bottom Lines" serves as a guide for leaders, entrepreneurs, and professionals seeking to navigate the evolving business landscape with integrity and vision.

Addressing the event, Ahmed expressed gratitude to readers, colleagues, and industry peers who supported and inspired him throughout his career.

He emphasised the need for leadership that extends beyond profit metrics, focusing instead on sustainable growth, ethical business practices, and meaningful societal impact. The book is available on Rokomari.com and The Daily Star centre.



Mahtab Uddin Ahmed, the author of the book, poses for photographs with corporate leaders, industry experts, and thought leaders at the launch of "Beyond Bottom Lines" at The Daily Star Centre in Dhaka yesterday.

PHOTO: STAR

# Sabah Saleheen made head of markets, corporate sales at StanChart

**STAR BUSINESS DESK**

Standard Chartered Bangladesh has appointed Sabah Saleheen Azim as the head of markets and corporate sales in Bangladesh.

Sabah joined Standard Chartered in 2017 and has held various roles across client-facing and financial markets functions. Most recently, she headed corporate sales for global subsidiaries in Bangladesh, according to a press release.

In this role, she played a pivotal part in driving corridor client strategies, structured product solutions, and sustainability-linked initiatives for financial markets.

With nearly two decades of experience in the banking industry both locally and internationally, Sabah brings a wealth of expertise in financial markets and corporate finance across the bank's corporate client segment.

Naser Ezaz Bijoy, chief executive officer of the bank, said: "We are delighted to welcome Sabah Saleheen Azim as our head of markets and corporate sales."

"Throughout her time here, she has exhibited exceptional leadership, great adaptability, and a deep understanding of market dynamics."

"I am confident that under her guidance, we will continue to strengthen our client partnerships and deliver sustainable growth," he added.



# Bank Asia leads school banking conference in Bhola



Imtiaz Ahmad Masum, director of the Bangladesh Bank, Barishal office, and Mirza Azhar Ahmad, deputy managing director and chief operating officer of Bank Asia PLC, lead a rally of a "School Banking Conference-2025" organised by Bank Asia in Bhola recently.

PHOTO: BANK ASIA

**STAR BUSINESS DESK**

Bank Asia PLC organised a "School Banking Conference-2025" in Bhola recently, with the participation of 24 commercial banks, aiming to foster a savings habit among school students.

Imtiaz Ahmad Masum, director of the Bangladesh Bank, Barishal office, attended the conference as the chief guest, as stated in a press release from the bank.

Mirza Azhar Ahmad, deputy managing director and chief operating officer of Bank Asia PLC, presided over the conference.

Md Fazul Bashar, deputy general manager and area head of Sonali Bank PLC, Gonesh Chandra Devnath, deputy general manager and area head of Agrani Bank PLC, and Mir Mohammad Rafiuddin, assistant general manager and head of the Bhola region at Bangladesh Krishi Bank, were also present.

Students from various schools in the district town of Bhola participated in a colourful rally that paraded through different roads of the town.

Among others, Quazi Mortuza Ali, senior vice-president of Bank Asia PLC, and Md Mostaq Uddin, head of the Bhola branch, were also present.

# Prime Bank, BIA conduct training on bancassurance

**STAR BUSINESS DESK**

Prime Bank PLC, in partnership with Bangladesh Insurance Academy (BIA), recently conducted a three-day training course on bancassurance for its employees at BIA's head office in the capital's Mohakhali.

The training was attended by branch, priority, payroll, and retail asset sales team members of Prime Bank PLC. Md Apel Mahmud, member (life) of the Insurance Development and Regulatory Authority, inaugurated the training

session, according to a press release.

Senior resource persons from the regulatory, insurance, and banking sectors conducted the training, which focused on the recently launched bancassurance in Bangladesh. SM Ibrahim Hossain, chief faculty member of BIA, was present as the chairperson.

Among others, Probir Chandra Das, deputy managing director and chief financial officer of National Life Insurance Company Limited, and Mamur Ahmed, executive vice-president and head of branch distribution network at the bank, were also present.



Md Apel Mahmud, member (life) of the Insurance Development and Regulatory Authority, and SM Ibrahim Hossain, chief faculty member of Bangladesh Insurance Academy, attend a training on bancassurance organised by Prime Bank at the BIA head office in the capital's Mohakhali recently.

PHOTO: PRIME BANK

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (FEB 26, 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	9.33 ↑	19.81 ↑
Potato (kg)	Tk 20-Tk 30	-16.67 ↓	-9.09 ↓
Onion (kg)	Tk 40-Tk 50	-10.00 ↓	-60.87 ↓
Egg (4 pcs)	Tk 40-Tk 45	-7.61 ↓	-5.56 ↓

SOURCE: TCB

# Dhaka Bank provides agri machinery to farmers in Sirajganj

**STAR BUSINESS DESK**

Dhaka Bank PLC recently distributed modern agricultural machinery to nearly 300 farmers in the Belkuchi upazila of Sirajganj district as part of its special corporate social responsibility initiative.

Abdul Hai Sarker, chairman of the bank and the Bangladesh Association of Banks, distributed the agricultural machinery among the farmers as the chief guest, according to a press release.

In his speech, Sarker said, "We are always committed to the development of the country's agricultural sector."

He added, "This is part of our Corporate Social Responsibility, which we hope will play a major role in the country's socio-economic development and food security."

The distribution programme aimed to increase productivity in agriculture and facilitate farming through the use of modern machinery.



Abdul Hai Sarker, chairman of Dhaka Bank and the Bangladesh Association of Banks, attends the bank's agricultural machinery distribution programme in the Belkuchi upazila of Sirajganj recently.

PHOTO: DHAKA BANK

**Government of the Peoples Republic of Bangladesh**  
Office of the Executive Engineer, RHD  
Road Division, Lalmonirhat.  
+Tel: 0591-61770, FAX: 0591-61770  
email: eerhdial@yahoo.com, eelal@rhd.gov.bd

**e-Tender Notice**

This is an online Tender, where only e-Tenders will accept in e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, please register on e-GP system portal (<http://www.eprocure.gov.bd>).

e-Tenders are invited in e-GP System Portal (<http://www.eprocure.gov.bd>) by Executive Engineer (PE), RHD, Road Division, Lalmonirhat for:

Re-construction of RCC Box-Culvert (1 x 2.00m Span, 2.00m Height) at 8th (P) Km Ch. 7+760 km of Barabari-Lalmonirhat-Burimari Road (N-509) National Highway Road under Road Division Lalmonirhat during the year 2024-2025.

Sl no	Tender ID no	Tender ref. no	Tender last selling	Tender closing date	Tender opening date
1.	1079956	eGP-04/EE/LRD/PMP-Culvert/2024-2025	18-Mar-2025 17:00	19-Mar-2025 13:00	19-Mar-2025 13:00

Reference No. 319  
Date: 25-02-2025

(Md. Abdul Momen)  
ID No. 100448  
Executive Engineer (C.C.), RHD  
Road Division, Lalmonirhat.

GD-523

**Government of the People's Republic of Bangladesh**  
Office of the Project Director  
Procurement of Equipment for Search, Rescue Operation and Emergency communication for Earthquake and Other Disaster Project (Phase-III)  
Department of Disaster Management  
83-88, Bangladesh Parjaton Corporation, 2<sup>nd</sup> Floor, Mohakhali C/A, Dhaka-1212  
Ref No- 51.01.0000.000.07.81.23 Date: 26/02/2025

This is to inform all concerned that the notice published in "The Daily Star" and "Desh Rupantor" on 30.01.2025 for supply of Goods vide Ref No- 51.01.0000.000.07.81.23.1391 Dated: 29/01/2025 has been amended as follows:

**Corrigendum Notice**

1	Ministry	Ministry of Disaster Management and Relief		
2	Implementing Department	Department of Disaster Management		
3	Procuring Entity	Procurement of Equipment for Search, Rescue Operation and Emergency communication for Earthquake and Other Disaster Project (Phase-III)		
4	e-Tender ID & Package No	Field Name	Old Value	New Value
4	e-Tender ID: 1070263 Package Number: Earthquake/2024-25/Package-GD-18B	Closing Date & Time	27/02/2025 15:00	06/03/2025 15:00
5	Description of Tender:	Procurement of life jacket, radio, life boya, torch light and signal flyer for 7600 boat man in 19 costal river and adjacent district for CPP.		
6	Name, Designation & Address of Official Inviting Tender	Kazi Safiqul Alam Project Director, (Joint Secretary) Address: 83-88, Bangladesh Parjaton Corporation 2 <sup>nd</sup> Floor, Mohakhali C/A, Dhaka-1212 Phone: +880 193 707 0707 E-mail: safiq737@hotmail.com		
7	All other terms and conditions will remain unchanged.			

GD-522

# Stocks fall

FROM PAGE B4

BRAC EPL Stock Brokerage also reported that most large-cap sectors performed negatively.

The non-bank financial institutions sector recorded the highest loss of 1.74 percent, followed by banking at 1.23 percent, engineering 0.19 percent, telecommunications 0.17 percent and pharmaceuticals

0.05 percent. Conversely, the food and allied sector edged up 0.03 percent, while the fuel and power sector gained 0.23 percent.

In Chattogram, the CSE All Share Price Index (CASPI), the benchmark index of the port city's bourse, declined 22.47 points, or 0.15 percent, to settle at 14,683.

# Why China

FROM PAGE B4

Republic requires these models to "adhere to core socialist values" and exclude content that "endangers national security". Strict censorship may have already slowed the country's progress: In 2017, Tencent shut down an AI-powered chatbot installed on its messaging app after it uttered a political faux pas.

Meanwhile, China's top-down policy of identifying specific industries to back has produced some winners but it has also

resulted in many inefficient enterprises that often have little incentive to take risks or try out new technologies; industrial planning has also led to a massive misallocation of capital. Between 2009 to 2018, growth in China's total factor productivity - an indicator of an economy's efficiency and competitiveness - significantly slowed to 0.7 percent, from the 2.8 percent in the decade before the global financial crisis, a sharper deceleration than world productivity growth.

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**e-Tender বিজ্ঞপ্তি**

পাওয়ার গ্রিডের জিএমডি, কুমিল্লা দপ্তরের আওতাধীন নিম্নলিখিত দরপত্র e-GP পোর্টালে প্রকাশিত হয়েছে।

ID	Title of Works	Last date & time of document selling	Last date & time of security submission
1076030	Writing circuit names, hazard symbols, and tower numbers on both sides of the 230 kV Cumilla (N)-Shahjibazar circuit and the 132 kV Comilla (N)-Daudkandi circuit of the 230/132/33 kV Cumilla (N) grid substation under the jurisdiction of GMD, Power Grid, Cumilla.	03 March 2025 at 15:00	04 March 2025 at 11:30
1077304	Estimate of Tower muffling of Cumilla South-Chauddagram-Feni/132 kV Transmission Line under GMD, Power Grid, Cumilla. (Tower No-363, 367, 374, 412, 439, 440 & 442).	09 March 2025 at 15:00	10 March 2025 at 11:30
1078086	The reconstruction of the (46 m) boundary wall at the west side of Cumilla (S) 132/33 kV Grid substation, GMD, Cumilla, Power Grid.	11 March 2025 at 15:00	12 March 2025 at 11:30

অগ্রহীণী ঠিকাদারী প্রতিষ্ঠানকে [www.eprocure.gov.bd](http://www.eprocure.gov.bd) সাইটের মাধ্যমে দরপত্রে অংশগ্রহণের জন্য অনুরোধ করা যাচ্ছে।

মোঃ জসিম উদ্দিন  
নির্বাহী প্রকৌশলী, জিএমডি, কুমিল্লা

# AI-based credit scoring can open doors for small businesses

Experts say at discussion

**STAR BUSINESS REPORT**

Artificial intelligence (AI)-based credit scoring can help small businesses, especially women entrepreneurs, get loans without collateral, according to experts.

They also discussed how this system could be used in Bangladesh, elaborating on the need for partnerships with banks and financial institutions as well as legal and policy support.

The small and medium enterprise (SME) sector is very important for Bangladesh's economy, accounting for 32 percent of the country's GDP.

The discussion was held during a workshop titled "AI-Powered Credit Scoring and Micro-Loans for Women-Led Small Businesses," organised by the Small and Medium Enterprise (SME) Foundation and the Asia Foundation at the city's Lakeshore Hotel yesterday.

Nazeem Hasan Sattar, deputy managing director of the SME Foundation, said the SME Foundation has given nearly Tk 1,000 crore in loans to about 10,000 small and medium businesses under easy terms and low interest rates.

About 25 percent of borrowers were women entrepreneurs. This year, Tk 450

crore is being distributed through 23 banks and financial institutions.

The SME Foundation believes this new method can help more small businesses, especially those owned by women, get loans and contribute to the country's economic growth and job creation, Sattar said.

Ahsan H Mansur, governor of the Bangladesh Bank, was present as chief guest at the event.

Addressing the event, Mansur said the largest SME lender, BRAC Bank, distributes around 6 percent of its total loans to women entrepreneurs.

This makes it clear what the situation is like in other banks, he said.

However, he said it is necessary to overcome this situation.

"In this regard, I welcome the initiative of the SME Foundation and Asia Foundation to increase SME loan distribution among entrepreneurs through technology-based credit assessment," he added.

Kazi Faisal Bin Seraj, country representative of The Asia Foundation, stressed that financial services should be available to all women, regardless of their economic background.

He said that innovative financial products and services are needed to reach

women across the country and support their businesses.

"Through our engagement with micro finance institutions (MFIs), SMEs, banks, and other financial institutions, we recognise the growing demand for innovation—not just in financial products but in how they are delivered," Seraj said.

**The SME Foundation believes this new method can help more small businesses, especially those owned by women, get loans and contribute to the country's economic growth and job creation, Sattar said**

According to a concept paper presented during the workshop, banks usually ask for land, houses, or other valuable assets as collateral before giving loans.

But many small business owners, especially women, do not have such assets, making it difficult for them to get financial support. As a result, these businesses struggle to grow, limiting new job opportunities and economic progress, the paper said.

Checking a borrower's financial

background takes a lot of time and money, especially for small loans, making it hard for banks to support them.

This gap in the system stops many promising businesses from reaching their full potential.

However, AI-based credit scoring can change this by using data to fairly assess borrowers and open doors for small businesses.

To address this problem, Kifiya Financial Technology, an Ethiopian company specialising in digital financial services and AI-driven solutions founded in 2010, introduced an AI-based credit scoring system.

This system looks at the borrower's business, transactions, and customer profiles instead of traditional financial records. The system is already being used in Ethiopia and other African countries.

Panelists included Farzana Khan, general manager of the SME Foundation, Syed Abdul Momen, deputy managing director of BRAC Bank, Nawshad Mostafa, a director of the Bangladesh Bank, Dhawal Cheda, senior product manager (commercial solutions) at Visa, and Munir Duri, founder and CEO of Kifiya Financial Technologies.

# Peoples Poultry fined Tk 72 lakh

**STAR BUSINESS REPORT**

Bangladesh Competition Commission (BCC) has fined People's Poultry and Hatchery Ltd Tk 72.02 lakh for colluding with peer companies to charge higher egg prices than that resulting from market dynamics.

The company was informed on Monday of the penalty for breaching Section 15 of Competition Act, 2012, the BCC said in a press release yesterday.

Section 15 prohibits any person from directly or indirectly entering an agreement or colluding regarding the production, supply, distribution, storage, or acquisition of goods or services that may adversely affect competition or create monopolies or oligopolies in the market.

The fine was calculated based on the company's average turnover over the past three years, in line with the provisions of the act.

The company has been instructed to deposit the amount to the BCC within 30 working days of being informed.

Under the Competition Act, the company has the right to file a review or appeal.

Inquiries and an investigation were conducted following allegations raised in the media and a report sent from the Directorate of National Consumers' Rights Protection in 2022, said the BCC.

A hearing was held afterwards, when a statement from the company's lawyer regarding the investigation report was taken into consideration, and the allegations were found to be true, it said.

"Our market share is only 0.04 percent. This is a predetermined verdict," said KM Saidur Rahman, senior manager of the company, upon being contacted by The Daily Star.

# Economy rebounding

FROM PAGE B1 safe under the current administration.

"Had the previous government remained in power, no one would have dared to keep even a single taka in the banks," he claimed.

Alam alleged that a significant portion of the nation's wealth was laundered abroad instead of being invested in the country, which could have created jobs.

"Money from Bangladesh was smuggled out to build 'Begum Para' in Canada and buy entire blocks in London," he added.

He accused the previous government of turning the energy sector into a "factory of theft" by allowing large-scale corruption through capacity charge, which is a fee for ensuring the availability of electricity when needed.

"This organised looting was

carried out with state support," he said.

Alam also spoke on the Karnaphuli tunnel project in Chattogram, which connects Patenga on the river's west bank to Anwara on the east.

Built at a cost of Tk 10,689 crore, the 3.32-kilometre tunnel was opened to traffic on October 28, 2023.

He said the tunnel was not necessary under present circumstances and the expenditure was "wasteful".

There is barely any economic activity on the other side of the river and the burden of this "wasteful" expenditure has now fallen on all citizens, he said.

"To cover it, our taxes are increasing. We have no option but to bear the burden of this," he stated.

"Perhaps it will take 10 years from now. Look at the situation today—we

can't even generate enough revenue to cover the maintenance costs," he said.

He alleged that it was the former land minister who initiated the tunnel project solely for his own interests.

"(the land minister's) residence is in Chattogram's Anwara upazila, which is an underdeveloped area. He pushed for the Karnaphuli tunnel project mainly for his own convenience and ease of travel," Alam alleged.

He said a seven-star hotel was built there at a cost of Tk 450 crore. "Who will stay in that hotel?" he questioned.

"(The land minister) built it for himself. He assumed that he would remain in power until 2041," Alam alleged.

The event was chaired by DJFB President Hamid Uz Zaman and moderated by DJFB General Secretary Abu Hena Muhib.

# Stock market shrank 38%

FROM PAGE B1 and further destabilising the market.

In his keynote paper, Md Saifuddin, senior vice-president of the DSE Brokers Association of Bangladesh (DBA), said that although the DSE posted a 4.2 percent compound annual growth rate (CAGR), inflation soared at 7.1 percent CAGR.

The CAGR is a method for calculating and determining returns for anything that can rise or fall in value over time. As inflation overshadowed market growth, the inflation-adjusted return was around 2.9 percent in negative per year.

As a few growth companies were listed in the market amid mismanagement, listed firms failed to generate enough income. As a result, income generation from the stock market shrank and the inflation-adjusted overall market declined by around 38 percent in real terms, he said.

"This is striking data for the market," Saifuddin said at the discussion titled "The Current State of the Bangladesh Capital Market and Way Forward." The programme was organised by the DBA in Dhaka Stock Exchange (DSE) auditorium.

The DBA senior vice-president said that 134 IPOs were launched in 15 years and Tk 9,000 crore was raised, but nearly a third of them ended up in the problematic "Z category".

On top of it, margin loans intensified financial distress, with Tk 9,700 crore in negative equity weakening intermediaries in the stock market and banks, which ultimately impacted the whole market, according to Saifuddin.

At the programme, BNP Standing Committee Member Amir Khasru Mahmud Chowdhury said the stock market was used as a medium of political exploitation instead of for the betterment of its investors.

"The stock market is hugely important in creating savings habits among people and generating more jobs. Therefore, BNP will integrate the stock market with the mainstream economy," he said.

The top BNP leader said that they would go for serious deregulation. This will allow the regulator to act as a watchdog while the stock exchange will follow self-regulation.

"More regulation leads to more corruption, so the regulator should not interfere in day-to-day regulatory operations, while the stock exchange should manage it. But the process

must be transparent," said the BNP Standing Committee member.

Ahmad Rashid Lali, a former senior vice-president of the DSE, said the misuse of margin loans devastated the whole market, even for those who did not take out margin loans.

He suggested stricter requirements for margin loan eligibility.

For example, investors with more than Tk 50 lakh in investments should be the only ones allowed to take margin loans.

Lali also recommended revoking "Section 2CC", which grants absolute power to the BSEC, irrespective of other provisions in existing laws.

"It was used for control. The next government should revoke it," he added. Faruq Ahmad Siddiqi, a former chairman of the BSEC, talked about several wrongdoings, one of which was halting forced sales after the market crash in 2010. It created long-term problems for the market.

Another misstep, he said, was introducing the floor price, which went against the basic principles of the market and prevented investors from trading for about 1.5 years.

"This may have been introduced for political reasons, to artificially show stocks as overvalued before elections. However, this decision eroded investor confidence, especially among foreign investors," he said. "It caused irreparable damage."

Governance issues were also a significant concern for the market, with many poorly governed companies being allowed to list.

"The market cannot be boosted until well-performing companies enter and the macroeconomic situation improves," he added.

"To attract foreign portfolio investment, local investors should be encouraged to invest, while a supportive political structure is also necessary," said Prof Rashid Al Mahmud Titumir, a director at Bangladesh Bank.

"However, this has been missing," he said.

On the other hand, several companies raised funds from the stock market by presenting inflated, rosy pictures, which negatively impacted the market, he added.

Former lawmaker Zahiruddin Swapan, Chief Coordinator of Ganosamhati Andolon Zonayed Saki, DBA President Saiful Islam and Minhaz Mannan Emon, a director of the DSE, also spoke at the event.

# Gold eases on firmer dollar

**REUTERS**

Gold prices dipped on Wednesday as the dollar ticked up, while investors tracked developments surrounding US President Donald Trump's tariff plans, which could spark trade wars and stoke inflation.

Spot gold fell 0.1 percent to \$2,911.38 an ounce by 0723 GMT after shedding more than 2 percent on Tuesday. US gold futures rose 0.2 percent to \$2,923.40.

The dollar index inched higher from an 11-week low, helped by a rebound in short-term Treasury yields. A stronger dollar makes gold more expensive for foreign buyers.

"A correction (in gold prices) towards \$2,880 is possible in the next two to three sessions," said Ajay Kedia, director at Mumbai-based Kedia Commodities.

"Long-term outlook remains firm to cross \$3,100, supported by trade war concerns, inflation risks, and rising SPDR Gold Trust holdings."

Trump opened yet another front on Tuesday in his assault on global trade norms, ordering a probe into potential new tariffs on copper imports to rebuild US production.

Offering further signs that Americans were growing anxious about the potential negative impact of Trump's policies, US consumer confidence deteriorated at its sharpest pace in 3-1/2 years in February, while 12-month inflation expectations surged.

High inflation may force the Fed to keep interest rates higher, diminishing the non-yielding gold's appeal.

Fears of Trump's tariff proposals triggering a major global trade war have helped gold scale record highs several times and gain about 11 percent this year.

Market players are awaiting the US Personal Consumption Expenditures (PCE) report, the Fed's preferred inflation gauge, for insights into the central bank's rate-easing path and monetary policy. The report is due on Friday.

"If the numbers confirm the underlying fear that inflation is ticking higher again, Fed rate-cutting expectations could be further reined in," said Tim Waterer, chief market analyst at KCM Trade.

# Emerald Oil in crisis again

FROM PAGE B1 Established in 2008, Emerald Oil Industries launched its rice bran oil brand "Spondon" in 2011.

It raised Tk 20 crore from the public to pay off loans and meet working capital needs before getting listed in 2014, which caused its share prices to soar.

However, it abruptly stopped production in 2017, leaving general investors in hot water.

This led to the company being downgraded to the Z category, reserved for junk stocks, and its share price plummeted well below its face value of Tk 10.

Due to the shut down in production, Emerald Oil Industries failed to provide dividends for five years. As a result, the Bangladesh Securities and Exchange Commission (BSEC) recast the board in 2021.

A couple of years later, Minori Bangladesh, a subsidiary of Japanese farming company Minori Co, invested in Emerald Oil industries and availed a 30 per cent stake.

The company then returned to operation in 2022 and announced that it planned to export rice bran oil. The company even provided 10 percent cash dividend for 2022-23 and was upgraded to A category.

As such, investors became hopeful of the company's future. Subsequently, its share price soared from Tk 28 to Tk 178 in the span of just seven months in 2023.

However, soon after soaring to a historic high, the stock started to tumble.

Although the company announced plans to send its products abroad, no further information was provided about its exports after the initial

disclosure.

Even more shocking is the fact that within one year of providing the disclosure regarding planned exports, the company shut off production again on January 1, claiming that it had been crippled by a shortfall in gas supply.

The DSE then demoted the company to the Z category again, causing its share price to plunge to Tk 30.

The latest announcement from its bank has only served to dishearten investors further. The company witnessed a 2.77 percent drop in its share prices on the DSE yesterday to close at Tk 24.60.

Despite repeated attempts to contact him via phone and text, Emerald Oil Managing Director Md Afzal Hossain could not be reached for comment.

**Government of the people's Republic of Bangladesh**  
**Chattogram City Corporation**  
Batali Hill, Tigerpass, Chattogram.  
[www.ccc.gov.bd](http://www.ccc.gov.bd)

Memo No: 41.11.1600.002.31.47.25 Dated: 26.02.2025

**e-Tender Notice - CCC/Rev/24-25/Z-04/001**

This is an online Tender where only e-Tender will be accepted in the National e-GP portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP system portal (<https://www.eprocure.gov.bd>) is required. The fee for downloading the e-Tender Document of following packages from the National e-GP system portal has to be posted online through any registered Bank branches up to the time given below:

Sl. No	Invitation Reference No.	Name of works	Procurement Method	Tender ID	Tender document last selling date and time	Tender closing & opening date and time
1	CCC/Z-4/24-25/01	Repair and maintenance works of buildings by framework contracting under zone 4 (ward-23,24,27,28,29,30,36) of Chattogram City corporation for fiscal year 2024-25	LTM	1078141	12-Mar-2025 13:30	12-Mar-2025 15:30
2	CCC/Z-4/24-25/02	Repair and maintenance works of road and drain by framework contracting under zone-4 (ward-23,24,27,28,29,30,36) of Chattogram City Corporation for fiscal year 2024-25	LTM	1078142	12-Mar-2025 13:30	12-Mar-2025 15:30

Further information and guidelines are available in the National e-GP system portal and from e-GP help desk (<https://www.eprocure.gov.bd>).

CCC/PRO-54/24-25(6x4)

**Jashim Uddin**  
Superintending Engineer (Civil)  
Circle-02  
Chattogram City Corporation.

**রবীন্দ্র বিশ্ববিদ্যালয়, বাংলাদেশ**  
শাহজাদপুর, সিরাজগঞ্জ

তারিখ: ২৬.০২.২০২৫

স্মারক: রবিবা/পওউ/ছাত্র হল ভাড়া (২০২৪-২৫)/১৯৭/OTM/২০২৫/৬১

**ছাত্র হল ভাড়া বিজ্ঞপ্তি**

এতদ্বারা পিপিআর ২০০৮ অনুসারে নিম্নবর্ণিত ছাত্র হল ভাড়ার নিমিত্তে যোগ্যতাসম্পন্ন ভবন স্বত্ত্বাধিকারীর নিকট হইতে সিলমোহরকৃত বামে দরপত্র আহ্বান করা যাবে।

ক্রমিক	কাজের বর্ণনা
১.	রবীন্দ্র বিশ্ববিদ্যালয়, বাংলাদেশ-এর শিক্ষার্থীদের জন্য ছাত্র হল ভাড়ার নিমিত্তে শাহজাদপুর পৌরসভা এলাকার মধ্যে ১২৫০০-১২৭৮০ বর্গফুট আকৃতির একটি আধুনিক ভবন প্রয়োজন। যেখানে ১০০ জন ছাত্রের বসবাস উপযোগী ৪০ টি কক্ষ, ১৫০ বর্গফুটের ০১ টি অফিস কক্ষ, ৮০০ বর্গফুটের হাউস টিউটর ফ্ল্যাট, ৪০০ বর্গফুটের গেস্ট ওয়েটিং স্পেস, ৬৫ বর্গফুটের নিরাপত্তা টোকি, পর্যাপ্ত কমন স্পেস, ২৪ টি কমন টয়লেট ও ০৩ টি পৃথক গোসলখানা, ৭৫০ বর্গফুটের চিড়ি কক্ষ ও ডাইনিং, ২০০ বর্গফুটের পৃথক রান্নাঘর এবং অন্যান্য শিক্ষা সংক্রান্ত সেবা প্রদানের ব্যবস্থা থাকবে।

ছাত্র হল ভাড়ার বিজ্ঞপ্তি এবং আবেদনের যাবতীয় শর্তের তথ্য রবীন্দ্র বিশ্ববিদ্যালয়, বাংলাদেশ-এর ওয়েবসাইট ([www.rub.ac.bd](http://www.rub.ac.bd)) থেকে সংগ্রহ করতে হবে।

(প্রফেসর ড. সুমন কান্তি বড়ুয়া)  
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রবীন্দ্র বিশ্ববিদ্যালয়, বাংলাদেশ

GD-525

## Stocks fall after four-day rise

STAR BUSINESS DESK

The stock market fell yesterday, ending a four-day rising streak, with turnover also plunging.

The DSEX, the broad index of the Dhaka Stock Exchange (DSE), dropped 14.10 points, or 0.27 percent, to close at 5,253.

The DSES index, which represents Shariah-based companies, declined 2.34 points, or 0.20 percent, to 1,173.

Meanwhile, the DS30 index, comprising blue-chip stocks, fell 4.18 points, or 0.22 percent, to 1,926.

Of the issues traded on the DSE, 127 advanced, 208 declined and 62 remained unchanged.

Turnover fell 23.68 percent to Tk 463 crore compared to the previous day's trading session.

Bashundhara Paper Mills led the gainers, rising 9 percent, while Midland Bank saw the steepest drop, also at 9 percent.

IFIC Bank Limited was the most traded stock, with a turnover of Tk 14.5 crore.

In its daily market update, Shanta Securities noted that the market movement was driven by negative changes in the market capitalisation of the travel and leisure, banking, and financial institutions sectors. However, the paper and printing, tannery industries, and fuel and power sectors saw rises.

READ MORE ON B2

## Meghna Petroleum profit soars 66% in Q2

STAR BUSINESS REPORT

State-run Meghna Petroleum's profit rose in the second quarter of fiscal year 2024-25.

It posted a profit of Tk 163.32 crore in the October-December quarter of 2024, marking a 66 percent year-on-year increase.

Shares of Meghna Petroleum went up 0.73 percent in mid-day trading yesterday at the Dhaka Stock Exchange.

Its earnings per share (EPS) stood at Tk 15.09 for the quarter, up from Tk 9.06 in the same period the previous year, according to its financial statements.

For the first half of the fiscal year, the company's EPS increased to Tk 27.82 from Tk 17.48 a year earlier.

The net operating cash flow per share of state-run oil marketing company surged to Tk 158.78 in July-December 2024, compared to Tk 60.27 in the negative last year.

# Corruption-plagued insurance sector overlooked by reforms

SUKANTA HALDER and AHSAN HABIB

Although Bangladesh's insurance sector has suffered a confidence crisis due to widespread corruption over the past 15 years, the interim government has not taken notable reform measures for the industry.

The liquidity crisis has intensified so much in the sector that the accumulated amount of unsettled life insurance claims increased by over 66 percent in the last five years to the second quarter of 2024.

Moreover, insurance penetration in Bangladesh currently hovers around 0.5 percent—placing it among the lowest globally—compared to the emerging markets' average of 3.3 percent, India's 3.2 percent, and China's 2.4 percent, according to data from the Insurance Development and Regulatory Authority (Idra).

Despite these figures, the interim government has not pursued significant reforms in the insurance sector beyond replacing the chairman and members of the Idra following the political shift caused by the July 2024 uprising.

Instead, initiatives have been taken to strengthen governance in the banking, stock market, and revenue sectors to curb corruption and reduce irregularities, while no notable actions have been implemented for insurance.

However, the insurance sector continues to struggle with longstanding challenges, including a lack of transparency and poor protection of policyholders.

An audit commissioned by the Bangladesh Securities and Exchange Commission in 2021 partially revealed the industry's condition, showing that Fareast Islami Life Insurance alone siphoned off over Tk 2,100 crore from policyholders' funds between 2010 and 2020.

Meanwhile, Sikder Insurance invested approximately 73 percent of its total assets in the stock market, primarily in a junk stock like National Bank, in violation of Idra regulations.

These are just a few of the scams that have occurred in the sector.

Of Bangladesh's 82 insurance companies, 36 are life insurers and 46 are non-life insurers.

Life insurers in Bangladesh have settled 34 percent of claims as of 2024, while non-life insurance companies have settled just 10 percent of claims in the first nine months of the year, according to Idra.

Data from the past 14 years paints a grim picture, with over 26 lakh insurance policies lapsing in Bangladesh.

In 2009, the total number of policies was nearly 1.12 crore, but by 2023, it had declined to 85.88 lakh, according to Idra.

Despite the availability of this data, the interim government has avoided taking comprehensive reform measures for the sector.

Professor Md Main Uddin of Dhaka University believes the interim government has not taken the necessary steps to resolve these issues or to curb corruption and irregularities in the sector.

"Corruption, whether it involves Tk 1 or Tk 100 crore, should be treated with equal importance," the insurance and banking expert told The Daily Star.

Banking, the stock market, and insurance should all be reformed together to ensure an overall improvement in financial sector governance, he added.

"Those responsible for dragging down the insurance market must be identified and punished. However, even after six months in

### TROUBLED INSURANCE SECTOR

**MARKET**

- 82 insurers
- Total policies 85.88 lakh in 2023
- Insurance penetration 0.5%

**WHY IS THE SECTOR STRUGGLING?**

- 66% life insurance claims remained unsettled
- 26+ lakh policies lost in 14 years
- Fund mismanagement and fraud
- Regulator lacks enforcement power
- Poor claim settlements, governance

**RECOMMENDATIONS**

- Strengthen solvency regulations
- Adopt global insurance frameworks
- Grant Idra authority to dissolve insurer boards
- Ensure real-time oversight of transactions
- Increase mandatory investment in gov't securities

office, the interim government has yet to take any initiative in this regard."

Corruption in the banking sector receives more attention because the amounts involved are significantly larger, he noted.

However, in percentage terms, the insurance sector is more corrupt than banking, Main Uddin said.

Bangladesh's relatively small insurance market could have been operating efficiently with proper management, he added.

The professor also pointed out that the task force formed for financial sector reforms has given almost no attention to the insurance sector.

He recalled attending a task force meeting as a discussant, where the topic of the insurance market was brought up but was dismissed in a manner suggesting it was better not to discuss the sector at all.

However, Md Solaiman, deputy director of the non-life department and spokesperson for Idra, thinks differently.

He said the interim government has taken several initiatives to address the problems in the insurance sector.

A draft amendment of the Insurance Act 2010 has been prepared to help resolve industry challenges, he said.

Additionally, solvency margin regulations for life and non-life insurers have been issued, and a draft amendment of the Insurance Policy 2014 has been prepared, Solaiman added.

He also mentioned the issuance of the Idra Research Guidelines, 2025.

However, Fahmida Khatun, executive director of the Centre for Policy Dialogue, also thinks the insurance sector has remained underdeveloped in Bangladesh due to several challenges and the lack of adequate regulatory reforms.

Reforming the sector does not mean only changing the Idra chairman and preparing guidelines, she mentioned.

The existing problems should be identified, and bottlenecks should be removed, she added.

Regulatory reforms should be implemented by strengthening solvency regulations to

ensure financial stability and expanding digital platforms for better customer service and claims processing, she said.

The insurance sector in Bangladesh should also encourage foreign direct investment to meet the demand for better services, Khatun said.

Bangladesh needs to adopt global insurance regulatory frameworks, she added.

Though most people have limited disposable income for insurance, the potential for agricultural insurance, health insurance, and pension schemes is huge given the large size of the population, she said.

There is also a need for financial literacy and insurance awareness programmes among the people, the economist said.

Another insurance expert, speaking on condition of anonymity, also highlighted some major reforms needed for the insurance sector, such as granting Idra the power to dissolve and restructure the boards of insurers when necessary.

Bangladesh Bank has the authority to restructure the boards of private commercial banks, but Idra lacks similar legal powers in the case of insurance companies.

While Bangladesh Bank can track and report daily transaction volumes for banks, Idra does not have real-time access to transaction data from insurance companies, the expert said.

"Addressing this gap through regulatory reforms could improve monitoring and accountability within the sector."

The expert also noted that Idra can only appoint administrators, which limits its ability to take broader corrective actions.

Liquidity crises remain a major challenge for many life insurance companies in Bangladesh.

Additionally, the expert pointed out the need to reform the mandatory investment requirements for insurance companies.

There is room for improvement, as insurance companies in Bangladesh have to invest 30 percent of their total investments in government securities, whereas the requirement in India is 50 percent, the industry insider added.

## Unit prices of Bangladesh's RMG exports to the EU fell in 2024

STAR BUSINESS REPORT

Bangladesh's readymade garment (RMG) exports to the European Union grew in 2024, but exporters saw unit prices decline as the growth in volume outpaced the increase in value.

The South Asian nation's apparel shipments to the EU rose by 4.86 per cent year-on-year to \$19.77 billion in 2024, according to Eurostat data.

During this period, Bangladesh exported 1,230.51 million kilogrammes (kg) of readymade garments to the EU, up 10.18 per cent from the previous year's 1,116.77 million kg.

Within a year, the per-unit price fell to \$16.07 per kg in 2024 from \$16.88 per kg in the previous year, marking a sharp 5 per cent drop.

Meanwhile, the EU's overall apparel imports increased by 1.53 per cent year-on-year in value to reach \$92.56 billion in 2024, while the import volume grew by 8.98 per cent, according to Eurostat data.

This resulted in a 6.83 per cent decline in average unit prices, impacting major sourcing countries, including Bangladesh, said Mohiuddin Rubel, additional managing director of Denim Expert Limited.

China remained the largest apparel exporter to the EU, posting a 2.61 per cent export growth to \$26.07 billion in 2024. Bangladesh ranked second, followed by Turkey and India.

All four of these countries, along with Vietnam and Cambodia, also saw declines in unit prices.

**Bangladesh maintained its position as a key supplier to the EU market, but the decline in unit prices underscores the need for strategies to address profitability concerns amid global price reductions**

Bangladesh maintained its position as a key supplier to the EU market, but the decline in unit prices underscores the need for strategies to address profitability concerns amid global price reductions.

Rubel said falling prices highlight the challenges of maintaining profitability.

Several factors contributed to the steady rise in export volume and value growth, including the production of value-added garments, duty-free market access, adherence to workplace safety standards, and the combined efforts of manufacturers and workers.

"These developments bolstered buyers' confidence, enhancing the business environment and fortifying Bangladesh's position as a key player in the export market," he said.

Despite fluctuations throughout the year, with a slow start followed by a surge in the last quarter of 2024, Bangladesh saw substantial year-on-year growth in October, November, and December.

"This positive trend, along with increasing exports, fuelled the current growth trajectory."

While 2024 showed improvement over 2023, earnings still fell short of the levels achieved in 2022.

"Looking ahead, the outlook remains optimistic as work orders are expected to increase, sustaining the growth momentum into 2025. With buyers regaining confidence and expanding their sourcing activities in the country, the growth trend is poised to continue."

Rubel said that while Bangladesh showed resilience in maintaining export volume and value, the data reveals a critical need for strategic shifts for future growth.

"Value addition and market diversification are essential for Bangladesh to secure its competitiveness and safeguard profit margins in the face of persistent global price deflation."

# Why China may struggle to unlock the power of AI

REUTERS, Hong Kong

Artificial intelligence will play a critical role in shaping China's fortunes as a great power. Yet Beijing's attempt to translate wins by today's innovators like DeepSeek and others into wider gains for the \$18 trillion economy will be challenged not just by the United States but also by the Chinese Communist Party's own desire to maintain control.

Technological revolutions have underpinned history's great power transitions. Just as the United States supplanted the industrial dominance of the British empire in the 20th century through widespread adoption of electricity, machinery and motor vehicles, AI offers a similar opportunity for China to shift the balance of power in its own favour.

Whether Chinese leader Xi Jinping aims to displace America in technology or economic or military terms is an ongoing subject of debate in Washington.

Mike Waltz, national security adviser to the US President Donald Trump, reckons America and China are

in a cold war, though Beijing's 2017 "New Generation Artificial Intelligence Plan" simply calls for the People's Republic to establish itself as a world AI leader and innovator by 2030.

If there is a battlefield, Hangzhou-based DeepSeek is opening a new front. Its AI training models are groundbreaking and perform as well as those of Western rivals like OpenAI at a fraction of the cost. It's the latest sign, along with similar offerings from Alibaba, Tencent and peers, that China can lead on innovation to close the gap with the \$27 trillion US economy.

To that end, Xi is mobilising his corporate troops. In a rare and highly choreographed meeting last week he urged the chiefs of homegrown innovators such as BYD the world's top electric vehicle maker, and telecoms conglomerate Huawei, which is leading China's efforts to develop high-end chips to rival California-based Nvidia, to "show their talent". The successes of DeepSeek and Xi's show of support for private sector has pushed Hong Kong's Hang Seng Tech Index up by more than a quarter since the

start of the year, outperforming the Nasdaq.

Yet sustaining its AI advances will require a big effort. Like the United States and others, China needs to invest huge sums to build out physical infrastructure — including for power generation. It will

also need to keep overcoming Washington's latest measures blocking its access to cutting-edge chips and chipmaking equipment.

The next hurdle may prove to be the hardest to clear, though. For gains to be broad-based, China will need the technology

to be adopted and integrated across industries. Here, China may run into a "diffusion deficit", a term used by Jeffrey Ding, a US-based political science professor.

In his recent book, "Technology and the Rise of Great Powers: How

Diffusion Shapes Economic Competition", Ding argues that countries with weak "skill infrastructure" — institutions that help widen the base of new skills — tend to struggle to implement and disseminate innovations across an array of sectors.

He concludes that policymakers in Washington are too focused on innovation, rather than diffusion, and may be overestimating China's rise as science and technology superpower.

The People's Republic, for example, boasts one of the largest pools of engineers and scientists in the world but fourth-year computer science majors in the United States "substantially" outperform peers in top universities in China. Ding's analysis of Japan during the 1980s and 1990s provides a cautionary tale on how this could morph into a big disadvantage.

Japanese firms once controlled global computer and chip production, but the country suffered from a talent gap with the United States; annual inflows of skilled workers into the American

information, communication and technology labour pool outpaced those in Japan by 68 percent in 1995; by 2001, this gap had widened to 300 percent. This, among other things, contributed to low growth and poor productivity in many sectors.

Area chart showing China's patent applications have surpassed the US by far

Indeed, Chinese businesses are laggards when it comes to adopting technologies. According to a domestic survey last year, more than 60 percent of 500 small and medium sized enterprises polled are only in the "early" stages of digitisation, using basic data management and IT applications. Less than a fifth of Chinese companies that responded to a separate survey said they had integrated generative AI into their business processes, trailing the United States by five percentage points.

Some of the diffusion problem can be explained by the Chinese Communist Party's desire to protect itself.

China has access to vast amounts of data required to train AI models but the People's



A robot serves coffee during the Global Developer Conference, organised by the Shanghai AI Industry Association, in Shanghai on February 21. PHOTO: AFP

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