



## Inflation eases but remains above 9% for 24th month

MD ASADUZ ZAMAN

Inflation eased in February but remained above the 9 percent mark for the 24th straight month as the rising prices of goods and services continue to erode consumers' purchasing power.

Last month, the Consumer Price Index (CPI), which measures changes over time in the prices paid by consumers, dropped to 9.32 percent from January's 9.94 percent, according to data released yesterday by the Bangladesh Bureau of Statistics (BBS).

Inflation has persisted above 9 percent since March 2023.

Last July, consumer prices witnessed the sharpest jump in 14 years, hitting 11.66 percent, data from the statistical agency showed.

The latest drop was mainly driven by a reduction in food inflation, which stood at 9.24 percent in February, down from 10.72 percent the previous month.

"The easing of inflation reflects the increased supply of commodities in the kitchen market," said Prof Selim Raihan, executive director at the South Asian Network on Economic Modeling, a think tank.

The availability of winter vegetables and certain spices has played a positive role in the commodity market, contributing to reductions in food inflation, he said.

"This situation clearly shows what we have been saying for a long time—that supply-side issues are a major driver of our inflation," Raihan said, adding that such problems could not be addressed solely through monetary policy.

However, he remained unsure about the trend, saying inflation above 9 percent is still very high.

"I am still not confident that inflation has declined due to policy measures. The seasonal effect will fade, and prices may rise again," he said.

### Trend of inflation



However, non-food inflation showed an upward trend, increasing to 9.38 percent in February from 9.32 percent in January, indicating that services continue to put pressure on household budgets.

"Once the seasonal supply diminishes, market prices will increase unless we address the fundamental causes of inflation and ensure proper coordination between monetary policy, fiscal policy, and market supply," he warned.

According to Raihan, the decline in inflation has been marginal.

"If you look at major commodities such as rice, lentils, oil, chicken, beef, and fish, prices have not decreased. In some cases, they have even increased," he said.

"From this perspective, I am not confident that we are taking enough steps to combat inflation."

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## 11 insurers running without permanent CEOs

SUKANTA HALDER

In a clear violation of regulatory guidelines, 11 life and non-life insurance companies are currently operating without permanent chief executive officers (CEOs).

This contradicts the Insurance Act 2010, which states that if a CEO position remains vacant at an insurer for more than six months, an administrator must be appointed.

The companies are Guardian Life Insurance, Mercantile Islami Life Insurance, Sonali Life Insurance, Akjij Takaful Life Insurance, Jamuna Life Insurance, Sunlife Insurance Company, Homeland Life Insurance, Swadesh Islami Life Insurance, Fareaft Islami Life Insurance, Rupali Insurance and Continental Insurance.

A senior official of the Insurance Development and Regulatory Authority (Idra) told The Daily Star that these companies have been operating without permanent CEOs for one to three years.

### The companies claim they are unable to find qualified candidates for the CEO position

The official added that the regulator has taken the initiative to address this issue.

The companies claim they are unable to find qualified candidates for the CEO position, the official said. So, they have been operating by extending the tenure of acting CEOs by paying fines or seeking more time from the authority, as authorised by the Idra.

The two non-life insurance companies without permanent CEOs, namely Continental and Rupali, have applied for the appointment of permanent CEOs and the documents are currently undergoing a verification process, the official added.

The Daily Star tried to contract at least two life insurers, including Guardian Life Insurance and Mercantile Islami Life Insurance, for comment, but neither responded.

Attempts were also made to contract Adeeba Rahman, first vice president of the Bangladesh Insurance Association, an organisation representing the country's insurance company owners and chief executive officers. However, she also did not respond.

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## BSEC standoff enters second day as neither side backs down

### STALEMATE AT BSEC

#### YESTERDAY'S DEVELOPMENTS

Chairman, commissioners came to office with security escorts amid protests

Officials observed work abstention, demanding the resignation of top leadership

Chairman said BSEC won't yield to pressure

#### ALLEGATIONS AGAINST LEADERSHIP

Inefficiency, lack of practical experience

Show-cause threats from non-compliance of verbal orders

Taking higher hospitality allowances

Mistreatment of staff

Delayed promotions for officials, employees

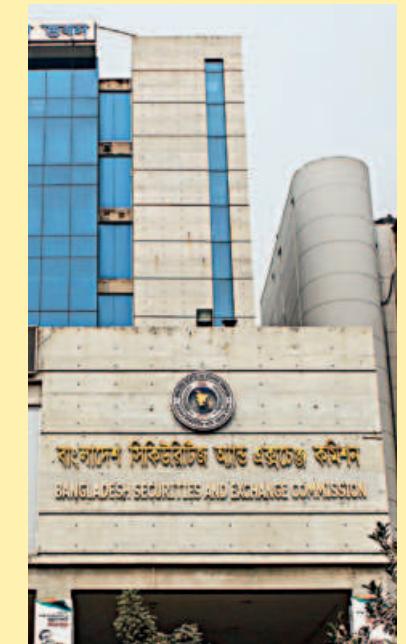


Those involved in corruption may obstruct investigations, but we will not step back.

Khondoker Rashed Maqsood, Chairman, BSEC

#### MARKET UPDATE

- DSEX rose by 7 points
- Turnover increased by 11%
- Brokers call for ending the stalemate immediately



#### STAR BUSINESS REPORT

The standoff between top leadership and staff at the Bangladesh Securities and Exchange Commission (BSEC) entered its second day yesterday, following protests triggered by the forced retirement of an executive director over graft allegations on Wednesday.

Protesting staff, demanding the resignation of BSEC Chairman Khondoker Rashed Maqsood and three commissioners for alleged inefficiency, brought regular activities at the commission to a halt.

Rebutting the resignation demands and other allegations, Maqsood told journalists yesterday that the commission would not bow to pressure.

Arriving at the office yesterday afternoon under security escort, he said that actions against corruption would continue with government support.

While Maqsood was speaking to journalists, a large presence of law enforcers and army personnel was visible at the BSEC premises in Agargaon.

Protesting staff, observing a work abstention, gathered on a separate floor of the building.

The unrest began on Wednesday when staff locked the chairman inside his office after Executive Director Saifur Rahman was forced into retirement over graft charges.

Protesters cut power to the building for hours, prompting law enforcers to rescue the leadership and escort them out of BSEC

premises.

Maqsood and the commissioners met with Finance Adviser Salehuddin Ahmed and Financial Institutions Division Secretary Nazma Mobarak yesterday.

Finance ministry sources said that they were instructed to take stringent action against corruption, with assurances of ministry support.

Later, at around 3pm, Maqsood entered



the office with a security escort and announced that the government had given him his continuation in office to investigate corruption.

He claimed that those charged with corruption had an interest in obstructing the investigations.

In response to a question about whether officials were staging the protest to protect themselves due to their involvement in corruption, he said, "Those who are being charged with involvement in corruption

have an interest in creating obstacles to the investigation."

Meanwhile, the DSE Brokers Association (DBA) and the Bangladesh Merchant Bankers Association urged the government to take swift action to resolve the ongoing crisis at the BSEC, saying prolonged protests would hurt investor confidence.

While speaking to journalists, the BSEC chairman said that the stock market regulator would not back down from its fact-finding and investigative activities and would take punitive action against corruption that occurred up to 2024.

"The government has ordered us to proceed firmly with what we are doing. We have already received seven investigation reports and charges have been framed in three of them. Once our enforcement actions are complete, the investigation reports will be available on the website."

When asked whether he intended to resign, the chairman responded that the government had tasked him with completing the investigations and identifying the main culprits.

"We will not back down an inch. We will not bow to any illegal demands. What we are doing now, we will continue with full attention."

In response to a question about how the office would function if officials did not attend work, BSEC commissioner Farzana Lalrukha said, "We will urge them to return. We will

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## Plastic exports surge amid rising global demand

Shipments go up 21.25% in first eight months of FY25

#### JAGARAN CHAKMA

The local plastic sector has seen strong export growth in the first eight months of fiscal year (FY) 2024-25, driven by increasing global demand, product diversification, and enhanced production capacity.

From July to February in FY25, the sector recorded a 21.25 percent rise in exports compared to the same period in the previous fiscal year.

According to the Export Promotion Bureau (EPB), plastic product exports reached \$203.63 million during this period, up from \$166.59 million a year earlier.

"European buyers are increasingly turning to Bangladesh to reduce their reliance on China," said Md Jashim Uddin, managing director of Bengal Plastics Limited.

"This shift has allowed Bangladesh to capitalise on the opportunity and expand its global presence," he said.

In 2023, the global plastics market was valued at \$712 billion, with a total production of 413.8 million tonnes.

By 2033, the global plastics market is projected to grow to over \$1,050 billion, according to the Geneva Environment Network, a cooperative partnership of over 75 environmental and sustainable development organisations based in Geneva.

Jashim Uddin said that the sector could achieve even better results if the business environment remained stable.

He said political unrest had severely impacted the industry, with miscreants destroying three of his factories, including a fully export-oriented

#### BY THE NUMBERS

Jul-Feb of FY25

Exports: \$203.63m

Growth: 21.25%

Jul-Feb of FY24

Exports:

\$166.59m

#### KEY INSIGHTS

Bangladesh currently holds 0.5% of the global plastic market

European buyers shifting to Bangladesh to reduce China dependency

Emerging markets include North America, Australia, and Africa

The sector aims to capture 3% of the global market share in future

manufacturing unit.

As a result, his company lost an \$11 million export order from a German buyer. "If my factory had been able to fulfil these orders, the export volume would have exceeded the current figures," he said.

Jashim Uddin added that his company had been unable to contribute to exports for the past seven months due to the damage caused to its factory.

He also pointed out that the ongoing gas crisis and inconsistent power supply were disrupting production and affecting export performance.

Meanwhile, RN Paul, managing director of RFL Group, a subsidiary of Pran-RFL Group, said the sector had seen a significant increase in export orders, especially from new foreign markets.

"While the sector previously focused on European exports, it has now

successfully expanded to North America, Australia, and several African nations," he said.

Referring to export growth over the past eight months, Paul said RFL Group alone recorded around 35 percent growth during this period.

The company has also secured around \$10 million in advance export orders from North America, further boosting confidence in the industry's future, he added.

The managing director said the sector will continue its upward trajectory as businesses introduce new product categories, such as toys, to diversify their offerings. With more export destinations and expanding product lines, Bangladesh's plastic industry is poised for sustained growth, solidifying its position as a key player in the global market, he added.

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## Govt's operating spending rises in first half of FY25

#### STAR BUSINESS REPORT

The government of Bangladesh has spent Tk 186,286 crore in operating budget in the first six months of the 2024-25 fiscal year, which accounts for 36.7 percent of the total allocation.

This marks an increase from the 31.2 percent utilisation rate recorded during the same period of FY24. It indicates a faster pace of spending in the current fiscal year, according to the latest Monthly Fiscal Report released yesterday.

The report published by the Finance Division highlights that a significant portion of the spending has gone toward interest payments, public order and safety and subsidies.

**Interest payments and subsidies together accounted for 53 percent of total operating expenditures in the first six months of FY25, a sharp increase from 44 percent a year earlier**

Among the key spending areas, interest payments have taken one of the largest shares, amounting to Tk 62,560 crore. The government has also disbursed Tk 35,589 crore in subsidies, bringing the combined spending on these two categories to over half of the total operating expenditure.