

# star BUSINESS



## Depositors to get max Tk 2 lakh on bank liquidation

Remaining amount will be settled after liquidation, BB says in draft ordinance

MD MEHEDI HASAN

The Bangladesh Bank (BB) has drafted a Deposit Protection Ordinance, proposing a maximum payout of Tk 2 lakh per depositor if a bank undergoes liquidation. The limit will be reviewed every three years.

The draft, now open for public feedback, maps out the establishment of a Deposit Protection Authority within the central bank, which will oversee a separate fund maintained through premiums from financial institutions.

Depositors surpassing the protection limit must claim the excess through the liquidator.

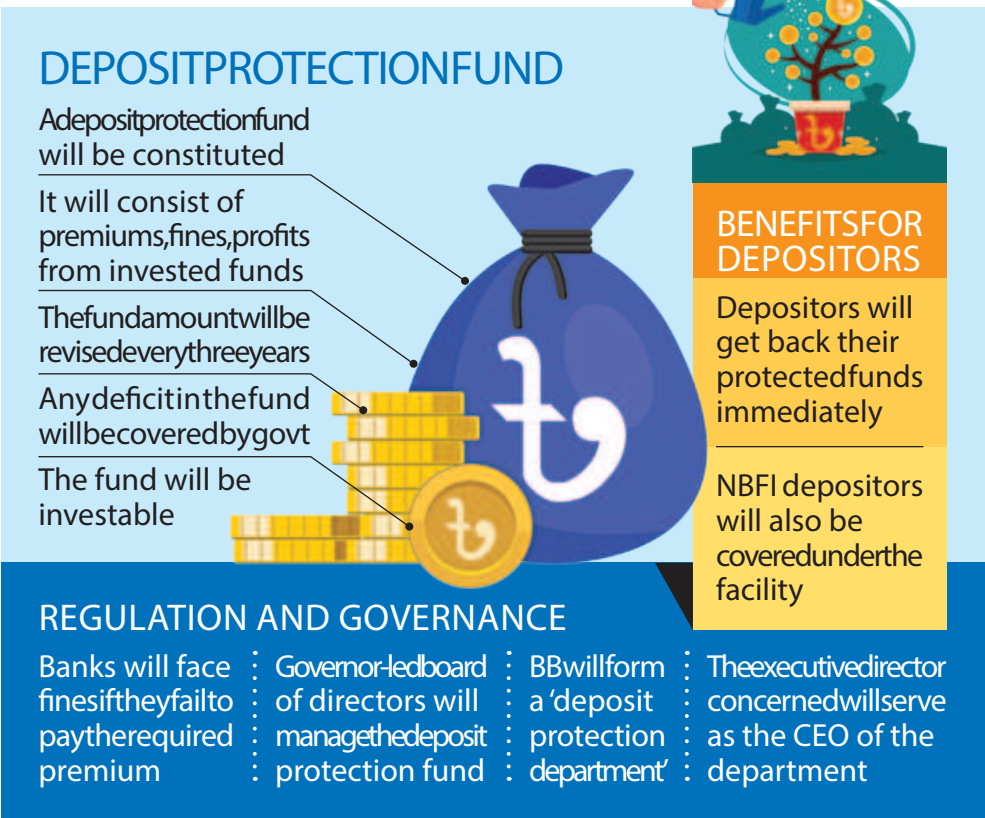
The ordinance also details a seven-day payout window for secured deposits and tax exemptions for the fund's earnings. The central bank may impose penalties on institutions failing to pay premiums on time.

Earlier, central bank Governor Ahsan H Mansur hinted at the introduction of the ordinance to ensure depositor protection.

The ordinance will replace the Bank Deposit Insurance Act-2000, under which the maximum payout is Tk 1 lakh.

According to the draft ordinance, the government will establish a deposit protection system for its implementation, with the BB designated as the Deposit Protection Authority.

"The responsibilities of the authority will be separate and independent from the Bangladesh Bank's regular responsibilities,



such as regulatory, supervisory, and resolution-related functions," says the draft.

To ensure the effective exercise of its powers and responsibilities, the central bank will create a separate division within its organisational structure, called the "Deposit Protection Division".

Decisions regarding the deposit protection system will be made by a board of directors comprising seven members, with the BB governor as the chairman.

The board will determine the maximum limit of protected deposits at least once every three years and oversee regulations, by-laws, investment policies, and

risk-based premium rates.

It will also allocate funds to support bank resolutions.

**Deposit protection fund**

Under the ordinance, the central bank will establish a deposit protection fund, maintained through a separate account.

The fund will comprise initial, annual risk-based, and special premiums received from banks; penalties collected from member institutions; profits earned from investments; adjusted funds from liquidated banks; and other unconditional funds designated for payment.

Primarily, the fund will be used to pay secured deposits in the event of a bank's dissolution, though it may also provide financial assistance for bank resolution.

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## BBS to form six expert panels to enhance data credibility

MD ASADUZ ZAMAN

The Bangladesh Bureau of Statistics (BBS) will form six expert committees to strengthen monitoring and enhance data credibility, one of its top officials said yesterday.

"In response to various criticisms and discussions, we have taken steps to make our data more realistic and transparent," Mohammed Mizanur Rahman, director general of the national statistics agency, told The Daily Star in an interview.

"We aim to involve various stakeholders in the data production and release process across our six wings," he continued, adding that each committee will include representatives from government agencies, civil society, and private organisations who will be involved throughout the entire process.

The director general (DG) of the BBS will serve as the head of these expert committees.

"This move will help eliminate citizens' 'misconceptions' about BBS data," Rahman said.

The decision comes at a time when many stakeholders, including economists and analysts, have voiced concerns over the credibility of BBS data.

The recently published White Paper on the State of the Economy even labelled the country's data ecosystem as the 'villain' in the development narrative forged during the 15-year tenure of former prime minister Sheikh Hasina, who was ousted by a mass uprising in August last year.

"When stakeholders are engaged in data production and release, they will review the data before its publication, leaving no room for doubt," the BBS chief said.

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Mohammed Mizanur Rahman  
DG of BBS



## Price of liquid milk rises again

SUKANTA HALDER

The price of liquid milk has gone up once again, dealing another blow to consumers already struggling with high inflation in the country.

Leading producers have raised the maximum retail price by Tk 10 per litre and Tk 5 for half-litre packs, further straining household budgets.

The increase has sparked concerns over affordability, especially for lower and middle-income families grappling with rising living costs.

State-run Bangladesh Milk Producers' Co-Operative Union Limited (Milkvita) has increased the price on March 21, said an official of the company.

The price of a half-litre packet of milk has been increased by Tk 5, or 10 percent, from Tk 50 to Tk 55, and the price of a one-litre packet of milk has been increased by Tk 10, or 11.11 percent, from Tk 90 to Tk 100, he said.

In November last year, both Aarong, a brand of BRAC Dairy, and Pran similarly increased the prices of their products.

Kiron Mia, a resident of the extended Pallabi area in Mirpur in the capital, said for a long time, the prices of many essential and non-essential items in the market have been rising.

Now, with another increase in milk prices, household expenses are set to rise even further, he said.

In this time of high inflation, the government could have avoided increasing the price of milk, he said.

Sabbir Hossain, a retail trader from Tejguri Bazar in Farmgate, Dhaka, said yesterday a customer came to buy 5 litres of milk but purchased only 4 litres due to the price increase.

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## Bangladesh must prepare for post-LDC challenges

CPD's Mustafizur Rahman tells The Daily Star

AHSAN HABIB

Bangladesh is set to graduate from the least-developed country (LDC) club next year, which will bring several challenges in international trade.

However, the country is not yet prepared to face these challenges, Prof Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue (CPD), said in an interview with The Daily Star.

Bangladesh has met the criteria for graduation in all three categories – per capita income, human asset index, and economic vulnerability index. It is expected to be upgraded at the next UN General Assembly meeting, scheduled for November 2026.

"It is very difficult to justify deferring graduation from the LDC status, as demanded by many businessmen," he said, adding that even if graduation is delayed, only Bangladesh and Afghanistan will remain in LDC status in this region.

The chief adviser to the interim government last week ordered all concerned to prepare for LDC graduation on time and Prof Rahman echoed those sentiments, saying the focus now should be on preparing to face post-LDC challenges.

He said about 70 percent of Bangladesh's exports to other countries currently benefit from preferential trade agreements, which will be phased out after graduation.

For instance, tariffs in the European Union (EU) market will increase by around 11.5 percent after LDC graduation, while an additional 15 percent will be imposed in the Canadian market.

Increased tariffs in markets like the EU and Canada will pose new challenges, said Rahman, who was a professor at the Department of Accounting and Information Systems at Dhaka University before joining the CPD full-time.



Mustafizur Rahman

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## Half of Japanese firms optimistic about profit growth in 2025: survey

JAGARAN CHAKMA

After a challenging year, Japanese companies in Bangladesh are eyeing 2025 with cautious optimism, as 50 percent anticipate a rise in operating profits despite persistent hurdles.

However, political instability, unclear regulatory policies, and difficulties in local procurement continue to hinder smooth business operations, according to findings of the latest Japan External Trade Organisation (Jetro) survey 2024, which will be released today.

The report also highlighted both optimism and concerns among Japanese firms navigating these obstacles.

As of 2024, nearly 315 Japanese companies are operating in Bangladesh, with cumulative investments exceeding \$508 million.

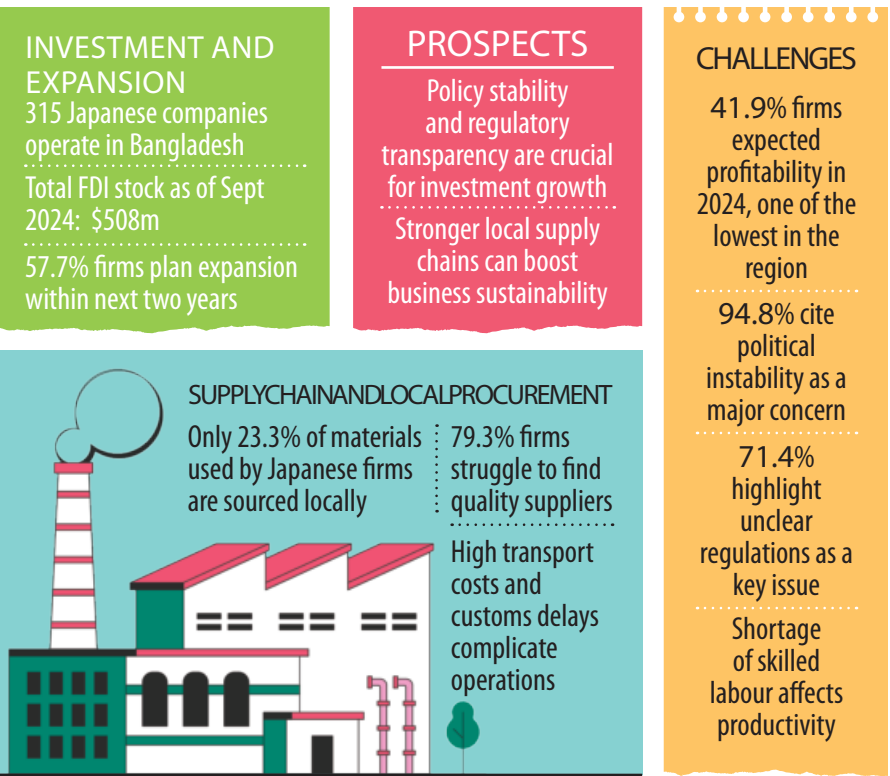
Despite the interest from Japanese businesses, the percentage of companies expecting profitability in Bangladesh in 2024 remains among the lowest in Asia and Oceania, standing at just 37.4 percent, according to the Jetro survey.

However, looking ahead to 2025, 50 percent of these companies anticipate a rise in operating profits, indicating cautious optimism.

Bangladesh has consistently ranked as one of the top investment destinations in South Asia for Japanese firms, with 57.7 percent of surveyed companies planning to expand their business activities in the next one to two years.

"The local market demand is a significant factor driving this expansion," said Yuji Ando, country representative of the Jetro in Dhaka.

"However, a combination of structural



inefficiencies and policy uncertainties pose serious challenges," he said.

Among the major concerns highlighted in the survey are political and social instability, unpredictable regulatory policies, and insufficient infrastructure.

Notably, 94.8 percent of Japanese firms cited political uncertainty as a key risk while 75.3 percent pointed to unclear government policy management.

Moreover, Bangladesh's legal and administrative processes, including

delays in obtaining permits and tax-related complexities, were identified as significant hurdles to smooth business operations.

Further challenges are posed by a shortage of skilled labour, which impacts productivity and efficiency.

Japanese companies have noted that while Bangladesh has a growing workforce, gaps in technical training and professional expertise create barriers to scaling up operations.

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