

BB governor
stresses increased
domestic resource
mobilisation

STAR BUSINESS REPORT

As global aid flows shrink and traditional donor priorities turn inward, Bangladesh must strengthen its domestic resource mobilisation, Bangladesh Bank Governor Ahsan H Mansur said yesterday.

"Bangladesh used to rely on foreign aid for 12 to 14 percent of its budget back in 1972. Today, we've significantly reduced that dependency," he said at an event organised by CARE Bangladesh at Sheraton Dhaka.

"I firmly believe that we must enhance our resource mobilisation capacity, which is perfectly achievable," he added.

The governor noted that Bangladesh is lagging in revenue collection and stressed the need for constructive reforms. "Some initiatives are being taken by the government, but resistance persists."

Stating that Bangladesh is not doing a good job in terms of revenue collection, the BB governor noted that the sector needs constructive focus. "Some initiatives are being taken by the government, but there's resistance from within."

For instance, he said, "Recently, we have seen the fallout from a strike at the National Revenue Board, where officials essentially wanted to maintain the status quo."

"But the status quo is not an option. We have to break out of it and move towards higher revenue generation."

Citing regional examples, Mansur questioned, "If India can collect revenue equal to 18.20 percent of its GDP, and Nepal can exceed 20 percent, why should we be stuck at our current levels?"

"Bangladesh used to rely on foreign aid for 12 to 14 percent of its budget back in 1972. Today, we've significantly reduced that dependency," Bangladesh Bank Governor Ahsan H Mansur said

"These are questions we need to ask ourselves. It's certainly doable, and I'm not overly concerned about the financing gap," he said.

He stressed that Bangladesh must also harness the power of private capital, both domestic and international, in addition to public funding. Sovereign bonds, private sector borrowing, and foreign direct investment are among the viable options to tap into global capital markets.

"The world is moving on. Industrial countries are preoccupied with their problems. We must fend for ourselves, and East Asia has shown us that it can be done," he said.

The governor also noted that the Bangladesh Bank, under its evolving regulatory roadmap, is pursuing a multi-pronged strategy to bring the unbanked into the fold.

Over the past decade, agent banking has expanded rapidly with over 24,000 active units, rivaling the reach of traditional microcredit institutions. Combined with mobile financial services (MFS) like bKash and Nagad, the country is quietly scripting a digital finance revolution.

Each day, more than 4,000 nano-loans—small scale, collateral-free credit—are being disbursed through mobile apps.

"So far, nearly Tk 7,000 crore has been disbursed through such platforms without paperwork, without face-to-face interaction. That's a game-changer," Mansur said. However, he admitted that Bangladesh still faces a paradox: even as digital finance grows, cash dependency continues to rise.

US widens metal tariffs

AFP, Washington

The United States has broadened the reach of its steel and aluminum tariffs, the Commerce Department said Tuesday, impacting hundreds more products that contain both metals such as child seats, tableware and heavy equipment.

The Bureau of Industry and Security said in a recent notice that it was adding 407 product types to a list of items considered steel and aluminum "derivative products."

This means a 50 percent tariff on both metals, imposed by President Donald Trump earlier in the year, will apply to their steel and aluminum content.

The widened scope took effect Monday, and the notice detailing the changes was published in the Federal Register on Tuesday.

"Today's action covers wind turbines and their parts and components, mobile cranes, bulldozers and other heavy equipment, railcars, furniture, compressors and pumps, and hundreds of other products," said the Commerce Department on Tuesday.

The move "shuts down avenues for circumvention," Under Secretary of Commerce for Industry and Security Jeffrey Kessler said, reiterating the aim of boosting US steel and aluminum industries.

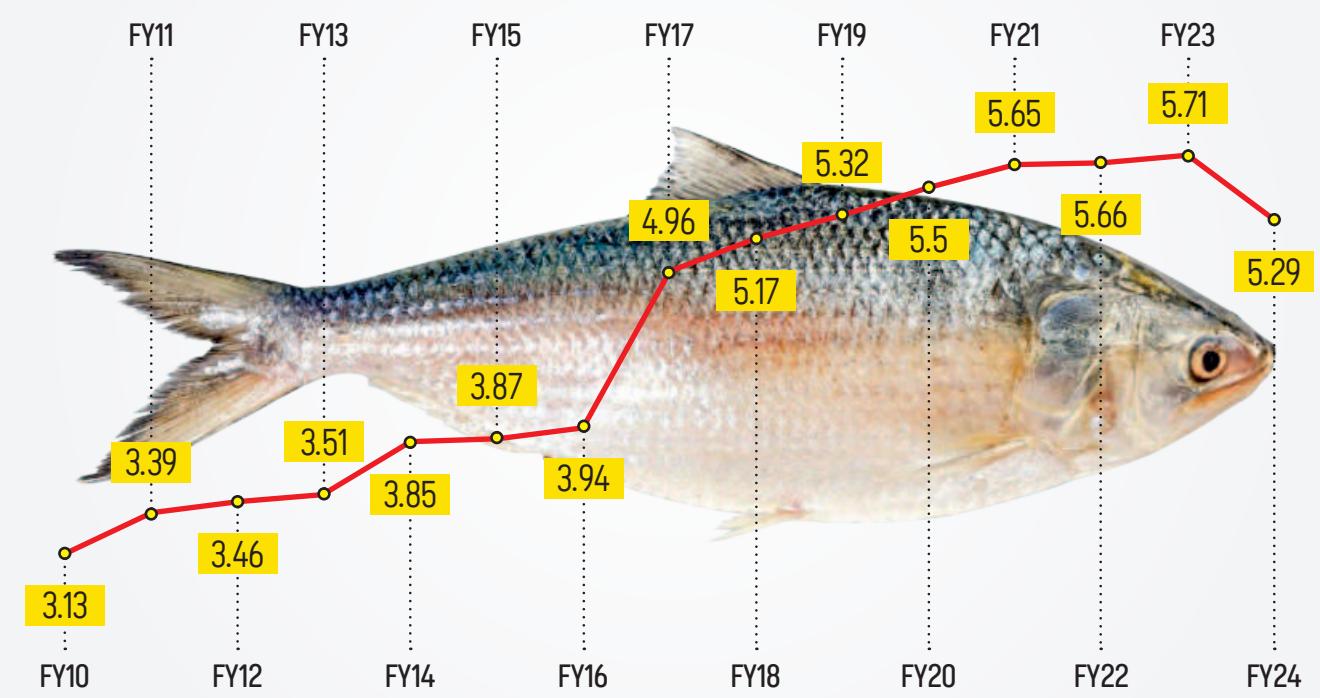
Since returning to the presidency, Trump has imposed a 10 percent tariff on almost all US trading partners, alongside varying steeper levels on dozens of economies such as the European Union and Japan.

Certain sectors have been spared from these countrywide tariff levels but instead were targeted under different authorities by even higher duties.

Conservation efforts boost hilsa output, fishers' income

YEAR-WISE HILSA PRODUCTION

(In lakh tonnes)



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The country's hilsa egg production rose in 2024 on the back of government sanctuary programmes aimed at boosting the country's most popular fish, data from the Bangladesh Fisheries Research Institute (BFRI) showed.

Egg production stood at 8.84 lakh kilogrammes in 2024, up from 8.11 lakh kilogrammes a year earlier, according to a BFRI paper presented at a Fisheries Week seminar at the Bangladesh Agricultural Research Council in Farmgate, Dhaka yesterday.

scientific officer, during his presentation.

"Before the sanctuary programme was implemented, around 80 percent of jatka would die in the rivers, but that rate has now dropped to 45 percent," he added.

The average daily income of fishermen has also nearly doubled to Tk 600-700 from Tk 300-400 previously, he also said.

A fish sanctuary is a designated protected area established for the conservation of aquatic species, particularly fish and other aquatic biodiversity. It is usually set up in specific parts of rivers, haors, canals, wetlands, lakes, or seas, where fishing, hunting, or other human activities are

Another set of sanctuaries includes the area from Madanpur to Char Piyal in Bhola district and from Veduria in Bhola district to Char Rustam in Patuakhali district, he added.

There is another 40-kilometre stretch along the Andharmannik River in Kalapara upazila of Patuakhali district, which serves as an important habitat for hilsa, he mentioned.

The remaining sanctuaries are located in a 20-kilometre section of the lower Padma River in Sharaiupur district and the Hija region of the Meghna River in Barisal district.

"These protected zones are critical for maintaining and boosting the hilsa population by safeguarding key breeding and spawning areas from fishing and other human activities," said Rahman.

Also speaking at the event, Fisheries and Livestock Adviser Farida Akhtar said establishing and protecting sanctuaries is very important for increasing fish resources, as the volume of open water bodies is declining at an alarming rate.

"In the past, perhaps policymaking did not give this area enough attention, which is why the current administration is prioritising it. 'We must do whatever is necessary to restore and preserve our open water bodies,' she said.

The adviser also stressed that protecting fish species is not only vital for Bangladesh but also essential for global fish resource conservation. "We are naturally located in a region where it is nearly impossible to survive without fish."

She said 64 fish species had become endangered in Bangladesh, but 41 had been restored through BFRI research.

Meanwhile, at an event on July 21, Adviser Akhtar said the current high price of hilsa in the country is due to low supply, extortion, and high diesel prices.

She noted that the price of hilsa has now risen to over Tk 2,000 per kilogramme.

"Efforts are being made from the Chief Adviser's Office to bring down the price of hilsa," she said.



Hilsa catch rose from 3.39 lakh tonnes in fiscal year 2010-11 to 5.29 lakh tonnes in fiscal year 2023-24.

PHOTO: TITU DAS

Bangladesh introduced sanctuaries in 2003 to protect the hilsa population, alongside seasonal bans on catching jatka (immature hilsa) and brood fish, said Mohammad Ashraful Alam, a senior scientific officer at BFRI.

"Hilsa catch rose from 3.39 lakh tonnes in fiscal year 2010-11 to 5.29 lakh tonnes in fiscal year 2023-24," said Moshiur Rahman, another BFRI senior

prohibited or strictly regulated.

Bangladesh currently has 669 fish sanctuaries covering 1,169 hectares, including six designated for hilsa, according to BFRI.

"One sanctuary stretches from Shatnol in Chandpur district to Char Alexander in Lakshimpur district, covering a vital area for hilsa breeding and migration," said Rahman.

prohibited or strictly regulated.

in eating at home during the Covid-19 pandemic when people could not go out. Home delivery companies such as Just Eat.com made record sales, although they struggled once lockdown restrictions were lifted.

Figures from Rabobank and Eurostat

show that food retail sales volumes adjusted for inflation in supermarkets, hypermarkets and similar stores grew by 1.5 percent in the Eurozone between January and May this year. That compares with 0.1 percent growth over the same period last year.



A waiter takes an order from diners during the lunch hour at The Hamilton restaurant in Washington, DC. Visits to grocery stores have steadily outpaced those to restaurants and bars in the US.

Reforming the banking sector

DH CHAUDHURY

Bangladesh Bank has recently taken an unprecedented step in restructuring some banks. This move will only bring real benefits if individual banks carry out their own internal reforms.

Banking reform is often confused with regulatory oversight. Regulators set the legal charters and provide policy support, but reform is a self-motivated task carried out by banks through constant, organised effort. Reform is most effective and sustainable when it comes from within. Just as charity begins at home, reform must begin at the boardroom tables of our banks. The maxim is not only a moral lesson, it is a powerful metaphor for institutional reform. That is my core argument.

Reform is needed in governance, processes and moral regeneration. In this effort, the Bangladesh Association of Banks (BAB), and in particular the forum of bank chairmen, bears a critical responsibility. As thought leaders and custodians of their institutions, bank chairpersons are in a unique position to lead by example.

History offers lessons. In 1972, the country was war-torn, with broken roads, destroyed bridges and no banking resources. Senior Bengali central bankers were stranded in West Pakistan. Banks had no overseas accounts (NOSTRO) to transact foreign trade, no monetary reserve, and no cross-border credibility. A vacuum in policy and power lasted for months.

Today, by contrast, Bangladesh has first-rate infrastructure, a dependable core banking system, workable reserves, and robust central banking support. What is lacking is a determined workforce driven by governance standards.

After independence, banking was coordinated by strong nationalism and determination to achieve results comparable to the liberation victory. This moral strength brought a second conquest that bankers still cherish.

Now, however, many bankers face moral conflict. Conversations with them reveal a dilemma. Their defensive silence in the past cannot turn into truth-telling voices overnight. After systemic change, many remain in what I call a post-corruption vacuum of moral uncertainty. They know the old ways were wrong, but they are unsure which of the new choices are right. They need an inner moral ground to stand again, guided by internal leadership.

The forum of bank chairmen also carries a troubled legacy. For a time, it was dominated by self-seekers, leaving behind a stigma that must be shed.

By contrast, the ethical model was once set by the Bankers Consultative Committee (BCC) of 1972. Convened by the then finance minister to shape the banking sector, the BCC was chaired by a senior central banker who later became governor of the Bangladesh Bank, with top bankers as members. If BAB could adopt the historical work ethic of the BCC, it could become the conscience keeper of the banking industry.

Consider this: foreign banks operating in Bangladesh under the same laws consistently demonstrate strong credit quality, compliance and operational discipline. Local banks, by contrast, often stumble. The difference does not lie in the laws but in internal culture, governance and ethics. Domestic banks struggle with political interference, weak controls and lax accountability. BAB has the power to change this culture by setting examples. We must remember that on the same soil, some flowers bloom and others fade, not because of the weather but because of how they are cultivated.

This is a plea not to regulators, but to leaders within the banking sector. The greatest reward for the bank chairmen forum lies not in dividends, but in seeing their institutions grow with dignity. Just as charity begins at home, sustainable banking reform must come from within.

The writer is a former banker

Eating in makes a comeback as inflation hits restaurants

REUTERS

Cash-conscious consumers choosing to eat in rather than dine out have raised the prospect of an upturn in earnings for supermarkets and food delivery firms, according to data, analysts and company executives.

US President Donald Trump's tariff policies have added to economic uncertainty, increased the likelihood of stubborn inflation and made consumers question whether restaurants are worth the expense.

"I eat much more at home because first of all eating out is way more expensive lately, and quality is not always guaranteed," Marilena Graziano, a Florence-based teacher, told Reuters.

Dutch retailer Ahold Delhaize, owner of the Food Lion and Giant stores in the United States, said earlier this month that it was increasing its offers tailored to low-cost eating in.

"We have solutions for customers to have a very affordable meal of \$2.50 per person at home with the family," Ahold's CEO Frans Muller said in an interview this month. "We have increased a lot of that proposition in our stores."

The shift hints at a revival of the boom

in eating at home during the Covid-19 pandemic when people could not go out. Home delivery companies such as Just Eat.com made record sales, although they struggled once lockdown restrictions were lifted.

Figures from Rabobank and Eurostat

show that food retail sales volumes adjusted for inflation in supermarkets, hypermarkets and similar stores grew by 1.5 percent in the Eurozone between January and May this year. That compares with 0.1 percent growth over the same period last year.

For food and beverage services, such as restaurants and bars, the metric fell by 0.3 percent. Last year's growth was flat at 0.0 percent.

RESTAURANTS LAG

The inflation-adjusted figures suggest that sales at supermarkets are recovering faster than at restaurants, especially for routine weekday meals, Rabobank's consumer foods sector analyst Maria Castroviejo told Reuters.

Castroviejo cited the rising popularity of grab-and-go meals, salads, wraps, and sandwiches.

"This offer has increased and improved a lot and we know that this is taking away some demands from certain foodservice players," she said.

Delivery Hero, which owns Glovo and Foodpanda, said that consumers go out less during times of economic hardship, but will order in as a cheaper alternative.

A survey of more than 5,000 US adults commissioned by Hellofresh, a German meal-kit maker that makes most of its revenue in North America, showed 93 percent of them expect to cook as much as last year or more in the next year.

Among those who plan to cook more at home in the next year, more than three-quarters say the economy is a factor.

PHOTO: AFP/FILE