

# Star BUSINESS



Eastern Bank PLC.

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16230

## World turns to AI, Bangladesh stuck in Excel-era training

MD ASADUZ ZAMAN

When the world is racing to master artificial intelligence (AI), 42 percent of Bangladesh's vocational training remains tied to very basic computer lessons such as typing, MS Word, PowerPoint and Excel — which neither meet the skills the country urgently needs nor the demands of overseas markets.

vocational training is concentrated in computer basics.

Published last month, the survey under the Bangladesh Bureau of Statistics (BBS), also showed that the training largely overlooks major local job-generating industries such as readymade garments, agriculture, leather and textiles.

does not guarantee employability. According to him, training must be tailored to real job requirements and practical skills.

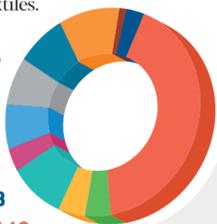
But the question is, if these courses do not lead to jobs, why are so many young people still crowding into them?

Md Anwarul Kabir, director (Curriculum) of the Bangladesh Technical Education Board, said

### TYPES OF VOCATIONAL TRAINING (In %)

Mechanical/civil engineering	1.2
Electrical, electronics engineering	3
Computer	41.68
Craftsman/handicraft and cottage work	4.26
Agri crop production, preservation	4.59
Non-crop agricultural activities	9.54
Health and paramedical services	3.65
Foreign language	7
Driving and motor mechanics	7.28
Garments	7.82
Others	9.98

SOURCE: BBS



### Types of training institutes (In %)

Govt institutes	47.92
Private institutes	39.6
NGOs	5.68
Foreign institutes	1.07
JV institutes	3.03
Others	2.7

As a result, such outdated training is failing to make young people job-ready at home or abroad, according to employment specialists, with official data showing unemployment on the rise. According to the Labour Force Survey (LFS) 2024, 42 percent of all

"Simply knowing computers does not make you job-ready," said Fazlee Shamim Ehsan, president of the Bangladesh Employers' Federation (BEF). He said basic computer skills are essential. But they are more like a language for work, which alone

their computer training mainly covers typing, MS Word, PowerPoint and Excel, which are very basic skills.

"The demand is highest for these foundational courses," said Kabir. He said participants prefer these

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## Taka firmed in August as forex liquidity rose: BB

STAR BUSINESS REPORT

The taka strengthened against the US dollar in August as foreign exchange liquidity improved with the exchange rate remaining broadly stable following interventions by Bangladesh Bank (BB) while the greenback weakened globally.

Each US dollar went for Tk 121.40 on August 10 whereas for Tk 122.30 at the end of July, according to the BB's Exchange Rate & Foreign Exchange Market Dynamics report.

The rising trend of foreign exchange liquidity and appreciation pressure on the taka led the central bank to purchase foreign currency through auction in line with its intervention strategy.

The central bank had purchased foreign currency through auctions, buying a net \$454 million during the month.

The intervention offset part of the appreciation pressure, with the interbank rate closing at Tk 121.69 in August.

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## BRAC Bank gets nod for country's first social bond

STAR BUSINESS DESK

BRAC Bank has recently received approval from the Bangladesh Securities and Exchange Commission and Bangladesh Bank to issue the country's first-ever social subordinated bond worth Tk 1,000 crore.

The landmark issuance of the BRAC Bank Social Subordinated Bond will strengthen the bank's Tier-II capital under Basel III, according to a press release.

It will also channel funds to cottage, micro, small and medium enterprises (CMSMEs), women-owned businesses, agriculture, food security, affordable housing, and essential services such as healthcare and sanitation.

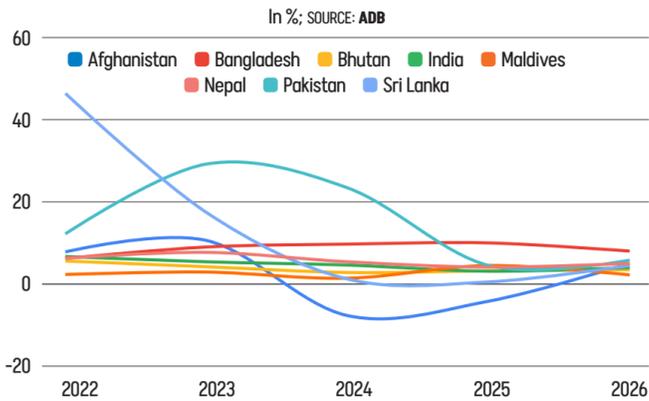
"This pioneering bond reflects our commitment to empowering CMSMEs, advancing women entrepreneurs, ensuring food security, and expanding access to essential services. We aim to inspire the wider market to embrace sustainability-driven innovation," Tareq Refat Ullah Khan, managing director and chief executive officer of BRAC Bank, said.

Developed in line with the International Capital Market Association's Social Bond Principles

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## Why is Bangladesh's inflation highest in South Asia?

### INFLATION IN SOUTH ASIAN COUNTRIES



SOHEL PARVEZ

Over the past couple of months, inflation in Bangladesh has been easing, providing a bit of relief to consumers and policymakers.

Yet, when one looks at the inflation figures through a regional lens, the level of inflation is much higher than that of any regional peers.

In fiscal year 2024-25, when the country recorded an annual average inflation of 10 percent, the highest at least since FY13, its closest neighbours in terms of prices were the Maldives and Pakistan.

Both had inflation at 4.5 percent, according to the September issue of the Asian Development Outlook (ADO) of the Asian Development Bank (ADB).

Nepal had inflation at 4.1 percent, followed by Bhutan and India.

The ADB projects an easing of

Bangladesh's inflation to 8 percent in FY26, assuming favourable weather, lower global oil prices, and tighter monetary and fiscal stances.

Yet, as per the ADB's projection, consumer prices in Bangladesh will be the highest in the South Asian region.

The question remains as to why this is happening even though Bangladesh Bank (BB) has been maintaining a hawkish monetary policy stance while commodity prices are relatively stable in the global market.

The central bank has hiked the policy rate for the 11th time between May 2022 and October 2024 to 10 percent to curb the price spike.

"We started taking tightening measures late," said Fahmida Khatun, executive director of the Centre for Policy Dialogue (CPD).

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## YOUR CHANCE TO NOMINATE

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10<sup>th</sup> BRAC BANK The Daily Star



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# Prime Bank signs deal with Go Girls to offer travel benefits to women customers

STAR BUSINESS DESK

Prime Bank PLC has signed a strategic agreement with Go Girls to offer exclusive travel benefits for its women customers under the bank's Neera segment.

A signing ceremony marking the partnership was held recently at the bank's corporate office in Gulshan, according to a press release.

Under this collaboration, Prime Bank Neera customers will receive up to 6 percent discount on all international trip packages, while Prime Bank cardholders will enjoy up to 5 percent discount on all travel packages offered by Go Girls.

The partnership reflects Prime Bank's focus on lifestyle banking and its efforts to enhance value-added services for customers, the bank said in a statement.

The agreement was signed by Tamanna Quadry, executive vice-president and head of priority and women banking at Prime Bank, and Sonia Refat, founder and CEO of Go Girls.

Also present at the event were Takiyan Chowdhury, senior vice-president of consumer banking at Prime Bank, and Sumaiya Suma, customer relationship officer at Go Girls, along with other senior officials from both organisations.

The collaboration aims to strengthen Prime Bank's commitment to empowering women customers and providing curated lifestyle privileges through meaningful partnerships.



Tamanna Quadry, executive vice-president and head of priority and women banking at Prime Bank, and Sonia Refat, founder and CEO of Go Girls, pose with officials from both organisations at the bank's corporate office in Gulshan recently.

PHOTO: PRIME BANK

# EBL hosts Technovation '25 at St Joseph School to inspire young innovators



Qazi Mutmainna Tahmida, additional director of Financial Inclusion Department at Bangladesh Bank, hands over a trophy to the winner of a competition, while Sarmin Atik, EVP and head of liability and wealth management at EBL, and Brother Leo James Pereira, principal of St Joseph Higher Secondary School, were also present.

PHOTO: EBL

STAR BUSINESS DESK

Eastern Bank PLC (EBL), in collaboration with St Joseph Higher Secondary School, recently organised Technovation '25, a technology festival aimed at inspiring young minds in information technology, robotics, artificial intelligence, and digital creativity.

The event, held on the school's Dhaka campus, brought together students, educators, and distinguished guests. Syed Almas Kabir, director of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and managing director of MetroNet BD, attended as the chief guest, according to a press release.

Qazi Mutmainna Tahmida, additional director of the financial inclusion department at Bangladesh Bank, joined as special guest, while Sarmin Atik, executive vice-president and head of liability and wealth management at EBL, was the guest of honour. Brother Leo James Pereira, CSC, principal of St Joseph Higher Secondary School, also addressed the ceremony.

Students participated in hackathons, coding challenges, app and web development, robotics, Olympiads, and e-sports competitions. The festival concluded with a prize-giving ceremony recognising winners across various categories.

As part of the event, Tahmida and Atik discussed the importance of financial literacy. They highlighted the benefits of school banking and how early exposure to financial services can promote financial inclusion and help young people develop lifelong money management skills.

# Stocks rise on AI optimism, US rate-cut hopes

AFP, New York

Stock markets struck fresh records Friday, driven by investor optimism over artificial intelligence and hopes of US interest rate cuts, which overshadowed concerns about an ongoing government shutdown.

Wall Street's main indices were mixed at the end of the day, although the Dow and S&P 500 notched fresh records.

"That's a stock market that continues to be pretty resilient to selling interest for any number of reasons, probably the most supportive of which is the expectation for multiple rate cuts before year-end," said Patrick O'Hare of Briefing.com.

In Europe, London's FTSE 100 set an all-time high, led by banks and mining stocks. In Paris, the CAC 40 also rose and was close to its March peak, while the DAX 40 dipped in Frankfurt but nevertheless remains close to its record level.

The rally in tech stocks was given another lift on Friday by an agreement between Japan's Hitachi and ChatGPT developer OpenAI to work on AI and energy.

Shares in Hitachi jumped more than 10 percent, with other Japanese tech firms and investment giant SoftBank following suit.

The advance helped push Tokyo's Nikkei 1.9 percent higher. Hong Kong retreated, while Shanghai was closed for a holiday.

## The rally in tech stocks was given another lift on Friday by an agreement between Japan's Hitachi and ChatGPT developer OpenAI to work on AI and energy

A surge in AI investment this year has helped push the valuations of some of the sector's biggest names to eye-watering levels – with US chip titan Nvidia topping \$4 trillion – and several stock markets to record highs.

Shares in Nvidia pulled back slightly on Friday. This week has seen extra momentum after South Korean semiconductor giants Samsung and SK hynix said they had struck a preliminary deal with OpenAI to supply chips and other equipment for its Stargate project.

Positive sentiment has also been supported by data in recent months pointing to a slowdown in the US labor market, which led the Federal Reserve to cut borrowing costs and indicate more easing could come.

Traders brushed off a standoff in Washington that has seen the government partially shut down, leading to the closure of some services and the delay of key monthly jobs figures that would normally have been published on Friday.

While the readings on non-farm payrolls is a major guide for the Fed when deciding monetary policy, analysts said the shutdown was unlikely to deter the Fed from an expected second rate cut this month.

"Markets seem to have taken this political impasse in their stride, showing little sign of stress," said Joshua Mahony, chief market analyst at Scope Markets.

"The lack of market reaction highlights how little investors believe the shutdown will matter for the medium-term outlook on growth or interest rates," he added.

# Oil posts 8% weekly loss on potential Opec+ supply additions

REUTERS, Houston

Oil prices settled higher on Friday but posted a weekly loss of 8.1 percent after news of potential increases to Opec+ supply.

Brent crude futures closed up 42 cents, or 0.7 percent, at \$64.53 a barrel by, while US West Texas Intermediate crude was up 40 cents, or 0.7 percent, at \$60.88. For the week, Brent fell 8.1 percent, the largest weekly loss in over three months. WTI tumbled 7.4 percent in the week.

"The expected increase in Opec+ production and the Iraq/Kurdish pipeline beginning to flow after being shut in the past two years is keeping sellers present in crude," said Dennis Kissler, senior vice president of trading at BOK Financial.

"Hamas is also starting negotiations with the Trump administration on a peace plan. Add in the bearish EIA storage data from earlier this week and it's hard to be bullish crude in the near term," Kissler said.

## Eight Opec+ countries are likely to further raise oil output on Sunday with the group's leader Saudi Arabia pushing for a large increase

Eight Opec+ countries are likely to further raise oil output on Sunday with the group's leader Saudi Arabia pushing for a large increase to regain market share and Russia suggesting a more modest rise, four people with knowledge of the Opec+ talks said.

Potentially higher Opec+ supply and slowing global crude refinery runs owing to maintenance and a seasonal dip in demand in the months ahead are set to weigh on market sentiment, analysts said.

"Demand indicators have fallen a touch through the Atlantic Basin as summer demand comes to an end. The over-supplied implied balance from a fundamentals perspective starting in October is gaining ground," said Rystad Energy analyst Janiv Shah.

JPMorgan analysts, meanwhile, said they believed September marked a turning point, with the oil market heading towards a sizeable surplus in the fourth quarter and into next year.

Meanwhile, through a pipeline from the semi-autonomous Kurdistan region in northern Iraq to Turkey on Saturday for the first time in 2-1/2 years, Iraq's oil ministry said earlier this week.

# Midland Bank offers EMI facility on Royal Enfield bike purchase from IFAD Motors

STAR BUSINESS DESK

Midland Bank PLC has signed a memorandum of understanding (MoU) with IFAD Motors Ltd, the authorised distributor and manufacturer of Royal Enfield motorcycles in Bangladesh.

The signing ceremony took place at the bank's head office in Gulshan, Dhaka, on September 23, 2025. Md Nazmul Huda Sarkar, chief technology officer of Midland Bank, and Muidur Rahman Tanvir, head of business at IFAD Motors, signed the agreement on behalf of their respective organisations, according to a press release.

Under this partnership, all Midland Bank credit cardholders will be able to avail up to 36 months of EMI facility on the purchase of Royal Enfield motorcycles from IFAD Motors' designated outlets.

Md Abed-Ur-Rahman, head of cards at Midland Bank, and M A Aziz, deputy general manager (commercial and banking) of IFAD Motors, were also present at the event along with officials from both organisations.



Md Nazmul Huda Sarkar, chief technology officer of Midland Bank, and Muidur Rahman Tanvir, head of business at IFAD Motors, pose with officials of both organisations at the bank's head office in Gulshan, Dhaka recently.

PHOTO: MIDLAND BANK

# Federal Reserve revamp is not revolutionary

FROM PAGE B4

Nevertheless, simply returning the Fed to its state in the early 2000s is a problematic idea. Even policymakers who were in charge at the time have acknowledged that the central bank's narrow focus on inflation at the very least overlooked the bonanza of financial risk taking that blew up the economy in 2008. Advocates of Hyman Minsky's famous hypothesis, that monetary stability breeds financial instability would say successful inflation-fighting was the single most important cause of the crisis.

Trump's lieutenants also have their knives out for the models the central bank uses to set rates. The administration's chief agitator on this front is Stephen Miran, the former hedge fund strategist who has taken a leave of absence as chair of the White House Council of Economic Advisers to

occupy a seat on the Fed's board.

In his first speech, in the new job Miran last week berated the Fed for keeping monetary policy "very restrictive". His core argument is that the central bank's estimate of the interest rate which represents a neutral setting – the so-called "natural rate" or "r-star" – is mis-calibrated because its models underestimate the effects of the Trump administration's other economic policies.

The war on illegal immigration, Miran argued, will slash population growth. Tariff revenue will cut the budget deficit. Tax cuts will boost growth, swelling the Treasury's coffers further. The \$900 billion of loans and guarantees pledged by trading partners in return for more lenient tariffs will turbo-charge the supply of loanable funds in the US. These effects, Miran predicts, will raise

net national savings, and the resulting glut of capital will push the natural rate of interest down some 1.3 percent compared to the pre-Trump era. That in turn implies that the Fed's policy rate today should be closer to 2 percent than its current level of between 4 percent and 4.25 percent.

Yet while Miran's calculations reach a radical – and even eccentric – conclusion, the theory behind them is once again startlingly conventional. The idea that the natural rate of interest in the US is low and under secular pressure to decline further was until recently the mainstream view of the economics profession. As far back as 2005 Ben Bernanke, then a Fed governor, ascribed it to a global savings glut. In 2019, former Treasury Secretary Larry Summers saw it as a symptom of "secular stagnation," in the US itself. One famous 2017 study, concluded

that the natural rate had been declining since the 1990s because the premium to holding Treasury bonds had increased. Another, from 2020 found the trend was international and went back centuries, and predicted natural rates might soon enter "permanently negative territory".

The diversity of these explanations shows what's wrong with Miran's argument, however. It's not that his views lack grounding in orthodox theory, but that the orthodox theory itself is hopelessly confused. The root problem is that the natural rate of interest is not actually observable; it exists only as a postulate of models which attempt to explain it. This has fuelled fierce debates, over whether the underlying theory is in fact circular – and scepticism over whether the alleged movements in natural rates are real, rather than artefacts of the methods used to estimate them.

## Gold nears Tk 2 lakh mark per bhoori

STAR BUSINESS REPORT

Gold prices have spiked again within less than a week, hitting Tk 197,576 per bhoori.

The new rate is Tk 2,193 higher than the price - Tk 195,383 per bhoori - fixed by the Bangladesh Jewellers Association (Bajus) on September 29.

The new rate will become effective from today, said Bajus, adding that prices of pure gold have increased in the domestic market.

Gold prices in Bangladesh have been climbing steadily, setting new records almost every week. In September alone, the price of 22-carat gold jumped by over Tk 16,000 per bhoori.

Industry insiders attribute the surge mainly to the international bullion market, the devaluation of the taka, economic uncertainty, and high inflation.



Bowls made of clay being taken away for sale. Potters shape household items such as pots, plates and bowls with skilled hands and bake those in traditional kilns at precise temperatures. The finished goods are then sold to Dhaka-based traders at wholesale for Tk 12 to Tk 20 per piece depending on the size and quality. The photo was taken at Maheshpur village in Barishal's Bakerganj upazila around a week ago. PHOTO: TITU DAS

# Trump weighs big tariff cuts to boost US auto production

REUTERS, Washington

US President Donald Trump is considering significant tariff relief for US auto production that could effectively eliminate much of the costs major car companies are paying, Republican Senator Bernie Moreno and auto officials told Reuters on Friday.

"The signal to the car companies around the world is look, you have final assembly in the US; we're going to reward you," Moreno said in an interview. "For Ford, for Toyota, for Honda, for Tesla, for GM, those are the almost in order of the top five domestic content vehicle producers - they'll be immune to tariffs."

Moreno, a former car dealer, serves on the Senate Commerce Committee that oversees auto issues and is active in automotive policy matters.

Automakers' shares rose on the news first reported by Reuters. Ford closed up 3.7 percent, Chrysler parent Stellantis rose 3.2 percent and GM closed up 1.3 percent.

The extended tariff relief - if finalized

- would give automakers more incentive to move car production to the United States, which would fulfill a key Trump policy aimed at creating more jobs for Americans.

The Commerce Department said in June that it planned an import adjustment offset equal to 3.75 percent of the suggested retail price for eligible US assembled vehicles through April 2026 and then a second year at 2.5 percent to address tariffs from imported automobile parts.

Trump is considering keeping the offset at 3.75 percent and extending the length of the credit to five years, and expanding the offset to US engine production, Moreno and auto officials said.

Moreno said he thinks Trump will make a final decision soon. "It's obviously up to the president, but (I'm) absolutely thrilled that we're creating now an incentive system that really separates these importer only versus the ones that are manufacturing in America."

Moreno added automakers with

significant final production in the United States should get tariff breaks: "Look, at the end of the day, they're doing exactly we want them to do - paying employees in America well and doing final assembly in the United States with the cars that they sell here."

**The extended tariff relief - if finalized - would give automakers more incentive to move car production to the United States**

Asked for comment on the proposal, a White House official told Reuters that Trump and the administration "are committed to a nuanced and multi-faceted approach to securing domestic auto and auto parts production. Until any official action is signed by the president, however, any discussion about administration policymaking is speculative."

In May, Trump imposed 25 percent auto tariffs on more than \$460 billion worth of imports of vehicles and auto

parts annually, but has since struck deals to reduce those tariffs on some countries including Japan, the United Kingdom and the European Union.

The Commerce Department said in August that it was hiking steel and aluminum tariffs on more than 400 products including numerous auto parts totaling \$240 billion in annual imports. The parts include automotive exhaust systems and electrical steel needed for electric vehicles as well as components for buses.

The automakers did not immediately respond to requests for comment. One open question is whether the automakers will be able to apply the relief to the impact of aluminum and steel tariffs.

Separately, the Trump administration has delayed finalizing new tariffs on heavy-duty trucks that were set to take effect this week it considers the extent to which it will impose new 25 percent levies.

GM said earlier this year the company will face up to \$5 billion in gross tariff-related costs this year, while Ford cited a \$3 billion gross hit.

## Warren Buffett's last deal barely moves the needle

REUTERS, New York

Warren Buffett will step down as chief executive of Berkshire Hathaway at year end, but the cash pile he's created at the \$1 trillion valued conglomerate may stick around far longer. Thursday's \$10 billion deal to buy Occidental Petroleum's chemicals business, OxyChem, is the company's biggest in three years. It may be the Oracle of Omaha's last move, yet it barely makes a dent in the coffers. That presents a dilemma for successor Greg Abel.

The transaction shows how sprawling Berkshire has become. The acquisition adds another sizeable chemicals business to the company's collection of insurance, candy, paint, mobile homes, railroads, underwear, utilities and more. OxyChem should throw off \$800 million of pre-tax income this year. Taxed at the statutory rate, that's a 6.5 percent return on the purchase price. Eventual returns might be higher, as the business is cyclical and earned three times as much in 2022.

Occidental boss Vicki Hollub, meanwhile, plans to use part of the proceeds to pay down some debt still hanging around from her acquisitions of Anadarko Petroleum and CrownRock. That will allow the company to rev up its stock repurchasing plan, to the benefit of shareholders.

And the largest stakeholder is Berkshire, which has over a quarter of the common shares in the \$18 billion oil company, as well as significant amounts of warrants and preferred stock.

While this transaction may be Buffett's swan song, investors will wonder what else Berkshire has planned. The company's cash pile was almost \$350 billion at the end of last quarter, more than double the amount of five years ago.

Even Buffett has admitted the challenge: Finding deals to move the needle of a \$1 trillion conglomerate is tough. Sizeable opportunities are few and well picked over.

Indeed, Berkshire's stock price barely moved this week despite reports suggesting the purchase. It will be hard for Abel to find attractive outlets for this much cash, yet shareholders will also wonder why the company is sitting on so much. Buffett's final gift to his successor may be Abel's most difficult burden.

Occidental Petroleum said on October 2 it had agreed to sell its chemical division, OxyChem, to Berkshire Hathaway for \$9.7 billion in cash.

CEO Vicki Hollub said in an interview on CNBC that the deal would allow Occidental to resume buying back stock. Berkshire Hathaway owns over a quarter of Occidental.

The deal is Berkshire's largest since 2022, when it bought insurer Allegheny for \$11.6 billion. Berkshire had \$344 billion of cash and short-term investments on its balance sheet at the end of last quarter.

Warren Buffett will step down as Berkshire's CEO at the end of the year, handing over leadership to Greg Abel.

Occidental's shares were down 6 percent in noon trading, while Berkshire's shares were flat.



## World turns to AI, Bangladesh stuck

FROM PAGE B1

courses mainly for the certificates, which serve as proof of basic competence when applying for jobs.

But questions persist over what students truly learn and whether these certificates genuinely help them secure employment.

Masudur Rahman, a graduate from Sirajganj Government College, took a six-month computer course in 2019 at a private centre registered with the social welfare ministry.

The 27-year-old learned MS Word, PowerPoint and Excel there. But he failed a recruitment test at a Dhaka firm last year.

"I passed the written exam," he said, "but failed in the practical as it included advanced computer tasks."

Nearly half of all vocational training is provided by government institutes, while private institutes account for 39.6 percent. NGOs contribute 5.7 percent, focusing on women, rural youth and marginalised groups. Foreign institutes and joint ventures provide specialised or advanced skills. The remaining 2.7 percent comes from other centres.

**LESS TRAINING IN RMG, TOURISM ALMOST NONE**

Vocational training in the garments sector, which contributes more than 82 percent of the country's export earnings, stands at just 7.82 percent, according to the survey.

Agriculture, which employs nearly 44 percent of workers, accounts for only 4.59 percent of crop-related training and 9.54 percent in non-crop activities.

Leather and textiles, identified as a thrust sector for export diversification, make up a paltry 0.07 percent of training.

Critical skills such as mechanical and civil engineering form just over 1 percent of vocational training, electrical and electronic work around 3 percent, and paramedical services 3.50 percent. Despite demand for these professions, they remain neglected.

In journalism and mass communication, only 0.23 percent of people received training, according to the survey. Tourism training, the survey found, is almost zero.

"This is so minimal that it could not be counted as a percentage," said Aziza Rahman, project director of the LFS. "We have only counted formal sources, including government, non-government and private sectors."

Towfiqul Islam Khan, senior research fellow at local think tank Centre for Policy Dialogue (CPD), said the kind of progress that should have happened with technical and vocational training has not really happened.

"When we say technical and vocational training, we mean increasing employability, building relevant skills, and improving productivity. But the design of our courses hasn't improved much over the years," he commented.

**WHAT ABOUT INCOME?**

Referring to CPD surveys, Khan said many people have little interest in vocational training because the financial return is not attractive.

A CPD study in Sunamganj found that while most technical and vocational graduates found jobs quickly, 78 percent within six months, their wages were very low.

According to him, more than 81 percent earned below Tk 10,000, around 15 percent earned Tk 15,000 to 25,000, and only a few made Tk 30,000 to 50,000. None earned above Tk 60,000.

Similar findings came from Satkhira and Panchagarh.

Khan said basic computer training might still help the poorest, but it does not raise employability.

He said, "If we want IT-based skilled manpower, more advanced skills will be required."

Outsourcing is happening, but Bangladesh has not developed widespread skills across the range from low-paid, low-skilled work to high-paid, high-skilled work.

Khan said that the country needs to move beyond the "numbers game".

"If you ask officials, they will quote statistics, 'so many people trained, so many skilled.' But that doesn't reflect reality. Training must be impact-oriented and outcome-oriented. Ultimately, these training sessions are not achieving the outcomes they should," he added.

He believes technologies such as AI will make jobs like data entry or basic design redundant in the coming years.

**FEWER STUDENTS FOR HIGH-DEMAND SUBJECTS**

Apart from basic computer training, Technical Education Board Director Anwarul Kabir said the board offers courses in subjects such as office management, journalism and foreign languages.

But enrolment in many of these remains low, apart from Japanese, which has gained popularity due to rising labour demand in the island nation recently.

Currently, more than 12,000 institutions under the board provide training in 121 courses, ranging from basic skills to advanced diplomas.

Employers' Federation President Fazlee Shamim Ehsan highlighted the gap between training and industry needs. He said many industries, such as footwear, leather, plastics and toys, lack dedicated training programmes.

"The advanced IT skills, including software development or call centre operations, are offered in a limited scope and often fail to meet industry needs," he said.

Shamim, who is also executive president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), stressed the importance of practical, on-the-job training, especially for workers in the informal sector.

"Millions of people work in transport, logistics or other informal sectors without proper training. If we could provide structured training, even for a month or three months, it could significantly improve their skills and safety on the job."

On training in garments, Ehsan said large factories had already set up their own centres, which he described as "highly effective".

The knitwear leader believes vocational training must be strengthened, sector-specific and linked directly to employment outcomes.

"Training should move beyond issuing certificates. It must develop practical, job-ready skills and prepare workers for future technologies and industry shifts," he concluded.

## Taka firmed

FROM PAGE B1

Interbank foreign exchange transactions in Bangladesh are comprised mainly of spot and swap deals between authorised dealer banks, while forward trades remain infrequent and small.

Market activity slowed in August—average daily spot transactions fell to \$33.23 million from \$40.75 million in July. The share of spot trades in overall interbank activity also slipped to 30.22 percent from 32.14 percent a month earlier. The favourable developments in the balance of payments, supported by strong inflows of foreign currencies and sluggish import growth, have put appreciation pressure on the exchange rate since June 2025, BB said in the report.

Meanwhile, gross international reserves, measured under International Monetary Fund's BPM6 (6th edition of the Balance of Payments and International Investment Position Manual), continued to grow.

It rose to \$26.18 billion at the end of August from \$24.78 billion in July.

The increase was due mainly to the BB's intervention in the foreign exchange market through purchases and deposits made by commercial banks with the BB for payments of Asian Clearing Union liabilities, the central bank said in the report.

## BRAC Bank

FROM PAGE B1

2025, the BRAC Bank Social Bond Framework has been independently verified by S&P Global Ratings through a Second Party Opinion — another first for Bangladesh. This reflects the bank's commitment to global best practices, transparency, and accountability.

According to the press statement, the move further consolidates BRAC Bank's position as a leader in sustainable finance, following its No.1 Bloomberg ESG rating in 2024, five-time recognition as Top Sustainable Bank by Bangladesh Bank, and the recent Sustainable SME Financier of the Year - Asia award. Currently, 82 percent of the bank's loan portfolio is dedicated to sustainable finance.

## Why is Bangladesh's

FROM PAGE B1

"We would have seen better results had we taken the appropriate measures at the right time. It appears that the idiom 'too little, too late' has proved to be true," she said.

Besides, monetary policy alone cannot bring the desired results. Inflation here is not demand-driven only; it is also supply-led, owing to Bangladesh's high dependency on imports of key commodities and the depreciation of its currency, the taka.

Since FY21, the taka has lost 43 percent of its value against the US dollar.

This has had a significant pass-through effect on domestic prices, especially for imported goods and inputs, amplifying inflation despite subsequent currency stabilisation, said the BB in its latest monetary policy.

"Additionally, higher inflation expectations emerged from rising food prices over a prolonged period," it said.

The central bank blamed supply chain disruptions caused by political turmoil and severe floods in August and September 2024 for food prices remaining volatile while food inflation stayed elevated during the first half of FY25.

Imperfect market conditions, such as limited competition in key commodity markets, have also hindered the complete transmission of policy measures, it added.

"There is a gap between the prices received by farmers and those paid by consumers. Markets in our country are manipulated in many cases," said Khatun.

Another reason, she said, was the gap between monetary and fiscal policies. "Fiscal policy was not in tandem with monetary policy. Of late, we see some consistency," she said.

Birupaksha Paul, a professor of economics at the State University of New York in the US, has a different view.

"It is undoubtedly Bangladeshi authorities who are fuelling inflation. This government has taken a half-hearted approach. There is duality in their approach," he said.

"On one hand, it is pursuing

monetary contraction by keeping the interest rate high, and on the other, it is printing money," said Paul, who was a chief economist at the BB, citing dollar purchases and liquidity support to ailing banks.

There are other internal reasons, such as extortion, which also impact prices.

Ashikur Rahman, principal economist at the Policy Research Institute (PRI) of Bangladesh, said the monetary policy was previously relaxed and this has since been addressed.

"This led to downward pressure on the price level in recent months. But we don't see a sharp downturn because there were two dynamics at play: political instability and exchange rate depreciation," he said.

"Political unrest over the past year has disrupted the supply of commodities, while losses in the value of the taka led to increased import costs," he said.

He said businesses have kept investment decisions on hold in anticipation of national elections.

"This has also had an impact on the supply of goods in the market and on prices. Inflation may ease if political stability is restored after the general election, scheduled to take place in February next year," he said.

However, in its country report on Bangladesh released in June this year, the International Monetary Fund said cost pressures due to depreciation are projected to keep inflation above the target range in FY26.

"A possible increase in US trade tariffs will likely require some exchange rate adjustment, which will counteract a faster deceleration of inflation," it said.

The BB aims to bring down inflation below 7 percent this fiscal year.

There is a risk. CPD's Khatun said a pay hike for public sector employees and increased spending by election candidates ahead of the election might stoke inflation.

"So, 2026 is not going to give any comfort, at least in prices. It will be tough to manage inflation."



Taskeen Ahmed

# It will take political govt at least 3 years to stabilise economy

Says DCCI President Taskeen Ahmed

## JAGARAN CHAKMA

As things stand currently, it will take the next political government at least three years to stabilise the country's economy, Taskeen Ahmed, president of the Dhaka Chamber of Commerce and Industry (DCCI), has said.

Speaking to The Daily Star in an exclusive interview, he explained that Bangladesh's economy is under growing pressure from high inflation, slowing investment, and deepening political uncertainty. The law-and-order situation has yet to inspire full confidence.

He also spoke about the challenges facing businesses, the erosion of purchasing power, and why bold, long-term reforms – rather than short-term fixes – are needed to put the economy back on track.

"Whoever comes to power, the first two and a half to three years will be extremely difficult," he warned.

"The signs are already there. We have been operating on short-term measures such as quick export pushes and policy tweaks, but you cannot run an economy like that forever. Medium- to long-term planning has been absent. It will take at least three years just to stabilise," he added.

According to Ahmed, key weaknesses including low investment confidence, high inflation, and a credit crunch are holding the economy back despite official narratives of recovery.

He noted that people often cite the closure of 200-300 garment factories, which draw attention because they belong to the formal corporate sector. But there are no reliable data on how many of the nearly 80 lakh small and medium-sized enterprises (SMEs), employing 20, 50, or 100 workers, have shut down.

"These are the silent casualties

of rising interest rates, political instability, and limited finance. The long-term effects will be felt in the years ahead," he said.

## SHRINKING PURCHASING POWER, LIQUIDITY

Ahmed's foremost concern is the steep decline in purchasing power across the population.

"When people's incomes shrink, they don't buy new clothes – they pay their electricity bills, their water bills. They buy essentials. Businesses feel it

are seeing every day," noted the DCCI president.

## GOOD RESERVES, BUT...

Ahmed acknowledged the recent rise in foreign exchange reserves but cautioned against taking the numbers at face value.

"Yes, reserves are improving. But where's the capital machinery? That's what really tells you if businesses are investing. If capital goods aren't being imported, it just means businesses are not expanding," he said.

the hundi market.

"Now it's more aligned, with the rate being around Tk 124 in open markets, and Tk 121-122 at banks. But we need to maintain this balance," he stated.

## INVESTORS NEED CONFIDENCE, NOTEVENTS

On foreign investment, Ahmed said if local investors are not confident, foreign investors will not come either.

"Foreign direct investment has always been low. Our own businesses are not reinvesting, and that says a lot. Some government initiatives, like investment summits, create buzz but often lack follow-up," he said.

He added, "Some of our colleagues did not even know when the last summit was happening. Others asked: what came out of it?"

The DCCI president also cautioned against believing that a political government will be able to solve everything.

"Let's face it, when we talk about business, politics always creeps in. You can't separate them. Political uncertainty slows down everything – from circulation and investment to even optimism," he noted.

"However, no matter which party forms the next government, the road ahead will be tough. This is not about slogans, it is about deep structural reforms. We need to fix banking, ensure stable power supply, and maintain policy consistency. Otherwise, we'll keep going in circles," he added.

He stressed that quick fixes will not work anymore. The country needs long-term thinking and political will.

"Real reforms, painful as they may be, are the only way forward. The economy won't turn around in six months, it will take years. But if we don't start now, we'll fall even further behind," Ahmed concluded.

**TAKEAWAYS FROM INTERVIEW**

<b>CHALLENGES</b>	Bangladesh's economy faces high inflation, low investment, and political uncertainty	Next three years will be extremely tough	Purchasing power shrinking as wages fail to keep up with inflation	Credit flow is restricted, business activity slows
<b>Investment</b>				
Foreign reserves look better but machinery imports falling, showing weak investment				
Without local investor confidence, foreign investment won't come				
<b>Policy and progress</b>				
Freer exchange rate is a progress, but stability must be maintained				

immediately," he pointed out.

"Our currency has lost value, but wages haven't increased to keep up. Inflation has outpaced income. That's the ground reality," he added.

He also highlighted a troubling slowdown in money circulation, which has directly hit both consumption and investment.

"The banking system is under strain. Interest rates are up. Credit isn't flowing. When money doesn't circulate, business activity slows. That's not just theory – that's what we

He added that while the shift from hundi to formal remittance channels is a positive sign, it does not reflect higher earnings, only better tracking.

"It is good that people are using proper channels now. But we should not misread it as economic improvement."

The DCCI president lauded the government for finally allowing the exchange rate to float more freely.

"At one point, banks were not allowed to offer more than Tk 109 per dollar, while the open market was at Tk 118. That gap pushed remittances into

## How bank mergers can work

MAMUN RASHID

Across the world, bank mergers or acquisitions are supposed to create added synergy. In our part of the world, however, they are often undertaken out of necessity.

I was a member of the global acquisition team with Andy Prebble when Standard Chartered Bank acquired ANZ Grindlays Bank, and later worked with Peter Sullivan on post-merger integration, especially asset and liability amalgamation. For us at Standard Chartered, the acquisition was of significant strategic importance. After the merger, we focused on systems, processes and platform integration, along with raising profitability through stronger client ring-fencing and improved risk management.

The most recent merger proposal in Bangladesh reflects a pressing need for action due to the Bangladesh Bank's determination to instil discipline and oversight in a financial sector plagued by irregularities. Reports suggest the central bank has plans to merge ten banks, beginning with five Islamic banks.

Mergers are often seen as tools to strengthen the banking sector. By consolidating resources, expertise and market presence, merged entities can achieve economies of scale, enhance efficiency and diversify product offerings. This is particularly relevant in Bangladesh, where 61 scheduled banks operate, yet 10 to 20 are considered weak due to poor governance and loan irregularities.

The challenges are significant, especially for stronger banks. Integrating different cultures, systems, and processes can be complex and may divert management's attention. Technology integration is also tricky. On top of this, assuming the liabilities of weaker banks, including their non-performing loans (NPLs), could strain the balance sheets of relatively stronger entities.

Valuation lies at the heart of any merger, with clear consequences for shareholders. Shareholders of stronger banks may have to absorb weaker banks' lower valuations, take on their NPLs and accept lower dividends due to weaker performance.

One of the most discussed cases in Bangladesh was the proposed merger between Padma Bank and EXIM Bank, for which a memorandum of understanding was signed under the previous government. Although the government pushed for it, many analysts, including the World Bank, said it could be premature and questioned whether it would succeed.

After that, discussions arose about absorbing the ICB Islamic Bank into a stronger institution. Frozen deposits, capital shortages, high default loans and liquidity crises had all contributed to its fragile position. History shows that mergers alone do not guarantee success. The formation of the Bangladesh Development Bank Ltd (BDBL) after merging the Bangladesh Shilpa Bank and the Bangladesh Shilpa Rin Sangstha is a reminder. Despite consolidation, BDBL still struggles with default loans.

Neighbouring India offers more examples. In 2021, ten public sector banks were consolidated into four, with the objective of strengthening the economy, improving profitability, cutting non-performing assets (NPAs), improving efficiency and widening the branch network. In Sri Lanka, plans were made to merge small and mid-sized banks in pursuit of similar synergies.

To navigate the complexities of mergers, regulatory oversight, and stakeholder engagement is essential. Regulators must enforce strict guidelines, safeguard depositors and investors, and ensure healthy competition. Transparency and effective communication are also vital to managing expectations.

Beyond regulation, success depends on careful planning, robust risk management and effective post-merger integration. While the central bank, the ministry of law and even higher courts may play important roles, day-to-day operations must be entrusted to experienced commercial bankers who can bring everything together.

The writer is a banker and an economic analyst

## India allows exports of de-oiled rice bran

REUTERS, New Delhi

India on Friday lifted its ban on exports of de-oiled rice bran with immediate effect, ending restrictions that had been in place for more than two years, the government said.

Before the ban was imposed in July 2023, India exported 500,000 metric tons of de-oiled rice bran per year, worth about 10 billion rupees, mainly to Vietnam, Thailand, and other Asian countries.

The resumption in exports will lead to higher production of both de-oiled rice bran, which is used in the cattle feed industry, and rice bran oil, industry officials said.

Prices of de-oiled rice bran have fallen by half since July 2023 to about 10,000 Indian rupees (\$113) per ton, according to the Solvent Extractors' Association of India (SEA).

BV Mehta, executive director of the SEA, said exports would benefit the rice milling and solvent extraction industry, particularly in eastern India, while helping farmers and processors gain better value from rice bran by-products.

India is the world's largest importer of vegetable oils, including palm oil, soybean and sunflower oil, sourcing them from countries such as Malaysia, Indonesia, Argentina, Russia and Ukraine.

Mehta said the resumption of de-oiled rice bran exports should make extraction profitable and boost supplies of rice bran oil, which India needs to reduce imports.

## Gold set for seventh straight weekly rise

REUTERS

Gold prices rose on Friday, hovering near record highs and heading for a seventh consecutive weekly gain, supported by growing concerns over the economic impact of a prolonged US government shutdown and expectations of interest rate cuts.

Spot gold rose 0.7 percent to \$3,884.19 per ounce by 01:40 p.m. ET (1749 GMT), after hitting a record high of \$3,896.49 on Thursday. Prices have gained more than 3 percent this week.

US gold futures for December delivery settled over 1 percent higher at \$3,908.9 per ounce.

"I think the longer the government stays shut down, that's going to be a steady bullish element for the gold market. If they happen to have a surprise weekend



agreement to open the government back up, that would probably be a bearish element," said Jim Wyckoff, senior analyst at Kitco Metals.

The US Senate will vote again on dueling Democratic and Republican plans to end a government shutdown now entering its third day, though there is no sign that either plan will win passage. The key US non-farm payrolls report, originally slated for release on Friday, has been postponed, leaving investors to lean on alternative indicators that point to a cooling labor market and sustain expectations of an imminent rate cut.

Investors are pricing in a 97 percent probability of a 25-basis-point rate reduction in October and a 85 percent likelihood of another similar cut in December, according to CME Group's FedWatch tool.

## Federal Reserve revamp is not revolutionary enough

REUTERS

Donald Trump's second administration has upended long-standing conventions in diplomacy, defence, fiscal policy, trade, public health, and more. Now the president's "America First" policy is coming for the Federal Reserve. Critics from Treasury Secretary Scott Bessent on down are laying siege to the central bank's governance and the models it uses to set rates. Yet monetary policy is perhaps the one area in need of more revolutionary fervour than the White House appears to have in mind.

Kevin Warsh, a former Fed governor who is one of the candidates to replace Chair Jerome Powell next year, laid out the criticism of the central bank's governance in April. Speaking to the Group of Thirty body of global financial policymakers, he accused, the Fed of having stretched its statutory mandate of price stability and maximum employment into unwarranted political territory. Its purchases of US government debt under successive quantitative easing programmes had encroached on fiscal policy, Warsh claimed. By joining the Network of Central Banks and Supervisors for Greening the Financial System, it had gate-crashed energy and environmental

policy. And by interpreting its full employment remit as "broad-based and inclusive" in August 2020 – suggesting that it might tolerate higher inflation in exchange for better employment rates for certain social groups – the Fed had veered

into social policy too.

Bessent more recently added regulatory overreach, to the charge sheet, tracing that aspect of what the US Treasury secretary terms the Fed's "gain-of-function monetary policy" back to the Dodd-Frank Act, which

overhauled bank regulation after the 2008 financial crisis. He was also explicit about the administration's response. The Fed's "overuse of nonstandard policies, mission creep, and institutional bloat", Bessent wrote, will justify political intervention unless the institution reverts to its statutory mandate. The Fed, he warned, "has placed its own independence in jeopardy".

These broadsides are certainly unusual. Against the backdrop of Trump's public attacks on Powell and his attempts to unseat Governor Lisa Cook they also look ill-timed. One thing they are not, however, is revolutionary.

The distinction between policy – who sets the central bank's mandate – and operational independence – who decides what measures they take to meet it – is entirely orthodox. Even an inflation target is a political choice, since changes in the price level redistribute wealth between savers and borrowers. Layer on social, environmental, and regulatory objectives and the need for political legitimacy is even stronger. Most modern central bankers recognise there is a trade-off between independence and breadth of mandate. The alternative would be a disconnect between bureaucratic power and democratic accountability.



The Federal Reserve building is set against a blue sky in Washington DC. The Fed's "overuse of nonstandard policies, mission creep, and institutional bloat" will justify political intervention unless the institution reverts to its statutory mandate, says Treasury Secretary Scott Bessent.

PHOTO: REUTERS/FILE

READ MORE ON B2

## Trump's tech visa fee challenged in court

AFP, San Francisco

A coalition of workers in a variety of fields filed a lawsuit Friday to halt the new \$100,000 H-1B visa fee introduced by the Trump administration.

The group, representing health care workers, university professors and religious groups, among others, argued in federal court in San Francisco that the new fee is illegal and will thwart a key conduit for innovation and economic growth in the United States.

"Without relief, hospitals will lose medical staff, churches will lose pastors, classrooms will lose teachers, and industries across the country risk losing key innovators," the coalition said in a statement.

"The suit asks the court to immediately block the order and restore predictability for employers and workers," it added.

The \$100,000 fee announced last month gave companies just 36 hours notice before it went into effect, triggering chaos and confusion over how it would work and who would be hit.

The H-1B fee is part of a larger crackdown by President Donald Trump, who has unleashed a massive push against immigration since returning to the White House – though until now it had not targeted the visa on which Silicon Valley relies heavily.

Trump argued that the H-1B visa system was being abused to replace American workers with people willing to work for less money.