

Star BUSINESS



Tk 4 lakh crore default loans stuck in lawsuits

MD MEHEDI HASAN

More than Tk 4 lakh crore in defaulted loans remain locked in over 2.22 lakh cases in money-loan courts, putting further strain on the already fragile banking sector and dragging on the wider economy.

Bangladesh Bank data show that as of June, 222,341 cases involving Tk 407,435 crore were pending across the courts.

Recently, a growing number of banks have filed cases in money-loan courts against major loan defaulters, including S Alam Group, Beximco Group, and Nassa Group.

Over just the last three months, the number of lawsuits rose by 2,708, while the amount tied up in litigation surged by Tk 86,674 crore, the data show.

At the end of March, pending cases stood at 219,633 with Tk 320,761 crore under dispute, according to figures compiled by the central bank's Law Department.

Despite the surge in lawsuits, central bank officials say the strategy has yielded limited success as case disposal rates remain far lower than the pace at which new cases are being filed. Between April and June, courts disposed of 11,944 cases, enabling banks to recover Tk 2,910 crore. During the same period, lenders filed 14,652 new cases involving Tk 96,904 crore.

In the January-March quarter of this year, banks disposed of 10,064 cases and recovered Tk 1,833 crore.

Bankers and industry insiders say many of the disputed loans involve irregularities or fraud, and that repeated waivers and rescheduling schemes have failed to bring defaulters back to repayment. Although banks are legally required to file cases to pursue recovery, progress remains slow due to systemic bottlenecks.

The number of money-loan courts is insufficient, they said, and delays are compounded by shortages of judges and by banks not providing lawyers with timely documentation, including collateral papers.

The consequences are mounting. A central bank report warned that the vast sums trapped in litigation are inflicting heavy losses on lenders and weighing on the overall economy.

Md Omar Faruk Khan, managing director of Islami Bank Bangladesh, recently said the bank would adopt a tougher stance against major defaulters, including S Alam Group, noting that its own stock of bad loans has approached Tk 100,000 crore.

The bank has already filed several cases in this regard.

To accelerate recoveries, the Bangladesh Bank has instructed lenders to act under Section 12(3) of the Money Loan Court Act 2003, including issuing auction notices and seeking expedited hearings to vacate High Court stay orders.

Banks have also been advised to file civil miscellaneous petitions with the Appellate Division's Chamber Judge to lift such stays and clear the way for resolution.

IPDC ডিপোজিট | ১৬৫১৯

Rising food prices push inflation to 8.29% in Nov

Economists warn of raising further

MD ASADUZ ZAMAN

Inflation in Bangladesh rose to 8.29 percent in November, driven largely by higher food prices, highlighting persistent pressures on households, especially those with low or fixed incomes.

The figure, released yesterday by the Bangladesh Bureau of Statistics (BBS), is



PHOTO: AZAHAR UDDIN

slightly higher than October's 8.17 percent but remains well below last year's 11.38 percent for the same month.

Data from the BBS show that the consumer price index (CPI), which tracks changes in a basket of goods and services, climbed in both rural and urban areas.

According to the Trading Corporation of Bangladesh (TCB), essential food items such as rice, flour, edible oils, lentils and onions, have witnessed an increase in November. Besides, late autumn rain disrupted supplies and pushed up winter vegetable prices.

Bangladesh has been grappling with persistent inflation for nearly three years. Consumer prices stayed over 9 percent until May 2025 and have remained over 8 percent since then, sparking renewed debate about the effectiveness of recent economic policies.

"Despite minor fluctuations, there has been no meaningful change in the underlying trend," said Selim Raihan, a professor of economics at the University of Dhaka.

READ MORE ON B3

Four exporters receive HSBC excellence awards

Business leaders seek stability as policymakers push diversification and promise stronger support for global expansion



Right to left, Enayetur Rahman, CEO of Ulkasemi Pvt Ltd; Md Saleudh Zaman Khan, MD of NZ Tex Group; Md Mahub ur Rahman, CEO of HSBC Bangladesh; Ahsan H Mansur, governor of Bangladesh Bank; Md Abdul Jabbar, MD of Flamingo Fashions Ltd; Sk Bashir Uddin, commerce adviser; MA Rahim, vice-chairman of DBL Group; Sarah Cooke, British high commissioner to Bangladesh; and Helal Ahmed, DMD of Janata Jute Mills and Sadat Jute Industries, pose for a photo at the HSBC Export Excellence Awards 2025 ceremony at the Radisson Blu Dhaka Water Garden yesterday.

PHOTO: HSBC

STAR BUSINESS REPORT

The Hongkong and Shanghai Banking Corporation Limited (HSBC) in Bangladesh has recognised four local companies with the HSBC Export Excellence Awards for their contribution to the country's export growth and global trade competitiveness.

The award recipients are Flamingo Fashions Limited, NZ Tex Group, Janata Jute Mills Limited and Sadat Jute Industries Limited, and Ulkasemi Pvt Limited.

The awards were handed over at an event at the Radisson Blu Water Garden Hotel in Dhaka yesterday. The programme was

organised in partnership with the commerce ministry and the British High Commission in Dhaka, while KPMG Advisory Services was the technical partner.

Mohammad Enayetur Rahman, chief executive officer and president of Ulkasemi, Md Saleudh Zaman Khan, managing director of NZ Tex Group, Md Abdul Jabbar, managing director of Flamingo Fashions Limited, and Helal Ahmed, deputy managing director of Janata Jute Mills Limited and Sadat Jute Industries Limited, received the awards.

Commerce Adviser Sk Bashir Uddin attended the event as the chief guest. British High Commissioner to Bangladesh Sarah

Cooke joined as the special guest. Bangladesh Bank Governor Ahsan H Mansur, HSBC Bangladesh Chief Executive Officer Md Mahub ur Rahman and representatives from a wide range of sectors were also present.

This year's winners were chosen based on several factors, such as annual contribution to national exports and the wider economy, diversity, responsibility, sustainable business practices, strength in governance, and regulatory compliance, HSBC said in a statement.

Flamingo Fashions Limited received the Export Excellence award in the ready-made

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Mobile traders call off blockade as regulator agrees to NEIR reforms



Mobile handset sellers under the banner of the Mobile Business Community Bangladesh (MBCB) demonstrate outside the Bangladesh Telecommunication Regulatory Commission (BTRC) calling for a six-month to one-year delay in the rollout of the National Equipment Identity Register (NEIR) system. PHOTO: STAR

STAR BUSINESS REPORT

Mobile phone traders have suspended their blockade in front of the Bangladesh Telecommunication Regulatory Commission (BTRC) until tomorrow after the regulator agreed to reform the National Equipment Identity Register (NEIR) system.

However, traders said all mobile phone shops across the country will remain closed until a final decision on the reforms is made.

The decision to suspend the blockade was announced around 8:45pm yesterday following assurances from BTRC Chairman Maj Gen (retired) Md Emdad-ul-

Bari during a meeting with the stakeholders.

Senior officials, including executive heads of posts, telecommunications and information technology ministry, finance ministry, commerce ministry, National Board of Revenue, and representatives of the Mobile Phone Manufacturers Association and the Mobile Business Community Bangladesh, attended the meeting.

The BTRC chairman said a joint meeting will be held at the commission to resolve all complications surrounding the NEIR system.

Abu Sayeed Pias, secretary of the

Mobile Business Community, which is leading the protest, said they were hopeful that the discussions would pave the way for an effective solution to the NEIR issue and help restore stability in the market.

Earlier in the day, mobile phone traders staged a sit-in in front of the telecom regulator's headquarters and blocked roads in Dhaka's Agargaon, demanding a delay in the rollout of NEIR and lower import taxes on mobile phones.

The protest caused severe traffic congestion and made access to nearby hospitals, including Bangladesh Shishu Hospital and Institute, the National Institute of

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Climate change reducing RMG productivity

Finds BIDS study

STAR BUSINESS REPORT

Climate change is already denting production in Bangladesh's garment factories as rising temperatures reduce worker productivity, according to a study presented yesterday.

The research, titled "Global Value Chains and Climate Change Governance: Garment Producers' Futures", said excessive heat inside factories poses a major barrier to social upgrading.

Mohammad Harunur Rashid

Bhuyan, senior research fellow at the Bangladesh Institute of Development Studies (BIDS), carried out the work with Rachel Alexander. He presented the findings at a session of the Annual BIDS Conference on Development in Dhaka.

The study noted that climate refugees are increasingly taking up jobs in the garment sector. As their numbers rise, more may enter the workforce, which "may have negative impacts on wages".

READ MORE ON B2

Economic expansion slowed in Nov: PMI

STAR BUSINESS REPORT

Bangladesh's economic expansion might have lost steam in November after two consecutive months of expansion, according to the latest Purchasing Managers' Index (PMI) released yesterday.

Bangladesh's PMI fell by 7.8 points in November from October, reaching 54.0, indicating slower expansion across all major economic sectors.

The PMI is a key economic indicator that shows future trends. Readings above 50 indicate expansion, below 50 indicate contraction, and 50 signals no change. It helps businesses, investors, and policymakers track production, employment, and new orders.

The slower growth in November was seen across all key sectors – agriculture, manufacturing, construction, and services – according to a report by the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), and Policy Exchange Bangladesh (PEB) published yesterday.

M Masrur Reaz, chairman and CEO of PEB, said the PMI shows "economic growth is losing momentum due to weak global demand, low export competitiveness, falling domestic demand, and businesses holding back investments ahead of the national elections."

He added that despite a yearly decline in exports, month-to-month export growth and ongoing agricultural harvests helped maintain overall expansion.

The agriculture sector expanded for the third month, though at a slower pace. New business, employment, and input costs grew more slowly, while business activity expanded faster. Order backlogs contracted at a slower rate.

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Md Rezaul Karim, managing director of Kohinoor Chemical Company (BD) Limited, virtually presides over the company's 38th annual general meeting. The company announced 75 percent dividends, including a 65 percent cash dividend, for 2025.

Kohinoor Chemical Company announces 75% dividends

STAR BUSINESS DESK

Kohinoor Chemical Company (BD) Limited yesterday announced 75 percent dividends, including a 65 percent cash dividend, for the financial year that ended on June 30, 2025.

The announcement was made at the company's 38th annual general meeting (AGM), which was held virtually, according to a press release.

Md Rezaul Karim, managing director

of Kohinoor Chemical Company (BD) Limited, presided over the meeting.

At the meeting, the audited financial statements for the financial year 2024-2025 were presented, and shareholders unanimously approved them.

Md Ebadul Karim, director; Prof Anwar Hossain and Quazi Mamun-Ul-Asraf, independent directors; Md Kamruzzaman, company secretary; and Mohd Shamim Kabir, chief financial officer, also joined the meeting.

Envoy Textiles declares 30% dividend

STAR BUSINESS DESK

Envoy Textiles Limited, the world's first LEED Platinum certified denim manufacturer, has declared a 30 percent dividend for the year that ended on June 30, 2025.

The declaration was made at the company's 30th annual general meeting (AGM) on Saturday at the Gulshan Shooting Club in Dhaka recently, according to a press release.

Kutubuddin Ahmed, founder and chairman of Envoy Textiles Limited, presided over the meeting as the chief guest.

Updating shareholders on the company's performance, Ahmed said Envoy Textiles more than doubled its profit in the financial year (FY) 2024-25, with net profit rising to approximately Tk 141 crore, the highest since the company's inception.

Earnings per share increased to Tk 8.40 from Tk 3.58, while net asset value per share rose to Tk 58.32 from Tk 51.93.

Midland Bank donates ambulance to Anjuman Mofidul Islam

STAR BUSINESS DESK

Midland Bank PLC has donated an ambulance to Anjuman Mofidul Islam, a charitable organisation that serves both patients and deceased persons within and outside Dhaka.

Md Ahsan-uz-Zaman, managing director and CEO of Midland Bank PLC, handed over the dummy key of the ambulance to Mohammad Azim Bakhsh and Mohammad

Aslam, trustees and vice-presidents of Anjuman Mofidul Islam, at the bank's head office in Dhaka recently, according to a press release.

The donation is part of the bank's commitment to social wellbeing under its corporate social responsibility (CSR) programme. The ambulance has been provided from the Islami Banking Compensation Fund.

Among others, Syed Lukman Ahmed, joint director (branch) of the charitable organisation; Md Rashed Akter, head of retail distribution and chief bancassurance officer; Didarul Islam, chief financial officer; Md Bajlur Rahman Khan, head of CRM and head of the sustainable finance unit; and Nakul Chandra Debnath, head of GSD of the bank, were also present.



Md Ahsan-uz-Zaman, managing director and CEO of Midland Bank PLC, poses for a group photograph after handing over the dummy key of an ambulance to Mohammad Azim Bakhsh and Mohammad Aslam, trustees and vice-presidents of Anjuman Mofidul Islam, at the bank's head office in Dhaka recently.

Climate change

FROM PAGE B1
Moreover, it said climate pressures could heighten gender-based violence and harassment as productivity falls and socio-economic vulnerability increases.

The global garment industry is a major emitter of greenhouse gases (GHG), releasing between 1.025 billion and 3.29 billion tonnes of CO2e. This represents 2 percent to 7 percent of total worldwide emissions.

Fossil fuel-based energy across apparel production stages remains the main source of emissions, according to the study.

It said fertiliser and pesticides used in cotton farming and the production of polyester contribute heavily. During manufacturing, emissions are generated by sewing machines, production lines, and heating, ventilation and air conditioning systems.

The study said pressures to cut emissions may support environmental improvements in factories, although the shift to green energy in Bangladesh remains slow.

The government has pledged to produce at least 30 percent of electricity from renewable sources by 2041. Yet only 1.4 percent of Bangladesh's electricity in 2019 came from renewables.

The study said factories depend almost entirely on the national grid, which needs to be "green for environmental

upgradation of this sector". The government's Industry Policy 2022 encourages cleaner industrial practices by promoting effluent treatment plants, central ETPs, and assistance for industries seeking to apply clean development management to control greenhouse gases.

Producers, however, face steep costs, limited access to finance, technical constraints, and inadequate information and equipment, according to the study.

UNIONISED WORKERS EARNING MORE

A separate study at the event examined wage patterns among manufacturing workers. Mahmudul Hasan, research associate at BIDS, said unionised workers consistently earn higher wages across all model specifications.

The study found that even after full controls, unionisation remains a strong determinant of earnings.

For garment workers, wages are 19 percent to 22 percent higher due to stronger compliance, formal structures, and higher skill intensity.

The research found no significant wage difference between unionised and non-unionised garment workers once characteristics and compliance were taken into account.

Bank Asia organises workshop on proactive transaction monitoring in Jashore

STAR BUSINESS DESK

Bank Asia PLC, in collaboration with the Bangladesh Financial Intelligence Unit (BFIU), recently organised a daylong regional workshop on "Proactive Transaction Monitoring for Automated Early Alert Generation of Trade-Based Money Laundering" in Jashore.

Approximately 50 senior bankers from various banks across the Khulna, Jashore, Satkhira, and Benapole regions attended the

event.

Mohammad Ziaul Hasan Molla, chairman of the Association of Anti-Money Laundering Compliance Officers of Banks in Bangladesh and deputy managing director and CAMLCO of Bank Asia PLC, presided over the programme, according to a press release.

The workshop sessions covered key indicators of trade-based money laundering (TBML), challenges faced by financial institutions, and the critical need for proactive early alert

generation to prevent TBML activities.

Ruman Ahmed, additional director of the Bangladesh Financial Intelligence Unit, attended the programme as the key resource person, accompanied by Juaira Haque and Md Kamrul Islam, joint directors.

Five senior officials from Bangladesh Bank's Khulna office -- an additional director, a joint director, and a deputy director -- were also present, along with other senior officials from the participating banks.



Mohammad Ziaul Hasan Molla, chairman of the Association of Anti-Money Laundering Compliance Officers of Banks in Bangladesh and deputy managing director and CAMLCO of Bank Asia PLC, poses for a group photograph with participants of a workshop on "Proactive Transaction Monitoring for Automated Early Alert Generation of Trade-Based Money Laundering" in Jashore recently.

Government of the People's Republic of Bangladesh
Local Government Engineering Department
Office of the Upazila Engineer,
Chowgacha, Jessore.
www.lged.gov.bd

Memo No:46.02.411.000.07.001.25.423

Date:07-12-2025

e-Tender Notice No-01/2005-26(OTM)

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the procurement of the following works, details are given below:

SI NO	Package No. & e-Tender ID No	Name of Work	Procurement Method	Scheduled Tender/Proposal Publication Date and Time	Tender/Proposal Document Last Selling Date and Time and Closing Date And Time
01	e-Tender/PEDP4/JSR/C HO/2024-25/W20.727 TID No: 1133410	Repair and Renovation of Chougacha URC office.	OTM	08-12-2025 12:00	18-12-2025 13:00 & 18-12-2025 15:00

This is an online tender, where only e-Tender will be accepted in the national e-GP portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-Tender documents from the National e-GP System Portal have to be deposited online through any registered Banks branches up to 08-12-2025. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd).


(Siddhartha Kumar Kundu)
Upazila Engineer
Chowgacha, Jashore.

GD-2678

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Office of the Executive Engineer (RHD)
Netrokona Road Division, Netrokona.
Phone-02-996651285
E-mail: eenet@rhd.gov.bd

Memo No. 35.01.7200.455.00.000.22-1705

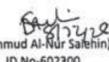
Date: - 04/12/2025

Corregedum-1

e-Tender is invited in the national e-GP system portal for the following works:

Tender ID	1175710	
Name of Tender	Periodic Maintenance Programme by Providing DBS Wearing Course & Protective work at Ch: 2-320 (Bhabanipur) Km to 11+400 Km (Zero Point) Birishiri-Bijoypur Land Port Road (Z-3705) under Netrokona Road Division during the year 2025-2026. Package No- e-GP/NRD/PMP-Roads/01/2025-2026.	
Corrigendum / Amendment No. : -1		
Field Name	Old Value	New Value
Document last selling date & time	14/12/2025 16:00	21/12/2025 16:00
Opening Date & Time	15/12/2025 12:30	22/12/2025 12:30
Last date & time for Tender/Proposal Security Submission	15/12/2025 12:00	22/12/2025 12:00
Closing Date & Time	15/12/2025 12:30	22/12/2025 12:30
TDS/PDS	Stated in ITT Clause 13.1(a)	Stated in ITT Clause 13.1(a)
C. Qualification Criteria (General Experience)		
TDS/PDS	Stated in ITT Clause 13.1(b)	Stated in ITT Clause 13.1(b)
C. Qualification Criteria (Experience Criteria)		
TDS/PDS	Stated in ITT Clause 14.1(b)	Stated in ITT Clause 14.1(b)
C. Qualification Criteria (Financial Criteria- Average annual construction turnover)		
TDS/PDS	Stated in ITT Clause 14.1(d)	Stated in ITT Clause 14.1(d)
C. Qualification Criteria (Financial Criteria- Minimum Tender Capacity)		
TDS/PDS	Stated in ITT Clause 15.1	Stated in ITT Clause 15.1
C. Qualification Criteria (Personnel Capacity)		
TDS/PDS	Stated in ITT Clause 16.1	Stated in ITT Clause 16.1
C. Qualification Criteria (Equipment Capacity)		
TDS/PDS	Stated in ITT Clause 17.2	Stated in ITT Clause 17.2
C. Qualification Criteria (Joint Venture (JV))		
TDS/PDS	Stated in ITT Clause 31.1(i)	Stated in ITT Clause 31.1(i)
D. Financial Standing of the Tenderer		
TDS/PDS	Stated in ITT Clause 41.1	Stated in ITT Clause 41.1
E. e-Tender Submission		
TDS/PDS	The Adjudicator proposed by the Procuring Entity is The Honorable President of IEB, Bangladesh.	It will be decided by both parties if required.
G. Contract Award		

This is an online tender, where only e-tender will be accepted in e-GP portal and no offline /hard copy will be accepted. To submit e-tender, please register on e-GP system. (<http://www.eprocure.gov.bd>). For more details please contact e-gp help desk, (helpdesk@eprocure.gov.bd)


(Mahmud Al-Nur Salehin)
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GD-2683

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বাংলাদেশ পানি উন্নয়ন বোর্ড
নির্বাহী প্রকৌশলীর দপ্তর
উত্তরাঞ্চলীয় পানি বিজ্ঞান পরিদপ্তর বিভাগ
বঙ্গাব্দে, পাবনা
টেলিফোন: ৮৮০২৫৮৪৬২৬২
ই-মেইল: eenmdp@gmail.com

Invitation for e-Tender Notice (OTM-Works)

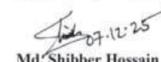
Invitation Reference No. 42.01.0000.000.056.07.25.2148

Date: 07 December, 2025

e-Tender ID	Package No.	Work's name
1188147	NHMD-SIRAJ-22/2025-26	Discharge measurement work at 66 Ullapara Station of 28 DCJ Korotoa River and 17.1 Baral Bridge Station of 9 Baral River of Sirajganj Hydrology Section of Pabna Hydrology Sub-Division under Northern Hydrology Measurement Division, BWDB, Pabna during the financial year 2025-2026 (From 01-01-2026 to 30-06-2026)
1188184	NHMD-DINAJ-30/2025-26	Discharge Measurement work at 236-Pulhat Station of 89-Punarbhaba River, 287-Kodalkaitaga Station of 105-Tangon River, 340-Kazipara Station of 150-Tetulia/Tulsi River, 142/1 Bhubirbandar Station of 57-Karatoa/Atrai River of Dinajpur Hydrology Section of Dinajpur Hydrology Sub-Division under Northern Hydrology Measurement Division, BWDB, Pabna during the financial year 2025-26 (From 01-01-2026 to 30-06-2025)
1188181	NHMD-KURI-31/2025-26	Discharge Measurement work at Taluksimulbari (76) & Kurigram (77) station of Dharla River (32) (Trans boundary River), Pateswari (81) Station of Dudhkumar River (36) (Trans boundary River), of Kurigram Hydrology Section of Dinajpur Hydrology Sub-Division under Northern Hydrology Measurement Division, BWDB, Pabna during the financial year 2025-26 (From 01-01-2026 to 30-06-2026)
1188085	NHMD-BHERA-20/2025-26	Discharge measurement work at Gorai Railway Bridge Station (99) Gorai River (42) (Medium River) at Gorai Railway Bridge Station (99) Gorai River (42) of Bheramara Hydrology Section of Pabna Hydrology Sub-Division under Northern Hydrology Measurement Division, BWDB, Pabna during the financial year 2025-2026. (From 01-01-2026 to 30-06-2026)
1188331	NHMD-PAB-21/2025-26	Discharge measurement work at Bagahabari Station (151) of Korotoa Atrai River (57), Malonchi station (16.1) of Baral River (9) of Pabna Hydrology Section of Pabna Hydrology Sub-Division under Northern Hydrology Measurement Division, BWDB, Pabna during the financial year 2025-2026. (From 01-01-2026 to 30-06-2026)

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd) (0176262528-31) (<http://www.eprocure.gov.bd>).

পানি-৩৮০/২০২৫-২০২৬
৭*খ৩


Md. Shibber Hossain
ID No. 931110002
Executive Engineer (Civil)(C.C.)
Northern Hydrology Measurement Division
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GD-2682

'Prioritise national API policy implementation'

Says the Alliance for Health Reforms Bangladesh

STAR BUSINESS REPORT

The Alliance for Health Reforms Bangladesh (AHRB) has called on the chief adviser to personally prioritise and oversee the rapid implementation of the National Active Pharmaceutical Ingredient (API) Policy, citing its critical importance to Bangladesh's economic resilience and public health security.

An open letter was issued yesterday, signed by Syed Abdul Hamid, convener of AHRB and professor at the Institute of Health Economics of the University of Dhaka, and Syed Muhammad Akram Hussain, chairman of the Department of Clinical Oncology at Bangladesh Medical University and member of the Health Sector Reform Commission.

The alliance underscored the urgency of reducing dependence on imported pharmaceutical raw materials. The letter said that despite meeting

around 98 percent of domestic medicine demand, Bangladesh remains heavily reliant on imported APIs—materials essential for drug production.

This overdependence, the letter warns, not only drains valuable foreign exchange reserves but also exposes the nation to global supply chain disruptions, as seen during the Covid-19 pandemic, said AHRB.

The Health Sector Reform Commission has already identified local API production, alongside vaccines, medical devices, and diagnostics, as a national strategic priority.

The letter urges the government to treat this policy as more than a bureaucratic reform, but rather a foundational investment in the country's future economic security and health sovereignty.

To ensure rapid progress in strengthening Bangladesh's pharmaceutical self-reliance, AHRB has

outlined five urgent priorities in its appeal to the chief adviser.

These include the swift removal of regulatory and infrastructural hurdles currently obstructing API production, along with the introduction of a

The Health Sector Reform Commission has already identified local API production, alongside vaccines, medical devices, and diagnostics, as a national strategic priority

competitive Production-Linked Incentive scheme to attract domestic and foreign investment.

The alliance also stresses the need for sustained public funding to advance pharmaceutical research and innovation, as well as the creation of strong,

institutionalised partnerships between academia and industry to facilitate technology transfer and develop a skilled scientific workforce.

Finally, AHRB calls for the establishment of an empowered, permanent inter-ministerial task force with full authority to ensure coordinated, time-bound implementation of the National API Policy.

AHRB further stressed that the policy holds the potential to transform Bangladesh into a regional pharmaceutical export hub, with significant gains in foreign exchange savings, skilled employment, and a boost in the country's tax-to-GDP ratio.

"The time for action is now," the letter said, urging the chief adviser and the finance adviser to lead the charge and ensure the policy does not remain on paper but delivers measurable impact for the nation.

Rupali Chowdhury, new president of FICCI

STAR BUSINESS REPORT

Rupali Chowdhury, managing director of Berger Paints Bangladesh Limited, has been elected president of the Foreign Investors' Chamber of Commerce and Industry (FICCI) for the fourth time.



Rupali Chowdhury

At the same time, Deepal Abeywickrema, chairman and managing director of Nestlé Bangladesh PLC, was elected senior vice-president, and Mohammad Iqbal Chowdhury, CEO of LafargeHolcim Bangladesh PLC, vice-president.

FICCI made the announcements for the 2026-2027 term at its 62nd annual general meeting at Le Méridien Dhaka yesterday.

The newly elected 15-member board of directors will assume office on January 1, 2026, following the end of the current board's tenure on December 31, 2025, led by Zaved Akhtar, chairman of Unilever Bangladesh Ltd, who took charge as FICCI president for the 2024-2025 term.

Four exporters receive HSBC

FROM PAGE B1
garments category for export revenue of \$100 million and above.

The vertically integrated manufacturer produces 44 million pieces a year and supplies brands in 50 countries. It has invested in GRS-certified recycling, renewable energy, and water-efficient dyeing as part of a broader sustainability drive.

NZ Tex Group won in the ready-made garments backward linkage category for export revenue of \$50 million and above.

The group produces 52,000 tonnes of yarn annually across spinning, woven, denim and linen operations. It holds certifications from several international sustainability bodies for its work in renewable energy and water-saving initiatives.

Janata Jute Mills Limited and Sadat Jute Industries Limited received the award in the non-traditional and emerging sectors manufacturing category for export revenue of \$10 million and above.

The company was recognised for expanding jute into technical textiles, geo textiles and sustainable packaging, with exports reaching nearly 90 countries.

Alongside classic hessian and sacking, the firm now produces technical textiles, geo textiles, non-woven felt, retail accessories and eco-friendly packaging.

The use of renewable energy, resource-efficient operations and investment in workforce development highlight its advancement as an emerging leader in modern manufacturing.

Ulkasemi Pvt Limited won in the non-traditional and emerging sectors category for export revenue of \$5 million and above.

As a design centre alliance partner of Taiwan Semiconductor Manufacturing Company, one of only 29 globally, Ulkasemi provides design, verification, custom layouts and post-silicon services for clients in the United States, China, Taiwan and India.

"Today's awards celebrate the grit

and ambition of our exporters, but the path ahead requires strategic evolution," said HSBC Bangladesh CEO Rahman.

"While acknowledging the current success, we must work collaboratively for the country to achieve greater market diversification and maximise the benefits of existing and future preferential trade agreements," he added.

BUSINESSES CALL FOR STABILITY

At the event, business leaders were asked about the challenges they faced over the past 12 months. They pointed to "mob justice", political uncertainty and frequent policy shifts as major concerns.



Today's awards celebrate the grit and ambition of our exporters, but the path ahead requires strategic evolution

Mahbub ur Rahman
CEO, HSBC Bangladesh

AK Azad, former president of the Federation of Bangladesh Chambers of Commerce and Industry, said anxiety has grown among businesses as many fear becoming targets of false cases. Some vested groups have filed baseless allegations against entrepreneurs.

Abdul Hai Sarkar, president of the Bangladesh Association of Banks, said he believed these fears and wider challenges would ease once the national election is held.

At the programme, Bangladesh Bank Governor Ahsan H Mansur said the country has huge potential to expand and diversify its exports.

He said the private sector must drive this diversification. "Diversification should start from our

best performing sector RMG."

The BB governor said exporters need to broaden their markets and explore new sectors, as they already understand global value chains and have room to expand.

The governor said he would always stand by exporters on the exchange rate policy.

Sarah Cooke, British High Commissioner to Bangladesh, reaffirmed the United Kingdom's commitment to supporting Bangladesh's economic growth through trade, investment and strategic partnerships, with a focus on sustainability, innovation and inclusive development.

She said UK businesses have long contributed to Bangladesh's progress, from finance to fashion. "After Bangladesh's graduation from LDC status, exports can only be the engine of economic growth and job creation."

She added that trade success rests on people, partnerships and shared values. The high commissioner said the UK is working with the interim government to improve the ease of doing business, including reducing red tape through initiatives with the Bangladesh Investment Development Authority (Bida).

She added that the UK is also investing in Bangladesh's future through British International Investment and UK Export Finance, which have £2 billion available for projects in areas such as infrastructure, renewable energy and aviation.

"Together, we can build a future that is innovative, resilient, and green," she said.

Commerce Adviser Sk Bashir Uddin said exporters play a vital role in the country's economy.

"Our exporters are champions in resilience."

The adviser said the commerce ministry is working to support the private sector by prioritising competitiveness and innovation to help businesses secure greater export opportunities.

Rising food prices

FROM PAGE B1
He noted that while the Bangladesh Bank has tried to curb aggregate demand by raising interest rates, such monetary adjustments alone have been insufficient to achieve lasting price stability.

"This is because gaps in policy coordination, structural weaknesses in markets, and external shocks have collectively kept inflation elevated," he added.

Raihan said the recent surge in prices of essential food items such as onions and vegetables has been a key driver of inflation.

"This clearly reveals how fragile the agricultural supply system remains and how limited competition in markets directly pushes consumer prices upward," he added.

Volatility in global markets and dependence on imports have further compounded the situation, Raihan, also executive director of the South Asian Network on Economic Modeling (Sanem), pointed out.

"In other words, current inflation is largely driven by supply-side pressures, where conventional monetary tools like raising interest rates have limited effects," he said.

Raihan added that addressing inflation requires not only monetary measures but deeper institutional reforms. These include disciplining anti-competitive market practices, improving supply-chain efficiency,

ensuring transparency in trade and imports, and investing in agricultural production.

The economist said a lack of coordination among fiscal policy, monetary policy, and market oversight as a key obstacle to controlling prices. "Inflation today is not merely a macroeconomic indicator; it reflects institutional weaknesses and policy inconsistencies."

The solution, he said, lies in building a coherent, credible, and long-term policy environment. Economist Mustafa K Mujeri also made similar observations, saying that Bangladesh's prolonged high-inflation environment is unlikely to ease without stronger policy coordination beyond monetary tightening.

He said that the country has been living in a "high-inflation regime for more than three years," while the only major tool used so far has been monetary policy.

"The policy rate has been raised gradually and kept at around 10 percent for more than a year," he said, adding that the key policy gap is the absence of supportive measures to complement monetary tightening.

Striking a similar tone to Raihan, he said, "In Bangladesh, monetary policy alone cannot control inflation."

Mujeri, executive director of the Institute for Inclusive Finance and Development (InM), highlighted that supply-side factors are a major driver

of inflation in Bangladesh, limiting the effectiveness of interest rate adjustments. Election spending and non-productive expenditures in the coming months could push inflation even higher, he warned.

He said, "If the election is held in February, money circulation - both formal and informal - will rise.

Economic

FROM PAGE B1
The manufacturing sector grew for the 15th consecutive month, but growth moderated. New orders, exports, factory output, input purchases, finished goods, imports, input prices, employment, and supplier deliveries all expanded, while order backlogs contracted more sharply.

The construction sector expanded for the third month, though at a slower rate. Construction activity, employment, and input costs grew, but new business declined, and order backlogs contracted faster.

The services sector grew for the 14th month, but growth slowed. Employment and input costs increased, while new business, business activity, and order backlogs all fell into contraction.

Looking ahead, future business indices showed faster expansion in agriculture, construction, and services, while manufacturing's growth slowed.

Mobile traders call off blockade

FROM PAGE B1
Traumatology and Orthopaedic Rehabilitation, and Shyamoli TB Hospital, extremely difficult, with some patients waiting on the roadside for hours.

During the sit-in, they urged the BTRC to delay the rollout of the NEIR system by six months to one year.

The NEIR system, scheduled to take effect on December 16, is designed to identify and block stolen or unauthorised mobile phones using

their unique 15-digit International Mobile Equipment Identity (IMEI) numbers.

Protesters claimed that the rollout of the NEIR would negatively affect hundreds of thousands of traders and their families across the country. They also claimed the policy would benefit a specific group of businesses, while additional taxes and restrictions would increase mobile phone prices for consumers.

One of the protesters, Arafat

Hossain, a mobile phone shop owner at Bashundhara City in Dhaka, said, "We want our demands to be met through a peaceful movement."

He noted that when import taxes are applied to the base price of a phone, the retail price becomes very high. "This is causing losses for our business. This movement is not only for us but also for our customers."

Currently, import duties on legally imported smartphones stand at about 61 percent.

ARMY HEADQUARTERS
E IN C'S BRANCH, WORKS DIRECTORATE
DHAKA CANTONMENT

INVITATION FOR TENDER

Notice no. 600/15/33/2025-2026/E-6 Dated: 02 December 2025.

MILITARY ENGINEER SERVICES

1. Ministry/Division	Ministry of Home Affairs.				
2. Agency	Military Engineer Services				
3. Procuring Entity Name	E in C				
4. Procuring Entity District	Dhaka				
5. Procurement Method	Open Tendering Method (OTM)				
6. Budget and source of Funds	GOB, Development Budget				
7. Development Partners (if applicable)	None				
8. Project / Programme Name (if applicable)	Conservation of Old Dhaka Central Jail History, Historical Buildings & Development of Surroundings area-1st Revised.				
9. Selling of Tender will commence from	09 December 2025 (from 1200 hours to 1400 hours in Office Time).				
10. Selling of Tender will close on	06 January 2026 (from 1200 hours to 1400 hours in Office Time).				
11. Last date and time of submission of Tender	07 January 2026 upto 1200 hours.				
12. Date and time of opening of Tender	07 January 2026 at 1230 hours.				
13. Name & Address of the Office(s)					
- Selling Tender Document	Tender Selling & Information Centre of Works Directorate at GE (Army) Central Dhaka and AHQ, E in C's Branch, Works Directorate, Dhaka Cantt.				
- Receiving Tender Document	Tender Selling & Information Centre of Works Directorate at GE (Army) Central Dhaka.				
- Opening Tender Document	-Do-				
14. Eligibility of Tenderer	a. MIES enlisted contractors Class - 'A' b. Contractors enlisted in other Govt, Semi Government & Autonomous Organization of similar capacity may also participate in tenders having security clearance from DGFI.				
15. Brief Description of Works					
Lot No	Identification of Lot	Location	Price of Tender Document (Taka)	Tender Security Amount in the form of Bank Draft/Pay Order/Bank Guarantee in favour of AHQ, E in C's Br, Wks Dtc, Dhaka Cantt (Taka)	Completion Time in weeks/months
a.	Remaining works for Construction of Multipurpose Complex 06 storied building and 02 basement with Mat foundation (Structural works 4th & 5th floor, finishing works Basement to 5th floor) including ancillary works Zone-A for Conservation of Old Dhaka Central Jail History, Historical Buildings and Development of Surroundings area, Dhaka (Group-03).	South City Corporation, Dhaka	96,000.00	2,09,00,000.00	10 (Ten) Months
16. Name of Official Inviting Tender	Director of Works				
17. Designation of Official Inviting Tender	Director of Works				
18. Address of Official Inviting Tender	AHQ, E in C's Branch, Works Directorate, Dhaka Cantonment Web address: www.army.mil.bd				
19. Contact details of Official Inviting Tender	Army Headquarters, E in C's Branch, Works Directorate, Dhaka Cantonment Tel No.: 9832870 Fax No.: 9832906				
20. The procuring entity reserves the right to accept or reject any or all tenders.					

XEN B/R
For Director of Works
Army Headquarters
Engineer in Chief's Branch
Works Directorate
Dhaka Cantonment
Tele : 8711111 Ext 2880
Civil: 9832880

GD-2681

Government of the People's Republic of Bangladesh
Program on Agricultural and Rural Transformation for Nutrition, Entrepreneurship, and Resilience in Bangladesh (PARTNER)
Department of Agricultural Extension
Khamarbari, Dhaka-1215, Bangladesh

কৃষিই সমৃদ্ধি

Corrigendum Notice (e-GP)

Memo no. : 12.01.0000.040.07.010.23.1119
RFA Publication Date and Time : 23-Nov-2025 & 12:00PM
Tender ID : 1164648
Package No. : SD/PARTNER-DAE/02

No.	Package Name	Closing Date & Time (As Published)	Current Closing Date & Time (As Amended)
1.	Assistant Finance Manager	08-Dec-2025 15:00	18-Dec-2025 15:00

All other terms and conditions shall remain unchanged. This amendment will be integral part of the Standard Request for Application (SRFA) Document in e-GP.

(Abul Kalam Azad)
Program Coordinator
Phn: 02223314883
Email: pc.partner23@gmail.com

GD-2684

Starting business remains challenging due to graft: Bida chief

STAR BUSINESS REPORT

Bangladesh's business startup environment remains highly challenging as entrepreneurs continue to grapple with cumbersome procedures, harassment and entrenched corruption, said Chowdhury Ashik Mahmud Bin Harun, executive chairman of Bangladesh Investment Development Authority (Bida), yesterday.

Speaking at the inauguration of the 12th National SME Product Fair in Dhaka, he said business registration still involves visiting multiple offices, where many entrepreneurs face corruption.

"We are also trying to combat corruption. You can see the ongoing discussions around ports and logistics. Ultimately, the government cannot compromise on corruption," he said.

"If small entrepreneurs encounter corruption while seeking government services, the business model simply does not work," he added.

Chowdhury said Bida, with support from development partners, is working to bring registration, bank account opening and all startup-related services under a single digital form accessible through one website or app.

"Our goal is to launch this system sometime next year. We aim to digitise services as much as possible so that entrepreneurs no longer need to meet anyone in person," he said.

Once active, the system will allow users to simply receive services from a website or app without needing to know or interact with any government official, the Bida chief added. "This will reduce corruption."

Bida last week launched a matchmaking portal on its website to link foreign investors with potential domestic partners.

"Foreign investors often ask us to connect them with local partners, and local investors ask for foreign partners. This is difficult to manage manually," he said.

Investors can now register with details of their business, land availability and sectors of interest so that overseas investors can identify suitable local counterparts directly.



Visitors look at a pot on the first day of the ongoing National SME Product Fair at the Bangladesh-China Friendship Conference Centre in Dhaka's Sher-e-Bangla Nagar yesterday. The SME Foundation is organising the eight-day show, which features over 350 SMEs, 60 percent of which are women-led enterprises.

PHOTO: PALASH KHAN

Citing projections by international organisations, he said Bangladesh is expected to become the eighth-largest consumer market in the world by 2030. "Within the next five years, the country's domestic market will be larger than that of the United Kingdom. Therefore, the potential for doing business in the country is extremely high."

At the event, Industries Adviser Adilur Rahman Khan said the SME sector is a key driver of global economic growth.

Industrialisation, job creation, poverty reduction and balanced development can be achieved through the expansion of SMEs, which he described as labour-intensive and low-capital ventures

capable of generating significant employment.

City Bank Managing Director & CEO Mashrur Arefin pointed out that high loan interests – up to 15 percent for small and 13-14 percent for medium SMEs – remain a major challenge for the sector.

He said the SME loan distribution recently fell 2 percent as large investors hold back.

With banks holding Tk 1.5 lakh crore in excess liquidity and international support being available, investment is expected to pick up after the elections, boosting SME lending, he added.

SME Foundation Chairperson Md

Musfiqur Rahman said financing continues to be a major challenge for small entrepreneurs. To address this, 30 banks and financial institutions have been allocated stalls at the fair.

"There is no central database of SMEs in the country, which is essential for policymaking, sector-specific support, and assessing export potential. Government assistance is needed in this regard," he said.

The 8-day fair will continue until December 14 and will be open to the public from 10 am to 9 pm, with no entry fee. Nearly 400 small and medium-sized enterprises from across the country are participating in the fair.

A stronger future for Bangladesh's export economy

MAMUN RASHID

For more than forty years, Bangladesh has carried a remarkable story of economic transformation. A country rooted in agriculture built one of the world's most influential apparel industries through grit, discipline and a willingness to learn. The label "Made in Bangladesh" travelled across continents because workers and entrepreneurs believed they could do something bigger than their circumstances. That belief helped reshape the national economy and identity.

But today the landscape looks more uncertain. Export earnings have been falling for four consecutive months, a sign that the long-trusted engine is facing pressure. In November, Bangladesh exported goods worth \$3.89 billion, about five and a half percent lower than the same month a year earlier, when the figure was \$4.12 billion. According to the Export Promotion Bureau (EPB), almost all major sectors saw declines in November. Apparel, jute, agricultural processed goods, home textiles, non-leather footwear, frozen food and plastics all registered drops. Only leather and leather goods managed to grow. Even apparel, the strongest pillar, was down by five percent.

These shifts are not happening in isolation. Global markets are adjusting to changing tariff regimes, political tensions and evolving consumption patterns. Buyers in key regions are reassessing costs, placing smaller orders and negotiating harder. A combination of price adjustments and softer demand has created a slowdown that is affecting several producing countries, including Bangladesh. This is a reminder that no matter how strong an industry may be, its fortunes can still be shaped by geopolitical forces beyond national control.

This is why the conversation on diversifying the export base feels more urgent than it did a decade ago. Bangladesh cannot rely on a single sector to sustain long-term growth. The apparel industry will remain a cornerstone, but it cannot be the only path to resilience. There are promising alternatives emerging. Plastics and packaging, furniture and light engineering, frozen and processed foods and software and digital services all show real potential. Some Bangladeshi companies in these sectors have already reached international markets, often with little coordinated support. Their progress suggests what is possible if the country takes a more organised approach.

To chart that path, it helps to recall how the apparel sector rose in the first place. In the early years, Bangladesh did not have world-class factories or ready access to buyers. What it did have was ambition and a willingness to build partnerships. Entrepreneurs collaborated with experienced international firms, and groups of young Bangladeshis travelled abroad for hands-on training. They returned with knowledge that reshaped the sector. These early professionals later became managers, production specialists and eventually, for some of them, entrepreneurs. Their learning created the backbone of a national industry.

The principle remains relevant today. Countries rarely diversify by working alone. New sectors grow when skills, technology and market access move across borders through partnerships that are commercially aligned. Bangladesh has the foundation for this model. Universities, institutes and NGOs have long experience in delivering training at scale. Development finance institutions are increasingly interested in supporting sectors that can mature into export industries. IFC and FCDO both came forward in the recent past. What is needed now is focus and coordination.

Diversification works best when a country chooses a few priority sectors and invests with discipline. That means building technical capacity, shaping supportive regulation, reducing friction for exporters and ensuring that early movers have the room to grow. When the focus is clear, industries can mature faster and attract stronger partnerships.

The apparel sector still has room to expand through new materials, automation, sustainability and access to emerging markets. But it cannot remain the only driver of an economy approaching half a trillion dollars. The recent decline in export earnings is not a crisis. It is a signal that the time has come to widen national horizons and move beyond a single engine.

The writer is an economic analyst and chairman at Financial Excellence Ltd



Inflation still strains US consumers

AFP, New York

US consumer pricing and sentiment reports released Friday pointed to lingering questions about affordability as the calendar moves towards the peak of the festive season.

The personal consumption expenditures (PCE) price index, the Federal Reserve's preferred data point for measuring inflation, rose to 2.8 percent on an annual basis in September from 2.7 percent in August.

When food and energy prices were excluded, prices also rose by 2.8 percent in September. However, that was below the 2.9 percent reading in August for the same benchmark.

The mixed report, delayed due to the US federal government shutdown, is the last major inflation reading before the Fed's rate decision next week.



People shop in Macy's Herald Square ahead of Black Friday and Christmas in New York City, US on November 24.

PHOTO: REUTERS

The figures were largely in line with expectations, but included notable increases in some categories that have strained consumers. Durable goods like

automobiles, appliances and furniture rose 1.4 percent from a year ago.

A separate report showed consumer sentiment rose in December to 53.3

from 51.0 in November, according to the University of Michigan.

However, consumers today have a diminished outlook for their expected personal income compared with early in 2025 and labor market expectations "remained relatively dismal," said survey director Joanne Hsu.

"Consumers see modest improvements from November on a few dimensions, but the overall tenor of views is broadly somber, as consumers continue to cite the burden of high prices," she said.

The data did not significantly move the US stock market on Friday. Stocks are up modestly for the week, due partly to expectations the Fed will cut interest rates next week.

The Fed has cut interest rates at its last two meetings following indications of a slowdown in the US employment market.

Gold's bubble behaviour may signal paradigm shift

ANALYSIS

REUTERS, London

Assets that rise rapidly above their long-term trend are usually set for a fall. That's what happened to gold after it peaked in late 1979. Over the following five years, the price of the yellow metal fell by nearly two-thirds. This year, gold has risen more than 60 percent in dollar terms, its best performance in 46 years. Adjusted for inflation, gold has never been more expensive. Either we are witnessing another bubble or it's a paradigm shift.

The precious metal known as the eternal store of value has retained its purchasing power over millennia. On examination, its market valuation tends to reflect different monetary regimes. Gold reset higher following the credit collapse of the 1920s, and jumped in the second half of the 1970s as the so-called "Great Inflation" took hold; over the next two decades it remained in the doldrums as price increases abated and real interest rates remained high; after Alan Greenspan's Federal Reserve slashed interest rates in the early 2000s, gold enjoyed a long bull run. During the era of zero interest rates

and quantitative easing from 2008 to 2022 the price was volatile but its upward trend continued.

By the turn of this decade it had become received wisdom that gold moves inversely with long-term real interest rates. Thus its value swooned in 2022 when central banks tightened the cost of borrowing and bond yields climbed. Then something unexpected happened: gold started to rise exponentially even as inflation turned down and inflation-adjusted bond yields rose.

Daniel Oliver of Myrmikan Capital, a firm that invests in microcap gold miners, says this regime shift was caused by then US President Joe Biden's decision to seize Russian foreign exchange reserves following Vladimir Putin's invasion of Ukraine in February 2022. This act shook the foundations of the international monetary system in which the US dollar had long served as lynchpin. Reserve managers at a number of central banks started looking for an asset that could not be seized and was not the liability of another sovereign. They returned to the original reserve asset: gold.

During each of the past three years, central banks have purchased over a thousand of tonnes of bullion. Goldman Sachs expects these official purchases to continue

into next year. A number of central banks in the emerging world still own relatively little gold. Earlier this year, for instance, China's reported holdings as a share of its total foreign exchange reserves stood at only 6.5 percent, although some analysts believe Beijing's official gold reserves massively understate the true size of its hoard.

At first glance, the gold chart over the past three years looks like a classic investment bubble. But the irrational exuberance that normally accompanies a mania is absent. Speculators are too busy obsessing about cryptocurrencies and anything related to artificial intelligence to pay much attention to the barbarous relic. The number of ounces of gold held in exchange-traded funds remains more than 10 percent below the October 2020 high, according to Caesar Bryan, portfolio manager of the Gabelli Gold Fund. Furthermore, the number of shares outstanding in the VanEck Gold Miners ETF, which invests in publicly traded companies involved in gold and silver mining, has fallen by around a third from the 2020 peak.

Bryan observes that Wall Street remains unenthusiastic about gold's prospects. The consensus gold price for 2028 projected by investment analysts is nearly \$1,000 below the

current spot price. The 1970s gold bull market was extremely volatile, with a number of painful drawdowns. Gold investors have been bracing for a correction, but until now every minor setback has quickly reversed. Bryan has witnessed many bull and bear markets over his four decades in the gold business, but he says, "it does feel different this time."

The monetary and fiscal

background to the 1979 bubble and the current day could hardly be more different. At the end of the 1970s the United States was a significant international creditor. Today, it's the world's largest debtor. Back then US government debt was around 30 percent of GDP. Today, it is nearly four times higher. For the past three years, the US fiscal deficit has averaged around 6 percent of GDP,

roughly four times higher than the budget shortfall in 1979.

By the end of that year, the Fed Funds Rate was at 14 percent and rising. Today, the policy rate is below 4 percent and falling. Former Fed Chair Paul Volcker was an inflation hawk. President Donald Trump has made it clear that is not what he is looking for in the central bank's next boss. Besides, high leverage in the US financial system and elevated asset valuations suggest any attempt to emulate Volcker's hard-money stance would end in disaster.

Myrmikan's Oliver points out that the Fed's balance sheet in 1979 was robust. In those days, its assets were mostly invested in short-dated government securities and, thanks to the elevated gold price, the value of its gold holdings exceeded its monetary liabilities. Today, the US central bank's balance sheet is stuffed with long-dated securities, including mortgage-backed bonds, that have produced large paper losses in recent years. The market value of the Fed's gold reserves has risen, says Oliver, but still cover only 16 percent of its liabilities, far below the historic average.

Thus, it's not unreasonable to conclude that the rising gold price reflects a host of fiscal, financial and geopolitical uncertainties.



An employee wraps gold bars for customers at Hua Seng Heng gold traders in Chinatown in Bangkok. This year, gold has risen more than 60 percent in dollar terms, its best performance in 46 years.

PHOTO: AFP/FILE