

Star BUSINESS

Merging banks start repaying depositors

STAR BUSINESS REPORT

The five troubled banks under the process of being merged into the country's largest state-run Islamic lender began repaying depositors yesterday, with no visible rush at their branches.

Most branches of the five lenders reported normal banking activity, hinting at growing depositor confidence in the newly formed Sammilito Islami Bank PLC.

The five banks are the Export Import Bank of Bangladesh (EXIM Bank), First Security Islami Bank, Global Islami Bank, Social Islami Bank and Union Bank.

Signboards bearing the name Sammilito Islami Bank have been installed at the branches and head offices of the merging lenders, while their original signboards have also been kept in place.

Under instructions from the Bangladesh Bank (BB), customers are currently allowed to withdraw up to Tk 200,000 from their savings and current accounts.

Visits to several branches in Dhaka's Motijheel area yesterday found no unusual crowds, with customers seen carrying out regular banking transactions.

At the corporate branch of Social Islami Bank in Motijheel, only five to six customers were seen conducting transactions.

M u h a m m a d Asaduzzaman Miah, manager of the branch, told The Daily Star that clients are permitted to withdraw funds as per their demand, but many are choosing not to do so.

"I think customers are trusting the bank, as it is being merged into a state-run institution," he said.

He added that the branch holds deposits of around Tk 300 crore, the majority of which belong to individual customers.

Remittances hit record \$32b in 2025, shoring up reserves

STAR BUSINESS REPORT

Bangladeshis abroad sent home a record \$32.8 billion in 2025, according to central bank data, as economists say more expatriates are now using formal banking channels, with informal routes siphoning off less since the August political changeover.

The historic-high inflows offered a much-needed tonic to the country's fragile external balance.

The amount is 22 percent higher than the \$26.88 billion recorded in the previous year, according to Bangladesh Bank (BB) data released yesterday.

In December alone, remittances reached \$3.22 billion, the highest monthly inflow in nine months, up 22 percent from the same month last year.

Foreign currency streaming in helped lift gross reserves to \$33.18 billion on December 30, up from \$25 billion a year earlier.

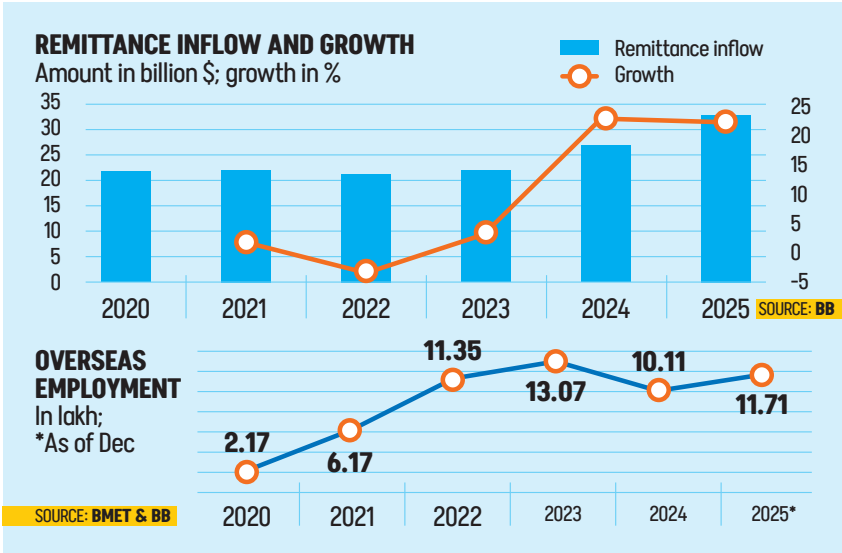
After the fall of the previous government, remittance inflows started to rise every month. Previously, demand for hundi was growing amid large sums of money reportedly being siphoned abroad

"Remittances have been a key driver for the recent increase in reserves, indicating improved performance of the external sector," said Mohammed Nurul Amin, former chairman of the Association of Bankers Bangladesh (ABB).

"Forex reserve figures are now closely watched, as a rise strengthens confidence and attracts foreign interest," he said.

He hoped that the trend could ease pressure on the external sector in the months ahead.

During the July-December period last year, expatriates sent home \$16.26 billion, an 18.1 percent increase on the same period in 2024, according to the BB data.



Industry insiders said government incentives, banks' efforts to attract foreign funds, and the decline of the hundi system -- an illegal yet popular cross-border transfer mechanism -- helped push inflows higher after the political changeover in August 2024.

After the fall of the previous government, remittance inflows started to rise every month. Previously, demand for hundi was growing amid large sums of money reportedly being siphoned abroad. That stopped under the interim government.

Mohammed Nurul Amin, former independent director and chairman of Global Islami Bank, said incentives have played a major role in boosting the inflow. "As a result, people are sending more money through formal channels," he added.

Remittance senders currently get a 2.5 percent government incentive.

He also pointed to a psychological change after the fall of the previous government. "People believe that corruption is no longer as prevalent as before," he said, adding that overseas employment has risen, with more skilled workers leaving home for jobs abroad.

Between January and December 28 last year, as many as 1,116,725 men and women went overseas. In 2023, 1,303,453 workers went abroad, while

1,011,969 left the country for overseas jobs in 2024, according to official data.

According to the Bureau of Manpower, Employment and Training, Saudi Arabia welcomed 744,619 Bangladeshi workers, Qatar 106,805, and Singapore 69,491 during the first 11 months and 28 days of the year.

Zahid Hussain, former lead economist at the World Bank's Dhaka office, said more expatriates are using official channels because less money is now being siphoned abroad, reducing demand for hundi transfers.

"Higher reserves boost confidence in the exchange rate, thereby limiting depreciation," said the economist. "Although investment may rise after the election, the strong reserve position should prevent pressure on the exchange rate."

In December, Islami Bank Bangladesh received the highest inflow at \$671 million, followed by Bangladesh Krishi Bank with \$353 million, Janata Bank \$281 million, and BRAC Bank \$261 million, showed BB data.

With rising remittances easing demand for US dollars, the central bank purchased over \$3 billion in the current fiscal year, a reflection of ongoing efforts to shore up foreign exchange reserves.

Govt sharply cuts taxes on handset imports, manufacturing

STAR BUSINESS REPORT

The government has sharply cut taxes on mobile phone imports and local manufacturing, responding to a long-standing demand from traders and aiming to curb the use of unofficial and smuggled handsets while stabilising prices.

The overall import duty on mobile phones has been reduced to 43.43 percent from 61.8 percent, Chief Adviser's Press Secretary Shafiqul Alam announced yesterday at a press briefing at the Foreign Service Academy following an Advisory Council meeting.

Besides, customs duty on imported handsets has been slashed to 10 percent from 25 percent, while that on locally manufactured phones has been lowered to 5 percent from 10 percent.

Alam said the tax incidence on locally manufactured phones would also decline significantly.

The government expects the measures to boost local manufacturing, attract investment, lower prices, and curb the inflow of used and refurbished phones, he added.

The move coincided with the launch of the National Equipment Identity Register (NEIR) yesterday, a system designed to identify and block unauthorised mobile phones.

According to data from the Mobile Phone Industry Owners' Association and the Bangladesh Telecommunication Regulatory Commission (BTRC), grey-market smartphones now account for 40 percent to 50 percent of the market.

Estimates show that 93 percent of premium phones of one brand in use in Bangladesh last year entered through the grey market, while the figure for mid-range models stood at around 69 percent, The Daily Star reported last month.

BTRC OFFICE VANDALISED AMID NEIR LAUNCH

Amid the NEIR launch, a group vandalised the BTRC office in Agargaon, Dhaka, around 4:25pm yesterday, breaking the glass wall at the front of the building.

DMP's Tejgaon Division Deputy Commissioner Ibne Mizan said a few people were detained from the scene for questioning and that they initially appeared to be mobile phone traders. Besides, the Bangladesh Army arrested 28 people on the spot.



A BTRC official said mobile phone traders had gathered outside the office around 3pm to protest the NEIR launch, and some leaders were invited inside for discussions. Shortly afterwards, however, several individuals were seen throwing bricks and vandalising the premises.

Shamim Mollah, senior vice-president of the Mobile Business Community, denied any involvement of mobile phone traders in the vandalism, suggesting that a group of curious individuals or customers might have been responsible.

Faiz Ahmad Taiyeb, special assistant to the chief adviser with executive authority over telecom and ICT, said customs duties on legally imported phones had been reduced significantly.

"Despite this, those who attacked and vandalised the BTRC office are in no way above the law," he said, adding that all those involved would be brought to justice.

He also said strict operations would begin at land ports and airports to curb illegal handset imports and stressed that NEIR is vital for digital security.

BTRC Chairman Major General Md Emdad ul Bari said some traders wanted to illegally import refurbished or used phones.

Any decision on the matter rests with the commerce ministry and is beyond the regulator's jurisdiction, he also noted.

Govt lowers interest rates on savings certificates

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The government has reduced interest rates on all major national savings certificates (NSCs) for the next six months, aligning them with prevailing market interest rates.

Under the revised structure, the highest return on savings instruments will now be 10.59 percent, while the lowest will be 8.74 percent, according to an announcement by the Internal Resources Division on December 30.

The new rates came into effect yesterday. However, the revised rates will apply only to new investments made after January 1, 2026. Investors who purchased savings certificates earlier will continue to receive returns at the rates applicable at the time of issuance.

This is the second reduction in interest rates within six months. Under the current policy, NSC interest rates are reviewed every six months.

Under the new structure, investors with smaller investments -- up to Tk 7.5 lakh -- will receive comparatively higher returns than those investing above that threshold.

Previously, the most popular instrument, the Family Savings Certificate, offered investors a return of 11.93 percent on investments of up to Tk 7.5 lakh upon maturity after five years. This rate has now been reduced to 10.54 percent.

For the same amount of investment, the Pensioner Savings Certificate offers an interest rate of 10.59 percent, down from 11.98 percent. Five-year Bangladesh Savings Certificate offers 10.44 percent, down from 11.83 percent.

The five-year Bangladesh Savings Certificate now offers 10.44 percent, down from 11.83 percent for up to Tk 7.50 lakh.

For all three above-mentioned savings instruments, investments exceeding Tk 7.5 lakh will provide a return of 10.41 percent, down from 11.80 percent.

Returns on the quarterly interest-based savings certificates have also been cut. Investors with up to Tk 7.5 lakh will now receive 10.48 percent, while those above the limit will earn 10.43 percent.

Interest rates on Wage Earner Development Bonds have also been reduced across all investment slabs, with returns now ranging from 11.20 percent for lower tiers to 8.40 percent for the highest investment bracket.

Chilly spell raises disease risk for winter crops

SUKANTA HALDER

As a cold wave continues to grip the country, agricultural experts are warning that certain crops could face serious risks from the unusual weather, while others may benefit and thrive under these conditions.

According to a press release issued yesterday by the Bangladesh Agro-Meteorological Information Service under the Department of Agricultural Extension, the cold weather is expected to affect multiple crops.

Potatoes are particularly vulnerable to late blight, while rice seedlings in seedbeds may be affected by scorch disease. Onions and garlic face tipburn, and onions can also develop purple blotch. Pulses are at risk of leaf spot, rust, and Stemphylium diseases. Mustard crops may develop white mould and leaf spot before flowering.

Limu Akter, senior scientific officer of the vegetable division at the Horticultural Research Center of the Bangladesh Agricultural Research Institute, said, "The current cold and damp weather is highly unfavourable for some winter vegetables, as it encourages the spread of serious diseases such as late blight and powdery mildew.

"Crops like potatoes, tomatoes, capsicum, and eggplant are particularly vulnerable, while cucurbit crops face an increased risk from powdery mildew. Prolonged adverse weather can stunt plant growth and greatly increase disease risks," she added.

Mahbuba Begum, principal scientific officer of the Tuber Crop Research Center in Gazipur, said, "The prevailing weather conditions are ideal for the initiation and rapid spread of late blight in potatoes.

"High humidity and cool conditions significantly increase the risk of infection, making potatoes the most vulnerable crop at this time. Other crops, such as sweet potatoes and mustard, are not facing major threats under the current conditions."

Begum advised, "To effectively control late blight, farmers should follow recommended management practices, including the regular application of fungicides at seven-day intervals.

"Timely preventive action is essential, as the



Farmers shield Boro seedlings with polythene as the cold wave threatens crops like potatoes, tomatoes, and onions, risking disease and stunted growth while some crops may thrive. The photo was taken in Manda upazila of Naogaon on December 31.

PHOTO: AZAHAR UDDIN

disease can spread quickly once established, while most other crops remain largely unaffected by the current weather pattern."

Mohammad Khalequzzaman, director general of the Bangladesh Rice Research Institute, said that rice cultivation is extremely sensitive to temperature and sunlight, and growth can completely halt when temperatures fall below 10-13°C.

He added, "During the recent cold wave, a combination of low temperatures and lack of sunlight caused physiological growth stoppage, which can lead to cold injury, disease, and rotting if such conditions persist.

"However, the impact on rice at the seedling or seedbed stage was minimal, as growth is naturally paused during this period, allowing the plants to withstand short-term cold stress and recover once sunlight returns, and temperatures rise."

Khalequzzaman stressed, "Nighttime temperatures are the most critical factor for assessing potential damage. While prolonged cold spells can delay crop maturity and reduce yields, the recent seven-day cold wave was not

severe enough to cause measurable losses.

"The situation would have been far more damaging if the rice had already been transplanted into open fields. At present, only Boro rice in seedbeds is being managed."

COLD WAVE CONTINUES

According to the Bangladesh Meteorological Department (BMD), a cold wave is currently sweeping over 17 districts, with moderate to dense fog possible in some areas.

Earlier on December 26, the Met Office reported that a mild cold wave had hit Jashore, Chuadanga, Gopalganj, Rajshahi, Pabna, Sirajganj, and Nilphamari.

Shahnaz Sultana, a meteorologist at BMD, said, "The unusually cold conditions in the country began on December 25. There was a brief period of sunlight on December 27, but persistent fog and overcast skies on December 28 and 29 prevented daytime warming.

"During this period, maximum daytime temperatures dropped significantly, while nighttime temperatures remained largely unchanged. The lack of sunlight made the days feel much colder, intensifying the impact of the cold spell."

MCCI, BCI condole Khaleda Zia's death

STAR BUSINESS REPORT

Two major trade bodies have expressed deep condolences over the passing of Khaleda Zia, a three-time prime minister of Bangladesh.

In a press release yesterday, the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), said, "Her demise marks the end of a significant chapter in Bangladesh's political history, leaving behind a legacy of leadership, resilience, and profound national impact."

Khaleda passed away on December 30 while undergoing treatment at Evercare Hospital. She was 80. She was laid to rest beside her husband, former Bangladesh president Ziaur Rahman, the following day at Sher-e-Bangla Nagar in the capital.

In a separate statement, the Bangladesh Chamber of Industries (BCI) said the nation will remember Khaleda's role in expanding education, particularly women's education, and in creating a social safety net.

BCI President Anwar-Ul Alam Chowdhury (Parvez) said during her tenure, the foundation of industrialisation laid through the introduction of a free-market economy and encouragement of the private sector helped strengthen Bangladesh's economy. "With her death, the country and the nation have lost a dedicated patriotic leader."