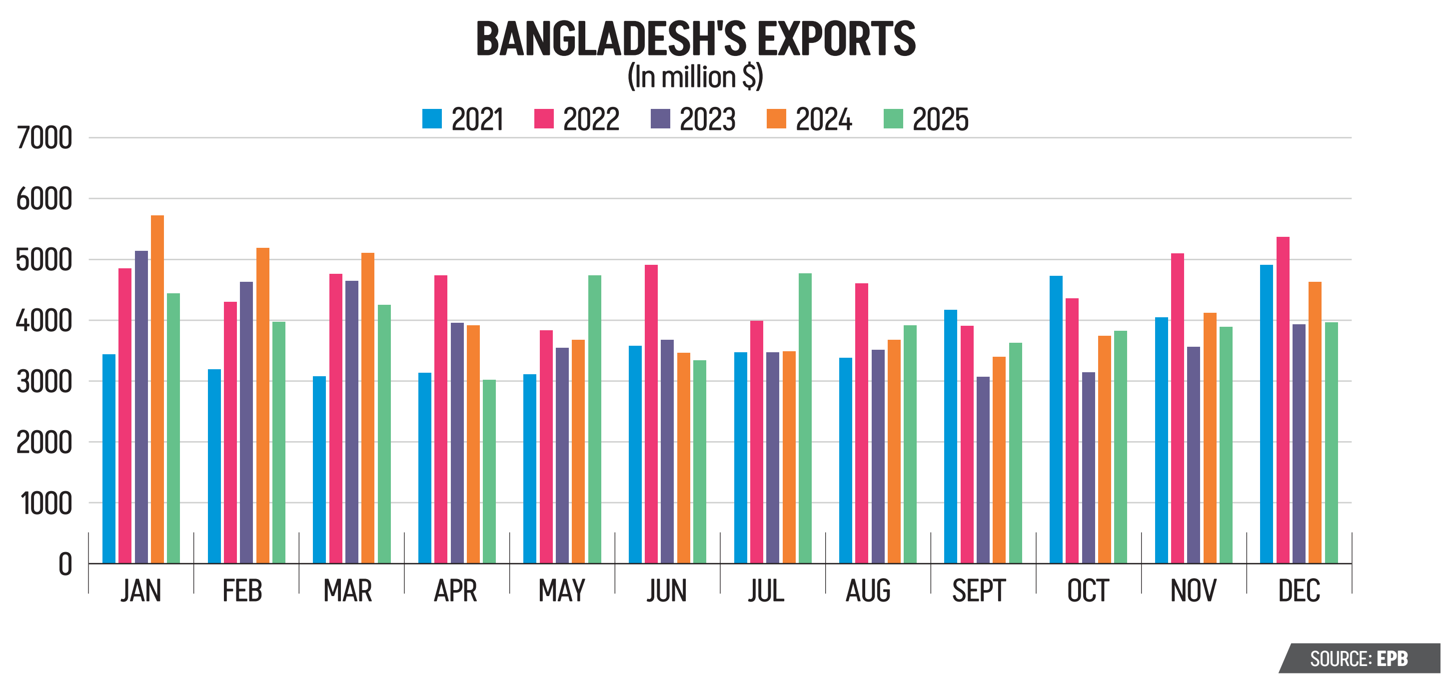
Star BUSINESS

Exports fell nearly 5% in 2025

Merchandise shipments dropped in Dec for a fifth straight month as overseas buyers sit on excess inventories amid weak demand



REFAYET ULLAH MIRDHA

The country's merchandise exports declined by nearly 5 percent last year, falling to $47.74 billion compared with the previous year, according to official data, as weak global demand for garments and other consumer goods weighed on shipments.

The calendar year closed against a turbulent global backdrop. The prolonged Russia-Ukraine war, Israeli attacks on Palestine and assaults on five other countries heightened tensions across the Middle East, disrupting trade routes and unsettling global supply chains.

These shocks rippled through international commerce and dampened consumer demand in key markets.

Global disruptions hit apparel exports particularly hard. Bangladesh was not alone. Other major exporters in the region, including China, India and Vietnam, also saw their clothing shipments slow as buyers cut orders and trimmed inventories.

Adding to the strain were reciprocal tariffs imposed by the United States, which weighed on exports for much of 2025. Ahead of the finalisation of higher duties, local exporters rushed shipments from April through the first week of August to beat the deadline.

That front-loading came at a cost. Garments, which make up more than 84 percent of the country's export earnings, lost pace during the crucial season for Christmas deliveries in August, September and October.

Retailers in Western markets had already built up inventories, leading to a temporary lull in new orders. The new tariffs also pushed up prices for US consumers, curbing demand and adding further pressure on Bangladeshi exporters.

Even so, manufacturers expect shipments to recover once excess inventories are cleared and demand begins to normalise.

The Trump tariff measures also sharpened competition in major apparel markets. After facing higher duties in the United States, large exporters such as China, India, Pakistan, Vietnam, Thailand, Cambodia, Indonesia and Turkey redirected similar products to other destinations, including the European Union, often at lower prices.

During the July-December period, garment exports fell by 2.63 percent to $19.36 billion compared with the same period in 2024. Knitwear exports dropped 3.22 percent to $10.48 billion, while woven garment shipments declined by 1.91 percent to $8.87 billion.

The slowdown gathered pace in December. That month, garment exports plunged by 14.23 percent to $3.14 billion. Knitwear shipments fell by 13.74 percent to $1.61 billion, while woven exports slid by 14.71 percent to $1.52 billion, according to data released yesterday by the Export Promotion Bureau (EPB).

Despite the sharp overall decline in December, several non-RMG sectors recorded growth compared with November 2025.

Jute and jute goods, specialised textiles, home textiles, frozen and live fish, vegetables, chemical products, rubber, leather and bicycles all posted gains, pointing to progress in export diversification.

Among major destinations, the United States, Germany and the United Kingdom remained the top three markets in December. Exports to these countries grew by 7.14 percent, 18.08 percent and 14.50 percent, respectively.

Shipments to emerging and strategic markets also expanded. Exports to the United Arab Emirates rose by 25.39 percent, Australia by 21.33 percent, and Canada by 9.13 percent. The EPB said the figures showed Bangladesh was gradually widening its global footprint.

In overall terms, merchandise exports in December fell by 14.25 percent year-on-year to $3.96 billion, marking the fifth consecutive month of decline. Compared with November, however, exports edged up by 1.97 percent, offering a tentative sign of month-on-month recovery.

READ MORE ON B3

MFIs concerned over proposed microcredit bank law

STAR BUSINESS REPORT

The Microcredit Bank Ordinance 2025, drafted to establish a specialised microcredit bank to expand access to capital for small and emerging entrepreneurs under a social business framework, could undermine the sector's role in poverty alleviation and financial inclusion, warned leading microfinance institutions (MFIs).

"While MFIs are development-oriented, not-for-profit, and focused on serving low-income and marginalised populations, banks are inherently profit-driven," reads a joint statement issued by leaders of over a dozen prominent MFIs, including BRAC and the Association for Social Advancement (ASA), yesterday.

They acknowledged the government's initiative to introduce microcredit banks as a positive step in principle but stated that the proposed ordinance does not accurately reflect the realities of the microfinance sector or the needs of the communities it serves.

Asif Saleh, executive director of BRAC, and Md Ariful Haque Chowdhury, president of ASA, signed the statement among others. The two MFIs together accounted for about two-thirds of the Tk 176,650 crore disbursed as microcredit in the last fiscal year.

Leaders of prominent microfinance institutions (MFIs) said the draft ordinance lacks clarity on how existing MFIs could convert into microcredit banks

The statement comes as the interim government has taken an initiative to set up a new microcredit bank, aimed at helping small entrepreneurs secure capital on easier terms. The Financial Institutions Division (FID) has drafted the Microcredit Bank Ordinance to that end.

As per the draft, published on the FID website, the proposed bank will run as a social institution. Dividend payments to investors will not cross the amount they invest.

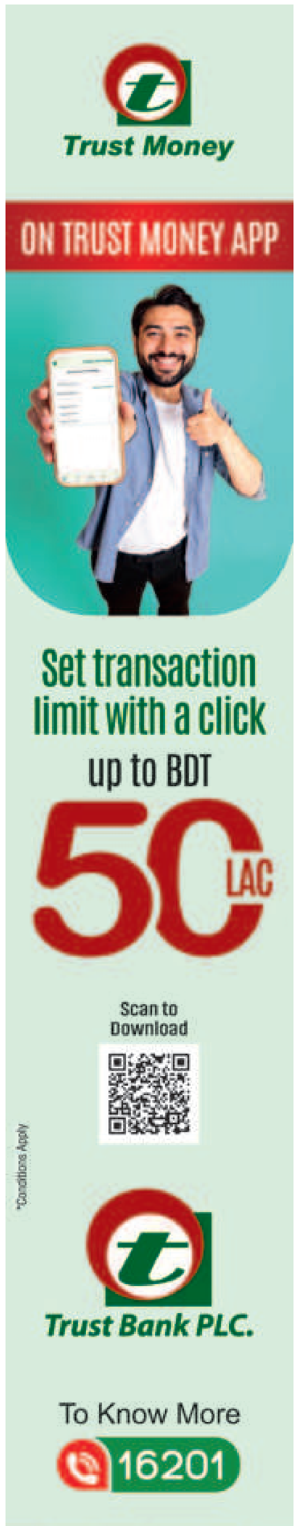
In yesterday's statement, leaders of prominent MFIs said the draft ordinance lacks clarity on how existing MFIs could convert into microcredit banks, and instead allows individuals, institutions and corporate investors to obtain microcredit bank licences.

According to Section 4 of the draft ordinance, licences to establish microcredit banks may be granted not only to existing microcredit organisations and registered non-profit entities, but also to organisations and multiple individuals using their own capital.

"This could encourage excessive profit-seeking, unethical practices, and governance risks within the sector," reads the statement. They argued that this promotes private ownership at the expense of the sector's principles of community ownership, social accountability and development-oriented values.

MFI leaders also expressed concern that longstanding

READ MORE ON B3



Govt reverses cuts in savings certificate interest rates

STAR BUSINESS REPORT

The government has reversed its recent decision to cut interest rates on savings certificates, reinstating the current rates for the next six months.

The Internal Resources Division (IRD) issued the notification yesterday.

As a result, investors will continue to receive interest at the same rates that were applicable from July 1 to December 31, 2025, until June 30 this year.

Last week, the government issued a gazette notification announcing lower interest rates on all types of savings certificates for the January-June 2026 period.

The move drew criticism as it affected middle- and lower-income investors who rely on savings certificates for financial security, prompting the authorities to reverse the decision.

Interest rates on savings certificates vary based on the size of investment, with higher returns offered on investments of up to Tk 7.5 lakh. Returns decline for investments exceeding this threshold.

Among savings instruments offered by the National Savings Directorate, the Family Savings Certificate remains the most popular. The interest rate at maturity after five years stands at 11.93 percent for investments below Tk 7.5 lakh, while investments above that amount earn 11.80 percent. Both rates remain unchanged.

For Pensioners' Savings Certificates, the interest rate at maturity is 11.98 percent for investments below Tk 7.5 lakh and 11.80 percent for larger investments.

The five-year Bangladesh Savings Certificate offers an interest rate of 11.83 percent for investments below Tk 7.5 lakh and 11.80 percent for investments above the threshold, both of which will remain in force.

Uncertainty hit life insurance in 2024, non-life grew

THE SECTOR AT A GLANCE

- Life insurance premiums fell 1.05% to Tk 11,389cr
- Non-life premiums rose 2.46% to Tk 4,339cr
- Life funds reached Tk 33,232cr, total assets Tk 46,004cr
- MetLife topped life insurers with Tk 3,310cr in premiums
- Non-life assets stood at Tk 11,916cr
- Regulator flagged 32 risky insurers

SUKANTA HALDER

Bangladesh's life insurance sector saw a marginal decline in premium income in 2024 as political instability and economic uncertainty eroded policyholder confidence, while non-life insurers posted modest growth, according to data released recently by the Bangladesh Insurance Association (BIA).

Life insurance companies collected Tk 11,389 crore in premiums last year, down 1.05 percent from Tk 11,510 crore in 2023, reported the BIA, an organisation representing insurance company owners and CEOs.

Data presented at the BIA's annual meeting showed that MetLife Bangladesh ranked first in premium income among the country's 36 life insurers in 2024. The US-based company, which has operated in Bangladesh since 1955, posted premiums of Tk 3,310 crore.

Adeeba Rahman, first vice-president of the BIA and sponsor director of Delta Life Insurance, attributed the slowdown in life insurance business to political and economic disruptions.

"During the previous government's tenure, many field-level officials became politically involved and had absconded, which has disrupted field operations and reduced business activity in certain areas," Rahman told The Daily Star.

Restoring policyholder confidence and ensuring a stable operating environment will be critical for the sector's sustainable growth, she said, adding that delays in settling insurance claims continue to constrain market expansion.

She also pointed to regulatory concerns, noting that the insurance regulator has recently categorised companies as high-risk, medium-risk and strong performers, calling for urgent corrective measures.

In July 2025, the Insurance Development and Regulatory Authority (Idra) placed 32 companies in the "risk" category due to weak governance and fragile financial conditions. Of them, 15 life insurers were classified as "high risk" and considered "unviable," while 17 non-life insurers were categorised as "at risk."

The insurance sector's challenges unfolded against a turbulent political backdrop in 2024, when the Awami League-led government was ousted following a mass uprising in August.

READ MORE ON B2

Prime Bank secures $20m term loan from German investor

STAR BUSINESS DESK

Prime Bank PLC has signed a $20 million term loan agreement with the Invest In Visions Microfinance Fund, a Germany-based impact investor.

Carlos De las Salas Vega, chief investment officer of the Invest In Visions Microfinance Fund, and Hassan O Rashid, chief executive officer of Prime Bank PLC, signed the agreement at a ceremony recently held in Frankfurt, Germany, according to a press release.

The funding will be strategically deployed by Prime Bank for on-lending to micro, small and medium enterprises (MSMEs) across Bangladesh.

The initiative underscores Prime Bank's commitment to promoting financial inclusion and supporting economic growth by strengthening the country's MSME sector, widely regarded as the backbone of the economy.

Established in 1995, Prime Bank has a longstanding record of accomplishment of providing impact-driven banking services to corporate, MSME and retail customers through both conventional and Islamic banking modes.

Shams Abdullah Muhaimin, deputy managing director of the bank, was also present, along with other senior executives from both organisations.

Hassan O Rashid, chief executive officer of Prime Bank PLC, and Carlos De las Salas Vega, chief investment officer of the Invest In Visions Microfinance Fund, pose for a photograph after signing the term loan agreement in Frankfurt, Germany recently. PHOTO: PRIME BANK

BB promotes Sardar, Nabi to director post

Waheduzzaman Sardar

Mahmudun Nabi

STAR BUSINESS REPORT

Bangladesh Bank has promoted Md Waheduzzaman Sardar and Mahmudun Nabi to the post of director, according to separate office order issued on Thursday by the central bank.

Sardar, previously an additional director in the Research Department, has been promoted to director (research) in the same department.

He joined Bangladesh Bank as an assistant director in 2001 and earlier worked in the domestic economy and Islamic economics sub-divisions.

The other promotee, Mahmudun Nabi, has been attached to the Human Resources Department.

Before his promotion, he served as an additional director at the Banking Regulation and Policy Department-2 (BRPD). Nabi joined Bangladesh Bank in 2003.

During his tenure, he served in the Bank Inspection Department, Foreign Exchange Policy Department and BRPD. He holds honours and master's degrees in chemistry from the University of Dhaka and a master's degree in bank management from the BIBM.

Md Nurul Afser, group deputy managing director of Electro Mart, receives certificate and crest from Rambhakta Thakur, former ambassador and election commissioner of Nepal, at an award ceremony in Nepal recently. PHOTO: ELECTRO MART GROUP

Electro Mart Group wins SDG Champion Prize 2025

STAR BUSINESS DESK

Electro Mart Group, a manufacturer of Konka, Gree and Haiko electronics products in Bangladesh, has won the "SDG Champion Prize 2025" for its contribution to achieving key United Nations Sustainable Development Goals (SDGs).

Rambhakta Thakur, former ambassador and election commissioner of Nepal, handed over the certificate and crest to Md Nurul Afser, group deputy managing director of Electro Mart, at an award ceremony recently held in Nepal, according to a press release.

Afser said that every recognition brings new responsibilities, motivating the company to work with greater commitment in the future. He also expressed gratitude to customers, well-wishers, buyers and consumers for their continued trust and confidence in the company's products and services.

The prize recognises Electro Mart Group's contribution to SDG targets 7, 8, 9, 12 and 13 through its manufacturing, marketing and after-sales services in Bangladesh.

The group began its journey in the country by introducing Konka and Gree electronics and later expanded from a trading business into manufacturing.

Since 2018, it has been producing Konka, Gree and its own brand, Haiko, electronics and home appliances at its factory in Narayanganj.

Through technology sharing with China, the company manufactures eco-friendly and modern technology-based products for local consumers.

Asif Bin Idris appointed DMD of BRAC Bank

STAR BUSINESS DESK

Md Asif Bin Idris

BRAC Bank has appointed Md Asif Bin Idris to the post of deputy managing director (DMD) and head of corporate, commercial and institutional banking, effective from December 30, 2025.

Idris will also serve as a member of the bank's management committee, according to a press release.

Prior to joining BRAC Bank, he was serving at Prime Bank PLC as senior executive vice-president and head of commercial banking. He previously worked at HSBC and Eastern Bank PLC.

With over 22 years of banking experience, Idris brings strong expertise in strategic leadership, portfolio management and business transformation. He obtained a Master of Bank Management from the Bangladesh Institute of Bank Management and a Bachelor of Business Studies (BBS) from the University of Rajshahi.

Islami Bank MD honoured at Global NRB Awards-2025

STAR BUSINESS DESK

Md Omar Faruk Khan, managing director of Islami Bank Bangladesh PLC, has received the "Lifetime Excellence in Islamic Banking Leadership Award" at the Global NRB Awards-2025 for his outstanding contribution and dynamic leadership in the Islamic banking sector.

Ahsan H Mansur, governor of Bangladesh Bank, handed over the award to Khan at a ceremony held recently at the Sheraton Dhaka in the capital's Banani, according to a press release.

The award ceremony was organised by NRB World on the occasion of International Expatriates Day on December 30, 2025.

Enamul Haque Enam, founder of NRB World, was also present at the event, along with expatriate entrepreneurs, industrialists, businesspeople, doctors, engineers, scientists, teachers and IT professionals from around 25 countries.

PHOTO: ISLAMI BANK BANGLADESH

Md Omar Faruk Khan, managing director of Islami Bank Bangladesh PLC, receives an award from Ahsan H Mansur, governor of Bangladesh Bank, at the Global NRB Awards-2025 at the Sheraton Dhaka in the capital's Banani recently.

Mutual Trust Bank holds MTB Annual Town Hall 2026

STAR BUSINESS DESK

Mutual Trust Bank PLC (MTB) yesterday held its "Annual Town Hall 2026" in Dhaka.

The town hall focused on reviewing the bank's performance, addressing prevailing challenges and aligning MTB employees with the strategic priorities for the year ahead, with a strong emphasis on rebuilding customer trust and shaping a resilient future.

Rashed Ahmed Chowdhury, chairman of Mutual Trust Bank PLC, inaugurated the daylong programme as the chief guest, according to a press release.

Addressing the gathering, Chowdhury said rebuilding and strengthening trust remains at the core of MTB's journey, noting that integrity, strong governance and consistent customer service are the key pillars guiding the bank's long-term sustainability and progress in an evolving banking landscape.

Syed Mahbubur Rahman, managing director and CEO, outlined the bank's priorities for 2026, highlighting resilience, customer-centric initiatives and operational excellence.

PHOTO: MUTUAL TRUST BANK

Rashed Ahmed Chowdhury, chairman of Mutual Trust Bank PLC, and Syed Mahbubur Rahman, managing director and CEO, pose for a group photograph with participants of the "Annual Town Hall 2026" in Dhaka yesterday.

Uncertainty hit life insurance

FROM PAGE B1

The unrest was followed by a deterioration in law-and-order, business closures and the exposure of major financial scandals involving conglomerates linked to the previous government. Inflation also remained elevated throughout the year.

Despite the drop in premium income, the life insurance sector's life fund grew 4.12 percent to Tk 33,232 crore in 2024, while investments rose 2.48 percent to Tk 34,292 crore, BIA data showed. Total assets increased by 4.22 percent to Tk 46,004 crore.

Rahman said the rise in life funds and assets reflected lower claim outflows, a trend associated with the cyclical maturity of insurance portfolios.

In contrast, the non-life insurance sector maintained growth, with premium income rising 2.46 percent to Tk 4,339 crore in 2024 from Tk 4,235 crore a year earlier.

Quazi Sakhawat Hossain, vice-president of the BIA and sponsor director of Agrani Insurance Company, said continued investment activity, issuance of letters of credit and imports of essential goods helped sustain demand in the non-life segment.

While some areas, particularly marine and industrial insurance, experienced slowdowns, overall demand remained resilient due to the country's growing consumer base, he said.

Total assets in the non-life sector increased 2.29 percent to Tk 11,916 crore, although investments declined 2.74 percent to Tk 5,614 crore.

Nasir Uddin Ahmed, former president of the BIA and current vice-chairman of Karnaphuli Insurance, said the size of Bangladesh's economy is growing steadily, and this is the main reason behind the increase in premium income in the non-life sector.

According to Idra, Bangladesh currently has 36 life insurance companies and 46 non-life insurers.

Economic stability returning, but full recovery will take time: PRI

STAR BUSINESS REPORT

Bangladesh has made modest progress toward economic stabilisation, but it may take time for all indicators to stabilise, as many challenges remain, according to the private think-tank Policy Research Institute (PRI).

The progress is reflected in a stable exchange rate, a build-up of foreign reserves, and moderate improvements in inflation. However, PRI said fiscal and banking sector reforms have been limited. The adjustment has come with slow economic growth, stagnant investment, rising unemployment, and declining real wages.

"Economic policymaking in 2026 cannot assume that stability will return soon," said Ashikur Rahman, principal economist at PRI, during a keynote presentation at PRI's monthly macroeconomic insights event yesterday, jointly organised with the Australian Department of Foreign Affairs and Trade at the PRI office.

He added that policy must embrace uncertainty and build strategies around it. "Policy frameworks must be flexible. Institutions must be capable of mobilising real-time responses. Decisions must be timely, credible, and anchored in preparedness," Rahman said.

Looking ahead to 2026, he said, "Perpetual instability -- both external and domestic -- is no longer an exception; it has become the new normal. Global geopolitical shocks, wars, trade disruptions, climate volatility, and shifting international economic dynamics will continue to test our resilience.

Despite moderate improvements in inflation, commodity prices have remained elevated, posing a challenge for the economy. PHOTO: STAR/FILE

"At the same time, internal political uncertainty, institutional stress, and governance challenges will keep shaping macroeconomic management."

Rahman also likened the economy to a forest, saying, "In many ways, we must behave like a deer in a forest -- always alert, aware of our environment, attuned to early warning signals, and ready with a crisis-time economic playbook.

"What seems stable today can become chaotic tomorrow. Survival and progress in this new world will depend on vigilance, adaptability, discipline, and readiness to act decisively."

According to PRI, Bangladesh's GDP growth slowed to 3.4 percent in Q4 of FY25, mainly due to weaker performance in industry and services. Private consumption and government spending eased, while investment growth remained low at 1.8 percent due to high borrowing costs and political uncertainty.

Strong remittances and higher foreign reserves support macroeconomic stability and could boost consumption and investment as inflation eases. However, political instability and policy uncertainty ahead of elections remain major downside risks, PRI said.

Sustained recovery will depend on political stability, credible elections, and structural reforms to restore investor confidence and boost productivity, the think-tank added.

The external sector continues to improve. Between July and October FY26, Bangladesh's Balance of Payments showed a $1.1 billion surplus, mainly from a stronger financial account. Remittance inflows rose 20 percent during July-November of FY26.

"There has been some stability in foreign exchange reserves and the exchange rate. However, the country's economic growth and investment have slowed," said Kamran T Rahman, president of the Metropolitan Chamber of Commerce and Industry.

He added, "High inflation, uncontrolled non-performing loans in the banking sector, and a very low tax-to-GDP ratio remain key challenges for the economy."

Rahman also highlighted the importance of political stability, energy security, and policy certainty in restoring business confidence.

At the seminar, speeches were also delivered by PRI Executive Director Khurshid Alam and Research Director Bazlul Haque Khondker, among others.

Competition in govt purchase rises after new rules

STAR BUSINESS REPORT

Competition in public procurement has intensified after amending the government procurement rules, with the number of bids per tender rising to 8.5 by the end of last year from just 2.7 three months earlier, according to government data.

The increase follows the changes to the Public Procurement Rules in September 2025, which replaced the previous purchasing guidelines.

To enhance transparency and improve efficiency in procurement, the new framework made electronic Government Procurement (eGP) mandatory for all public purchases. It also scrapped the 10 percent price ceiling for bids and opened the door for participation by non-government organisations.

The developments on increased competition were shared at a meeting in Dhaka yesterday by SM Moin Uddin Ahmed, chief executive officer of the Bangladesh Public Procurement Authority. The meeting was chaired by Planning Adviser Wahiduddin Mahmud.

Ahmed said registration on the eGP platform had doubled within three months, pointing to growing interest among bidders and wider engagement with the system.

The planning adviser welcomed the progress and instructed the authority to communicate the developments to all relevant stakeholders to build confidence and awareness. He said the current interim government had undertaken a series of far-reaching reforms aimed at delivering tangible benefits for public institutions and citizens.

He described the Public Procurement Amendment Ordinance 2025 and the Public Procurement Rules 2025 as "landmark developments" in improving transparency and strengthening the public procurement framework.

At the meeting, the planning adviser also inaugurated a redesigned public procurement mobile application titled "Public Procurement Mirror (Sorkari Kroy Dorpon)".

The app is now available on both Android and iOS platforms. It has been redesigned and rebranded in line with the amended Public Procurement Act and the newly enacted Public Procurement Rules.

China to apply lower import tariff rates to unleash market potential

ANN/CHINA DAILY

China will apply provisional import tariff rates lower than the most-favored-nation rates on 935 items starting on Jan 1, a move market observers and company executives said will further unleash domestic purchasing potential and create wider opportunities for global businesses.

In a statement released on Monday, the Customs Tariff Commission of the State Council, China's Cabinet, said the provisional import tariffs will be applied as part of an annual tariff adjustment plan, which will "increase the import volume of quality products" and "support China's pursuit of high-level opening-up".

For example, China will reduce tariffs on critical components and advanced materials, such as computer-controlled hydraulic cushions for presses and heteromorphic composite contact strips, easing costs for the high-end manufacturing sector and accelerating the development of a modern industrial system.

The new tariff adjustment plan will also support the country's green transition by reducing duties on resource-related inputs, such as recycled black mass for lithium-ion batteries and unroasted iron pyrites. To improve public health, it will lower tariffs on items including artificial blood vessels and diagnostic kits for certain infectious diseases.

Noting that these opening-up measures will help chart a clear path toward high-quality development, Anna An, president of the China unit of German industrial and consumer goods group Henkel, said that China's evolving policy environment is providing greater clarity and confidence for long-term investment and trade.

An said that Henkel continues to see the Chinese market demonstrating strong resilience and solid long-term growth potential, especially in areas such as expanding domestic demand and boosting consumption, innovation-driven growth and progress for achieving the country's dual-carbon goals.

To underscore its continued commitment to the market, the German company will step up the introduction of its high-tech products in China and continue to scale up local manufacturing operations in the years ahead, she added.

Zhou Mi, a senior researcher at the Chinese Academy of International Trade and Economic Cooperation, said that China dynamically adjusts its tariff rates annually in response to evolving external conditions, and these adjustments have sent clear policy signals and enhanced the stability of market expectations.

"By announcing next year's tariff schedule in advance, the policy will enable domestic importers and foreign exporters interested in the Chinese market to accurately anticipate future tariff levels, effectively assess costs, reduce uncertainty, and proactively plan and scale their supply capabilities," he added.

Xiao Jinfeng, foreign trade manager at Asia Vital Components (Dongguan) Co, a manufacturer of computer cases, servers and cooling fans based in Dongguan, Guangdong province, said the government's new tariff adjustment plan will lower the company's cost of importing storage-battery components and industrial valves, among other things.

"As we will add new production lines to drive upgrading and move into emerging areas such as advanced liquid-cooling solutions for cloud-based artificial intelligence data centers next year, high-end foreign products and technical services are certainly needed," she said.

Opec+ keeps oil output steady

REUTERS, *Dubai/London*

Opec+ kept oil output unchanged on Sunday after a quick meeting that avoided discussion of the political crises affecting several of the producer group's members.

The meeting of eight members of Opec+, which pumps about half the world's oil, came after oil prices fell more than 18 percent in 2025.

"Right now, oil markets are being driven less by supply-demand fundamentals and more by political uncertainty," said Jorge Leon, head of geopolitical analysis at Rystad Energy.

Exports fell nearly 5% in 2025

FROM PAGE B1

In its monthly report, the EPB said weakening global demand, US tariffs, intensifying competition, rising production costs and ongoing geopolitical uncertainty had created heavy external pressure on export performance.

Domestic challenges also played a role. Industry leaders cited volatile political conditions and limited access to bank financing as key constraints on exporters.

Amid the gloom, there were some brighter notes. Md Abul Hossain, chairman of the Bangladesh Jute Mills Association, said exports of jute and jute goods had risen over the past six months, driven by stronger shipments of value-added products.

Md Shehab Udduza Chowdhury, vice-president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said demand from the United States weakened as prices rose following the tariffs.

Exports to the European Union, he added, were hurt by lower-priced shipments from competitors such as China, India and Vietnam.

MFIs concerned

FROM PAGE B1

problems in the broader financial sector, including defaulted loans, corruption and weak governance, could spill over into microcredit if the ordinance is enacted, potentially damaging the sector's credibility built over several decades.

They further said no consultation had been held with licensed MFIs prior to drafting the ordinance, despite the fact that many institutions could be directly affected by the proposed changes.

The leaders of the MFIs said they have already presented reform proposals for the microfinance sector aimed at enhancing efficiency, governance, and sustainability without compromising its social mission.

"Overall, we think the proposed Microcredit Bank Ordinance 2025 is not microcredit-friendly. It will not address existing challenges. Instead, it could create new and deeper crises," the statement said.

They urged the government to reconsider the drafting process and engage in meaningful dialogue with all relevant stakeholders before moving forward.

Among others, Zakir Hossain, executive director of Bureau Bangladesh; Hosne-Ara Begum, executive director of TMSS; Santosh Paul, acting executive director of the Society for Social Services (SSS); Md Alauddin Khan, executive director of the National Development Programme (NDP); Zahida Fizza Kabir, executive director of Sajida Foundation; Md Emdadul Haque Chowdhury, principal adviser of Inter Society for Development; Md Saleh Bin Sums, executive director of Padakkhep Manabik Unnayan Kendra; AKM Shirajul Islam, executive director of BASA Foundation; Aftabur Rahman Jafree, chief executive officer of Ghasful; Rezaul Karim Chowdhury, executive director of COAST Foundation; Khaleda Shams, executive director of Palli Bikash Kendra (PBK); Mifta Naim Huda, executive director at Centre for Development Innovation & Practice; Imrul Kayes Muniruzzaman, executive director of RDRS Bangladesh; Khursid Alam, executive director of CODEC; and Md Abu Zaher Alam, executive director of FDS, Faridpur, signed the statement.

Is NEIR a surveillance tool?

MAHMUDUL HASAN

When the government introduced the National Equipment Identity Register (NEIR), it was presented as a technical solution to a practical problem: stopping illegal mobile phones, blocking stolen devices, and bringing order to Bangladesh's chaotic handset market.

Officially, NEIR is described as a regulatory system, not a surveillance mechanism. Yet, since its announcement, a persistent question has followed it: can NEIR function as a tool for surveillance?

To answer this, it is important to first understand what NEIR does and what it does not do.

NEIR is based on three core identifiers: IMEI (International Mobile Equipment Identity), IMSI (International Mobile Subscriber Identity), and the Mobile Station International Subscriber Directory Number (MSISDN or phone number).

At its core, NEIR is a national database that records the identity of mobile phones and links them to SIM (Subscriber Identity Module) cards.

Every mobile phone has a unique 15-digit IMEI, much like a fingerprint for the device. Every SIM card also carries its own unique code, IMSI, and every phone number is tied to a registered user.

NEIR brings all these elements together in one central system. When a phone connects to a mobile network, its identity is checked against NEIR to determine whether it should be allowed to operate.

From a regulatory point of view, this makes sense. A stolen phone can be blocked nationwide. Smuggled or counterfeit handsets can be shut out of the network. Consumers are protected, and the government gains control over an industry that has long operated with loopholes.

PHOTO: STAR/FILE

NEIR is a national database that records the identity of mobile phones and links them to SIM (Subscriber Identity Module) cards.

By permanently linking a physical device, a SIM card, and a phone number, NEIR creates a digital identity for every mobile user. This does not mean the system listens to calls or reads messages. But it does mean that the state has the technical ability to know which device is being used with which SIM, and when that device connects to the networ

However, the very features that make NEIR effective also raise concerns.

By permanently linking a physical device, a SIM card, and a phone number, NEIR creates a strong digital identity for every mobile user. This does not mean the system listens to calls or reads messages like traditional surveillance tools -- it does not.

But it does mean that the state has the technical ability to know which device is being used with which SIM, and when that device connects to the network.

Mobile phones constantly communicate with network towers, even when users are not making calls. As a result, telecom networks naturally generate large amounts of metadata.

When such data is centralised in a single national system, it becomes easier to trace patterns of use, movement, and association, especially if the system is later linked with other databases, said an expert.

This is where the surveillance debate begins. NEIR itself is not a classic surveillance system. It does not monitor conversations, intercept messages, or spy on internet activity.

Those functions belong to separate lawful interception systems.

"It may not watch you directly, but it can make watching easier if other systems are brought into play," the expert added, wishing anonymity.

Globally, similar systems exist in many countries, including India and Pakistan. None of them is officially labelled as surveillance tools.

In Australia, mobile phone users are protected through a nationwide system that blocks lost or stolen handsets across all mobile networks.

This protection is provided through an industry-led programme run by the Australian Mobile Telecommunications Association (AMTA), rather than direct government intervention.

In the United Kingdom, if you report your phone lost or stolen to your network provider, they will block its IMEI across all UK mobile networks, making the device useless even with a new SIM card.

Rakibul Hassan, an automation expert and author of books on artificial intelligence, said there are widespread fraudulent activities involving digital financial and booking platforms, many of which are difficult for law-enforcement agencies to trace due to weak device-level traceability.

As the world moves rapidly towards a digital economy, almost all transactions, money transfers, services, and even personal profiles are now dependent on mobile connectivity.

In this context, a properly implemented NEIR system can act as a deterrent against scams by preventing anonymous and device-based misuse, he said.

Countries that have robust identity frameworks usually integrate national ID systems, mobile numbers, and device registration mechanisms.

In Bangladesh, while the national ID system exists, it is still not fully and systematically linked with mobile numbers and device identities, creating both enforcement gaps and governance risks.

To address surveillance concerns, Hassan said that the system must operate under strict legal safeguards. Any access to NEIR data, blocking decisions, or cross-system integration should be subject to judicial or quasi-judicial oversight. Arbitrary decisions by regulatory bodies or the government should not be permitted.

ANALYSIS

Fahim Mashroor, former president of the Bangladesh Association of Software and Information Services, said, "To me, it's not a surveillance tool, as it is not a targeted system but rather general in scope. Online gambling and financial fraud have grown to an unbearable extent, draining huge amounts of money out of the country. NEIR can help combat these issues."

Rezaur Rahman Lenin, a human rights activist, said there is a misconception about the NEIR system. Mobile phone users and anyone who encounters it should understand that NEIR is not a surveillance tool.

The relevant question is whether the state ensures efficient, appropriate, and timely protection in the context of communication surveillance, including its tools and techniques.

"However, this must be done in strict accordance with the law, its principles, and the protections it affords. The national laws and policies of Bangladesh on communication surveillance must strike a proper balance between security needs and privacy rights, emphasising legality, necessity, proportionality, transparency, and due process."

An integrated system is necessary. However, the problem is that the series of ordinances related to the digital ecosystem enacted by the interim government -- such as the Cyber Security Ordinance, Personal Data Protection Ordinance, and National Data Governance Ordinance -- have individually and collectively already created a strong surveillance capacity in the hands of the authorities, which can be exercised with hardly any accountability," said Dr Iftekharuzzaman, executive director of Transparency International Bangladesh.

"As a result, the data generated through this system carries a risk of further reinforcing this unaccountable surveillance capacity," he said.

"The implication is that any government of the day may use this digital platform and the wider ecosystem around it at will for targeted suppression of dissent, free speech, and media, and compromise the right to privacy of mobile handset users, recreating the same system of rule by intimidation as under the authoritarian regime that the July Movement fought against. Strong legal provisions must be created to prevent unacceptable surveillance with mandatory judicial oversight," he added.

Faiz Ahmad Taiyeb, special assistant to the chief adviser with executive authority over telecom and ICT, said that the amended telecom ordinance, approved by the advisory council on December 24, includes provisions to protect device users.

"The ordinance adds a clause barring surveillance or harassment of citizens through SIM and device registration, making any violation a punishable offence," he added.

Bangladesh is producing graduates, not skills

MASUD KHAN

Every year, Bangladesh adds several lakhs of new graduates to the labour market. More than a hundred public and private universities, along with thousands of colleges and polytechnic institutes, produce degree holders full of hope. Yet for many young people, graduation marks the beginning of prolonged unemployment or underemployment. Youth unemployment has become a structural crisis, rooted not in a lack of talent, but in an education system that prioritises certificates over competence and memorisation over skills.

Bangladesh operates one of the most fragmented education systems in the world. Bangla medium, English medium, madrasah, quomi madrasah, ebtedayee, technical and vocational streams coexist with little coordination. Instead of building a coherent national framework, policies have often shifted in response to political ideology or short-term objectives. The result is wide inconsistency in learning outcomes. Students graduate with so-called "equivalent" qualifications but vastly different competencies, leaving employers uncertain and graduates ill-prepared for work.

At the heart of the problem lies an outdated obsession with book learning. From primary school to university, students are trained to memorise textbooks, guidebooks and exam answers. Academic success is measured by grades, not by the ability to think critically, communicate clearly or apply knowledge. This produces graduates who may perform well in examinations but struggle with basic workplace requirements such as writing a professional email, making a presentation, analysing a problem or working in teams.

No education system can rise above the quality of its teachers. In Bangladesh, teaching has gradually lost professional prestige due to low pay, limited training, weak accountability and political interference. In rural areas, absenteeism and outdated teaching methods remain common. Despite government investment in ICT infrastructure, computers and internet facilities in many rural schools are underutilised. Many teachers lack confidence in digital tools and fear that online educational content will expose gaps in their own knowledge. In many areas, teachers depend heavily on paid private tuition, and wider access to online learning could reduce student reliance on coaching. As a result, students are sometimes discouraged from using digital resources.

The gap between academic learning and practical competence is particularly evident in professional education. Engineering universities emphasise theory and written examinations, while hands-on training remains limited. Civil engineering graduates, for example, may lack a practical understanding of construction basics such as proper curing after roof casting. Mechanical or electrical graduates may struggle with simple repairs or fault diagnosis. Business, management and IT education reflect similar weaknesses. Graduates often memorise theories but lack workplace-ready skills, forcing employers to invest heavily in retraining.

The rapid commercialisation of university education has further weakened the quality. While private universities have expanded access, many operate primarily as profit-driven ventures, prioritising enrolment numbers over academic rigour. Weak regulation, overreliance on part-time faculty, and a limited research culture have diluted standards. Degrees have increasingly become commodities rather than reliable indicators of competence, contributing to graduate unemployment.

Vocational education, which could offer a practical alternative, continues to carry social stigma. Despite policy commitments, technical institutions suffer from outdated equipment, weak industry linkages and corruption in certification. Ironically, while graduates remain unemployed, industries report shortages of skilled technicians and mid-level professionals.

The solution lies not in producing more graduates, but in producing graduates equipped with workplace skills. Education reform must shift from exam-based assessment to skill-based learning. Practical training, supervised internships and project work should be mandatory across disciplines. Teachers must be properly trained, fairly paid and incentivised to embrace technology rather than resist it. ICT should be a daily learning tool, not a locked cupboard.

The youth unemployment crisis in Bangladesh is not a failure of young people. It is a failure of systems that reward memorisation over skills and certificates over capability. Unless education is reoriented towards competence, adaptability and real-world relevance, degrees will continue to multiply while opportunities remain out of reach. With honest and sustained reform, the country can still turn its youthful population into its greatest strength.

The writer is the chairman of Unilever Consumer Care Ltd

No quick wins in tapping Venezuela's oil reserves

REUTERS, *Miami*

Venezuela is unlikely to see any meaningful boost to crude output for years even if US oil majors do invest the billions of dollars in the country that President Donald Trump promised just hours following Nicolás Maduro's capture by US forces.

The South American country may have the world's largest estimated oil reserves, but output has plummeted over the past decades amid mismanagement and a lack of investment from foreign firms after Venezuela nationalized oil operations in the 2000s that included the assets of Exxon Mobil and ConocoPhillips.

Any companies that might want to invest there would need to deal with security concerns, dilapidated infrastructure, questions about the legality of the US operation to snatch Maduro and the potential for long-term political instability, analysts told Reuters.

American firms won't return until they know for sure they will be paid and will have at least a minimal amount of security, said Mark Christian, director of business development at CHRIS Well Consulting. He also said the companies would not go back until sanctions against the country are removed.

Venezuela would also have to reform its laws to allow for larger investment by foreign oil companies.

Venezuela nationalized the industry in the 1970s, and in the 2000s ordered a forced migration to joint ventures controlled by its state oil company, PDVSA . Most companies negotiated exits and migrated, including Chevron, while a handful of others did not reach deals and filed for arbitration.

THERE IS A LOT THAT COULD GO WRONG

"If Trump at all can produce a peaceful transition with little resistance, then in five to seven years there is a significant oil-production ramp up as infrastructure is repaired and investments get sorted out," Thomas O'Donnell, an energy and geopolitical strategist, told Reuters, adding that heavy crude produced in the country works well with US Gulf Coast refineries and can also be blended with lighter oil produced from fracking.

But that would depend on everything going right, and there's a lot that could go wrong.

"A botched political transition that has a feeling of US dominance can lead to years of resistance," O'Donnell said, noting armed groups of citizens and guerrilla groups that operate in the country.

Chevron would be positioned to benefit the most from any potential oil opening in Venezuela, said Francisco Monaldi, director of the Latin America Energy Program at Rice University's Baker Institute in Houston. Other US oil companies would be paying close attention to political stability and would wait to see how the operational environment and contract framework unfolded, he added.

Venezuela - a founding member of Opec with Iran, Iraq, Kuwait and Saudi Arabia - produced as much as 3.5 million barrels per day in the 1970s, which at the time represented over 7 percent of global oil output. Production fell below 2 million bpd during the 2010s and averaged around 1.1 million bpd last year, or just 1 percent of global production.

CHEVRON IS THE ONLY US OIL MAJOR OPERATING IN VENEZUELA

Chevron is the only American major currently operating in Venezuela. Conoco has been seeking billions for the takeover of three oil projects nearly two decades ago, while Exxon was also involved in lengthy arbitration cases against Venezuela after it exited the country nearly two decades ago.

"The company that probably will be very interested in going back is Conoco, because they are owed more than $10 billion, and it's unlikely that they will get paid without going back into the country," Monaldi said.

Exxon could also return, but is not owed as much money, he added.

"ConocoPhillips is monitoring developments in Venezuela and their potential implications for global energy supply and stability. It would be premature to speculate on any future business activities or investments," a company spokesperson said in emailed comments to Reuters.

Workers of the Venezuelan state oil company PDVSA are seen at the El Palito refinery in Puerto Cabello, Venezuela. The South American country may have the world's largest estimated oil reserves, but output has plummeted over the past decades.

PHOTO: AFP/FILE

Chevron, which exports around 150,000 bpd of crude from Venezuela to the US Gulf Coast, has had to carefully maneuver with the Trump administration in an effort to maintain its presence in the country over the past year. CEO Mike Wirth said in December that he had spoken with the Trump administration about what he said was the importance of maintaining an American presence in the country through multiple political cycles.

The oil firm has been in Venezuela for over 100 years and said on Saturday that it is focused on the safety and well-being of its employees, in addition to the integrity of its assets. "We continue to operate in full compliance with all relevant laws and regulations," a Chevron spokesperson said in an emailed response to questions.

Exxon did not immediately respond to questions from Reuters.

Opec and allies met on Sunday and maintained the current oil output policy. The group has been increasing production since last year, stoking concerns of a global supply glut, but has agreed to pause oil output hikes for January, February and March.

Ed Hirs, an energy fellow at University of Houston, said recent events in Venezuela would have little impact on US prices for oil and gasoline for now, with much of the country's production going to Cuba and China at the moment.