

Star BUSINESS



Onion prices fall as 52,000 tonnes were imported in a month

SUKANTA HALDER and MOHAMMAD SUMAN

Bangladesh has imported over 52,000 tonnes of onions since the government's approval in December to stabilise supply and meet rising consumer demand.

Since December 7, the government has so far approved the import of 73,050 tonnes of onions, according to the data of the Department of Agricultural Extension (DAE).

The steady imports have led to a decrease in retail onion prices in the country, bringing some relief for consumers dealing with high inflation, which stood at 8.49 percent last month.

"All the onions imported so far have come from India," said Boni Amin Khan, additional deputy director for import at the plant quarantine wing of the DAE, which issues the phytosanitary certificates required for importing any plant into the country.

Last month, onion prices in the retail market surged past Tk 150 per kilogramme (kg) within a week. In response, the Ministry of Agriculture announced that only importers who had applied for import permits since August 1 would be eligible to import onions.

PRICES FALL AS SUPPLY INCREASES

Currently, imported onions are being sold at the retail level for Tk 65-Tk 72 per kg in different kitchen markets across Dhaka and Chattogram, according to the retailers.

For importers, including transportation and other ancillary expenses, the landed cost ranges between Tk 50 and Tk 52 per kg, they said.

READ MORE ON B3

NBFI depositors may get money back before Ramadan

Says central bank governor, as the legal process to wind up nine non-banks begins this week

Liquidating NBFIs

FAS Finance, BIFC, Premier Leasing, Fareast Finance, GSP Finance, Prime Finance, Aviva Finance, People's Leasing and International Leasing

<p>They hold</p> <p>Total deposit of Tk 15,370cr</p> <p>Individual deposit of Tk 3,525cr</p> <p>Banks and corporate deposit of Tk 11,845cr</p>	<p>NBFI depositor repayment</p> <p>Govt has given verbal approval for about Tk 5,000cr</p> <p>Asset valuation will decide how much can be recovered</p>	<p>FIVE MERGING BANKS</p> <p>May see forensic audits to identify past irregularities</p> <p>Their officials linked to old scams may face dismissal</p>	<p>Depositor activity in last two days</p> <p>Withdrawals: Tk 107cr</p> <p>New deposits: Tk 44cr</p> <p>Total transactions: 13,314</p> <p>Highest withdrawals: Tk 66cr at EXIM Bank</p>
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STAR BUSINESS REPORT

Individual depositors of nine ailing non-bank financial institutions (NBFIs) lined up for liquidation may get back their principal amounts before Ramadan in February, said Bangladesh Bank Governor Ahsan H Mansur.

At a press conference at the central bank headquarters yesterday, Mansur said the legal process for liquidation would begin this week.

In December last year, the central bank moved to wind up the non-banks after its board approved their closure under the newly enacted Bank Resolution Ordinance 2025, the country's first comprehensive framework for resolving failing banks and non-banks.

The nine NBFIs are FAS Finance, Bangladesh Industrial Finance Company, Premier Leasing, Fareast Finance, GSP Finance, Prime Finance, Aviva Finance,

People's Leasing, and International Leasing.

According to central bank data, they hold Tk 15,370 crore in deposits, of which Tk 3,525 crore belongs to individuals and Tk 11,845 crore to banks and corporate clients.

According to central bank officials, the government has verbally approved around Tk 5,000 crore to repay the non-bank depositors.

"From this week, we are going to initiate the legal process to declare them non-viable and carry out asset valuations," Mansur said.

"This will determine whether they have negative or positive assets, and based on that assessment, a decision will be made on whether shareholders will receive anything or not," he added.

MERGING BANKS MAY FACE FURTHER AUDIT FOR SCAM LINKS

The five banks currently being

merged will undergo further forensic audits to identify officials involved in irregularities and scams during the previous regime, Mansur said.

He said those found responsible are likely to lose their jobs.

Over the past two days, the governor said depositors of the merging banks withdrew Tk 107 crore, while fresh deposits of Tk 44 crore were made.

"A total of 13,314 transactions took place over the last two days... The volume of withdrawals is much lower than what we had anticipated," Mansur said.

Among the five banks, EXIM Bank recorded the highest withdrawals at Tk 66 crore.

The governor said that depositor confidence had not eroded entirely, as new deposits continued during the same period. "Those who place new deposits will be able to withdraw their money at any time," he added.

READ MORE ON B3

Inflation rises to 8.49% in December

MD ASADUZ ZAMAN

Following months of a brief pause, inflationary pressures continued to rise in December for the second consecutive month.

Headline inflation reached 8.49 percent in the last month of the year, up from 8.29 percent in November and October's 39-month low of 8.17 percent, according to data released by the Bangladesh Bureau of Statistics (BBS) yesterday.

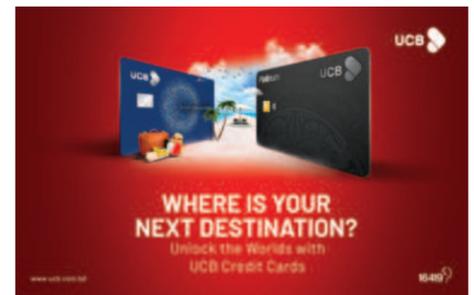
For low and fixed-income households in both rural and urban areas, the latest increase adds fresh pressure on the cost of food and non-food essentials.

Economists say inflation is turning red-hot again despite the central bank's tightened monetary stance, pointing to supply-side constraints rather than rising demand as the main driver of price increases.

While this view questions the effectiveness of the current high policy rate and calls for closer market monitoring, economists still support keeping lending rates elevated.

In December, food inflation climbed to 7.71 percent from 7.36 percent in November, adding pressure on household budgets as prices of essential items edged up.

Non-food inflation also increased slightly to 9.13 percent from 9.08 percent a month earlier.



BBS data showed that the consumer price index (CPI), which tracks changes in the cost of a basket of goods and services, rose in both rural and urban areas.

According to the Trading Corporation of Bangladesh (TCB), prices of essential food items such as rice, flour, edible oil and lentils were higher in December compared to the same month last year.

Bangladesh has been facing persistent inflation for nearly three years. Consumer prices remained above 9 percent until May 2025 and have stayed above 8 percent since then, raising questions about the effectiveness of recent economic policies.

However, in index terms, food inflation showed a slight easing in December. The food CPI declined to 142.88 in December from 146.66 in November, although it increased on a year-on-year basis, BBS data showed.

"Inflation remains very high, and the data show no clear sign of a lasting decline,"

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Mashrur Arefin, Ahsan Zaman elected ABB chairman, secretary general

STAR BUSINESS REPORT

Mashrur Arefin, managing director and CEO of City Bank PLC, and Ahsan Zaman Chowdhury, managing director and CEO of Trust Bank PLC, have been elected chairman and secretary general, respectively, of the Association of Bankers, Bangladesh (ABB) for a two-year term (2026-27).

The leadership team was elected at the association's 28th annual general meeting, held recently in Dhaka, according to a press release.

With more than 31 years of banking experience, Arefin has been leading City Bank for the past seven years.

He previously served as interim chairman of the association for seven months and currently chairs the SWIFT Members & Users Group in Bangladesh.

Chowdhury began his professional banking career at AB Bank Limited

in 1986 and later joined Eastern Bank Limited in 1998. He has been serving as managing director and chief executive officer of Trust Bank since July 2024.

Hassan O Rashid, managing director and chief executive officer of Prime Bank PLC; Mohammad Ali, managing director and chief executive officer of Pubali Bank PLC; and Mohammad Mamdudur Rashid, managing director and chief executive officer of United Commercial Bank PLC, were also elected vice-chairmen of the association.

Tarek Reaz Khan, managing director and chief executive officer of NRB Bank PLC, and Mirza Elias Uddin Ahmed, managing director and chief executive officer of Jamuna Bank PLC, were elected treasurer and joint secretary, respectively.

The meeting also elected 12 bank managing directors and chief executive officers as members of ABB's board of governors.



The newly elected committee of the Association of Bankers, Bangladesh, led by its chairman Mashrur Arefin, poses for a group photograph after the association's 28th annual general meeting in Dhaka recently. PHOTO: CITY BANK



Munia Ghani, head of partnership and marketing at Grameenphone Limited, and HM Mostafizur Rahman, head of the retail business division of Dhaka Bank PLC, pose for a photograph after signing the memorandum of understanding in Dhaka recently. PHOTO: DHAKA BANK

Grameenphone clients to get auto loans from Dhaka Bank

STAR BUSINESS DESK

Dhaka Bank PLC has entered into a strategic partnership agreement with the country's leading mobile operator, Grameenphone Limited, through the signing of a memorandum of understanding (MoU).

HM Mostafizur Rahman, head of the retail business division of Dhaka Bank PLC, and Munia Ghani, head of partnership and marketing at Grameenphone Limited, signed the MoU in Dhaka recently, according to a press release.

Under the collaboration, GPStar Signature and Platinum customers will gain access to Dhaka Bank auto loans with exclusive privileges, preferential interest

rates and attractive value-added benefits. As part of the agreement, Dhaka Bank is introducing a dedicated car loan package for GPStar Signature and Platinum customers with enhanced features.

The facility will support financing for both brand-new and pre-owned vehicles, making car ownership simpler and more affordable. The partnership aims to ensure a seamless and hassle-free auto financing experience for customers, enhancing convenience while expanding access to premium automobile ownership.

The collaboration also reinforces Dhaka Bank's commitment to delivering innovative retail banking solutions and strengthening its footprint in the consumer finance segment.

Dollar rallies

REUTERS, Tokyo

The dollar started the first full trading week of 2026 with a broad rally, climbing to a 3-1/2-week peak versus the euro and hitting two-week highs against the yen, Swiss franc and Canadian dollar.

Currency traders largely looked past the United States' weekend raid in Venezuela and the capture of President Nicolas Maduro, focusing instead on a slate of US macroeconomic indicators due this week that could be crucial in steering Federal Reserve policy.

The dollar advanced 0.3 percent to \$1.1682 per euro, after earlier touching its strongest level since December 10 at \$1.1672.

It climbed as high as 157,295 yen, 0.7951 Swiss franc and CSI.37771, all of which were the highest levels since December 22.

"I dare say the FX complex is not much of a reflection of risks stemming from Venezuela, but more about what the US data is going to tell us about the Fed's policy path," said Kyle Rodda, senior financial markets analyst at Capital.com.

Currency traders largely looked past the United States' weekend raid in Venezuela, focusing instead on a slate of US macroeconomic indicators due this week

A recent run of resilient US data has markets contemplating a potentially slower pace of interest rate cuts this year, he said.

The data rollout this week begins with ISM manufacturing figures on Monday and culminates with the monthly non-farm payrolls report on Friday. Traders currently expect two US rate cuts this year, according to LSEG calculations based on futures.

Investors are also awaiting US President Donald Trump's choice for the next Fed chair, with Jerome Powell's term ending in May. Trump has said he will announce his pick this month, and has said Powell's successor will be "someone who believes in lower interest rates, by a lot."

Meanwhile, Bank of Japan Governor Kazuo Ueda said on Monday that the central bank will continue to raise rates if economic and price developments move in line with its forecasts. It is a view he has reiterated several times in recent months, including after December's as-expected decision to raise rates to a three-decade high.

UCB saw Tk 13,000cr deposit growth in 2025

STAR BUSINESS DESK

United Commercial Bank PLC (UCB) posted a year-on-year deposit growth of nearly Tk 13,000 crore in 2025, more than three times the Tk 4,082 crore recorded a year earlier.

The surge marks the highest deposit growth in the bank's history, according to a press release.

To celebrate the milestone, UCB organised events across its branches and offices nationwide, bringing employees together to mark the achievement. Sharif Zahir, chairman of United Commercial Bank PLC, inaugurated the celebrations as the chief guest.

"The nearly Tk 13,000 crore deposit growth clearly reflects our customers'

unwavering confidence in UCB," Zahir said. "While this trust is a great source of pride, it also comes with significant responsibility."

He added that during the year the bank financed exports worth around \$3.3 billion and a nearly equal volume of imports, demonstrating UCB's resilience despite a challenging dollar market. Zahir also thanked the bank's employees for their contribution to the milestone.

Mohammad Mamdudur Rashid, managing director and chief executive officer, said the achievement reflected the professionalism, integrity and collective commitment of the bank's workforce.

"When numbers speak for themselves and trust becomes the strongest

foundation, success naturally follows," he said, adding that the bank would continue to focus on customer-centric banking, disciplined risk management and sustainable growth.

UCB also reported a sharp expansion of its customer base. While 4.11 lakh new accounts were opened in 2024, the number rose to 6.78 lakh in 2025, underscoring growing public confidence in the bank's financial strength and service quality.

At the same time, the bank strengthened its financial discipline by reducing its advance-to-deposit ratio from 91.30 percent in 2024 to 83 percent in 2025, reflecting improved liquidity management and enhanced financial stability.



Mohammad Mamdudur Rashid, managing director and chief executive officer of United Commercial Bank PLC, inaugurates a programme at the bank's head office in Dhaka yesterday to celebrate the achievement. PHOTO: UCB

Gain and pain will battle for leading role in 2026

REUTERS, London

The world economy is making a surprising habit of shrugging off unpleasant shocks. Since 2020, the planet has weathered a global pandemic, inflation, sharply rising interest rates, and the outbreak of war without a major slump. In 2025, a tsunami of enthusiasm about artificial intelligence offset the disruptive effects of US President Donald Trump's trade turmoil, keeping economies and financial markets humming. Opposing forces are preparing to battle for supremacy again in 2026. The stage is set for a turbulent contest between gain and pain.

The incredible resilience of global commerce and finance was on full display after Trump returned to the Oval Office in early 2025. He quickly delivered the tariff shock that many had assumed was an elaborate bluff, took a chainsaw to Washington bureaucracy, alienated close US allies, and attacked the independence of the Federal Reserve. Yet an extraordinary splurge of investment in data centres and other AI-related infrastructure, combined with the confidence-boosting powers of a rising stock market, proved a more potent economic force, again defying predictions of an inflation shock or a downturn.

Indeed, occasional observers of financial markets could be forgiven for not noticing much change. In the final weeks of 2025, the yield on 10-year US Treasury bonds was hovering around 4 percent - slightly lower than at the time of Trump's re-election a year earlier. The S&P 500 Index had gained roughly 15 percent, even as it underperformed equity benchmarks in Seoul, Hong Kong, Tokyo, Frankfurt, Rome and even London. A weaker dollar and soaring gold price were the only visible reminders of cracks in the financial order.

The year ahead promises to be another heavyweight wrestling match. In one corner is the world economy, which most forecasters expect will keep growing steadily, helped by the stimulus provided by Trump's Big

Beautiful Bill, the promise of lower interest rates, continued AI spending, and possible peace in Ukraine.

In the other corner lies a gang of disruptive risks. These include disillusionment over AI, Trump installing an easy-money sycophant at the Fed, dysfunctional politics across the West, creaking corporate credit, an increasingly confident China and Russia, and the ever-present possibility of financial gravity reasserting itself over historically high equity valuations.

This is the uncertain backdrop against which Breakingviews columnists embarked on their annual exercise of making predictions for the year ahead. It is not a dry forecasting exercise but an attempt to sketch out some thought-provoking and perhaps unexpected scenarios that might materialise in 2026.

Though the primary goal is to be interesting rather than 100 percent

accurate, some of our calls for 2025 came good. Trump faced an early showdown with the bond markets, but backed down when the tariff-induced selloff proved too sharp. Germany's new chancellor relaxed the country's debt brake. Mike Henry, the boss of mining giant BHP, briefly renewed his interest in rival Anglo American. Google owner Alphabet splashed out \$32 billion on cybersecurity firm Wiz, as foretold by our columnists.

Other predictions proved wide of the mark, or at least premature. OpenAI did not launch an IPO in 2025, though the inventor of ChatGPT remains a strong contender for a stock market listing. Intel did not succumb to a takeover but did welcome the US government as a shareholder. And while California did not secede from the Union, Governor Gavin Newsom emerged as a robust critic of Trump's administration.

Heading into 2026, the world economy is benefiting from several powerful following winds. The US government is still in stimulus mode. The AI investment bonanza continues and is spreading to previously dull utilities. Thousands of fans from around the planet are due to attend soccer's World Cup - assuming Trump lets them in. Provided inflation does not pick up - a big if - interest rates can fall further, helping bond investors overcome their misgivings about government debt. (Japan will once again be the exception.)

Other positive impulses will be China's crackdown on irrational competition and overcapacity, which should shore up corporate profits in the world's second-largest economy. Resurgent corporate dealmaking could deliver the largest-ever M&A transaction. The markets for liquefied natural gas and battery technology

are heading for oversupply, to the delight of buyers. For purveyors of private credit, the biggest threat is less of corporate blowups than a future of more humdrum returns.

Yet many lurking dangers could derail this optimistic scenario. Increased state meddling in business is inevitable, with Boeing a strong candidate to become the next ailing American corporate champion to receive a US government investment. Excessive speculation in cryptocurrencies and rampant self-dealing by Trump's family and members of his administration could combine to deliver a government bailout of digital tokens. A ceasefire in Ukraine will only embolden Russian President Vladimir Putin, who will test the North Atlantic Treaty Organization's resolve, in turn spurring mergers among defence contractors.

Meanwhile, 2026 is shaping up to be a pivotal year for AI. Chatbot innovation will stimulate the development of devices that respond to the human voice, rather than the swipe of a thumb. The excitement may tempt Marc Andreessen, whose IPO of Netscape defined the dotcom frenzy of the 1990s, to repeat the trick by seeking a stock market listing for his venture capital firm.

But self-teaching computers will also inflict pain. The technology will turn prospective students away from college degrees, while lawyers will have a field day litigating the many ways in which large language models have infringed intellectual property. Oracle boss Larry Ellison's aggressive debt-fuelled attempt to join the Big Tech gang will backfire. And if the investment boom fizzles, new entrepreneurs will emerge to dream up imaginative new uses for all those data centres.

As in previous years, the latest crop of predictions doubtless includes misses as well as hits. But the process of trying to peer beyond the consensus remains stimulating, and hopefully entertaining. As the world throws up new and unforeseen shocks and surprises, Breakingviews will be here to help make sense of it all.

Vietnam says economy grew 8% in 2025 despite US tariffs

AFP, Hanoi

Vietnam said on Monday its economy grew 8.0 percent last year, thanks to gains in services, construction and exports and despite fresh US tariffs taking effect.

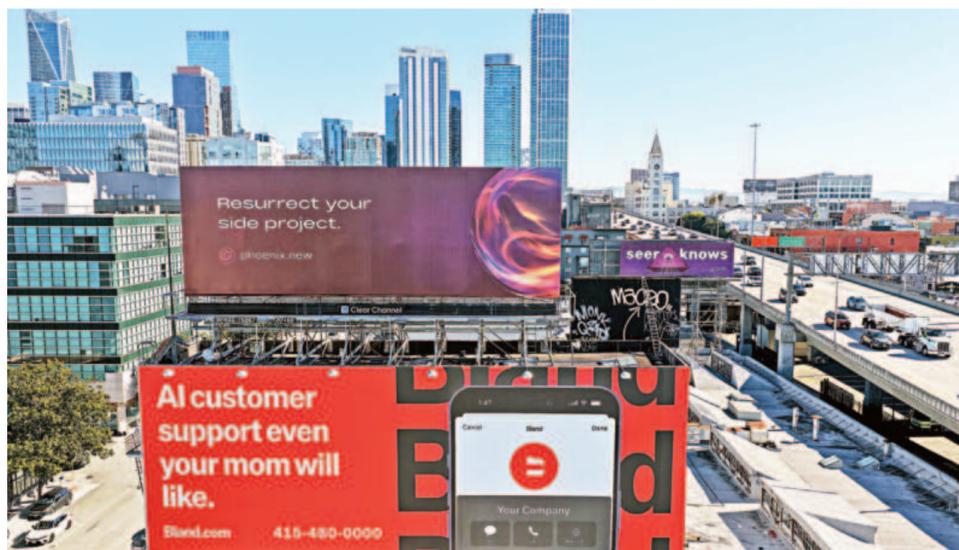
"GDP in 2025 is projected to grow significantly at an estimated rate of 8.02 percent compared to the previous year," the General Statistics Office said in a statement.

Vietnam has long been a success story among Asian economies. Its economy expanded last year despite new trade levies from the United States, its largest export market, on a range of products, including clothing and shoes.

The global manufacturing hub earned about \$475 billion from exports last year, up 17 percent year-on-year, and spent \$455 billion on imports, up 19 percent from 2024, according to the GSO.

Vietnam in July secured a minimum 20 percent tariff with the United States, down from more than 40 percent, in return for opening its market to US products, including cars.

"Despite potential downside risks from tariffs imposed by the US, Vietnam has shown resilience through strong domestic consumption, business investment growth and government spending," said Chad Ovel, a partner at private equity firm Mekong Capital.



A billboard advertising an artificial intelligence company is posted in San Francisco. The AI investment bonanza continues and 2026 is shaping up to be a pivotal year for it. PHOTO: AFP/FILE

ADB doubled Bangladesh financing in 2025

STAR BUSINESS REPORT

The Asian Development Bank (ADB) committed \$2.57 billion in new sovereign financing to Bangladesh in 2025, more than doubling its \$1.18 billion commitment in 2024.

The 2025 lending programme prioritises investments in energy, transport, banking reforms, urban services, climate resilience, small and medium-sized enterprises, and livelihood support in Cox's Bazar.

The portfolio reflects a balanced sectoral spread, with a strong focus on infrastructure development and institutional reforms, according to a press release.

ADB sovereign financing refers to loans, grants, or guarantees provided by the Manila-based lender directly to a national government or to a government-backed entity, with the sovereign (the state) ultimately responsible for repayment.

"We proudly reaffirm our commitment to supporting Bangladesh's priorities during this significant transition period," said ADB Country Director Hoe Yun Jeong.

He added that the 2025 commitments underscored ADB's enduring partnership with Bangladesh, with close collaboration involving the Economic Relations Division and other government agencies to advance economic diversification, infrastructure, services, and human development.

Of the \$2.57 billion committed across ten projects, about 35 percent was allocated to transport infrastructure, followed by finance at 23 percent and public sector management and governance at 16 percent.

Energy projects accounted for 11 percent, water and urban development 9 percent, and human and social development 6 percent.

Major approvals included the \$688 million South Asia Subregional Economic Cooperation Chattogram-Dohazari Railway Project, aimed at upgrading a critical rail corridor and enabling direct train services from Dhaka to Cox's Bazar.

Other key commitments were the \$500 million Stabilising and Reforming the Banking Sector Program, Subprogram 1, and the \$400 million Climate-Resilient Inclusive Development Program, Subprogram 2.

ADB said implementation improved in 2025 through enhanced project readiness and portfolio management. Non-sovereign financing supported private-sector investments in textiles, renewable energy, trade finance, food security, microfinance, and public-private partnerships.

Joint efforts with development partners also mobilised \$720 million in cofinancing.



Fish dry on bamboo mats at a traditional processing yard in the Harta area of Barishal's Wazirpur, where small traders use age-old methods to prepare dried fish for local markets. Depending on size, the fish sell to wholesalers for Tk 100-Tk 1,000 per kilogramme. The photo was taken recently.

PHOTO: TITU DAS

Responsible AI adoption can drive economic growth: experts

STAR BUSINESS REPORT

Bangladesh should adopt artificial intelligence to boost economic growth, while ensuring responsible AI use to protect women's safety, privacy, and human creativity, experts said yesterday.

The statements were made at a discussion titled "Responsible AI for Bangladesh: Policy and Design Challenges," held at the Anwarul Azim Chowdhury Lecture Gallery, Department of Microbiology, University of Dhaka, where experts also stressed the urgent need for an ethical and structured approach to AI adoption in the country.

"We have to embrace Bangladesh's AI future with responsible growth," said Sharifa Sultana, assistant professor, Department of Computer Science, University of Illinois Urbana-Champaign.

"We are deeply optimistic about AI's potential to transform Bangladesh's development and economic growth. But we also recognise the complex ethical, social, and legal challenges that come with it. Researchers, policymakers, and industry leaders must work together to outline a strategic approach that harnesses AI's benefits responsibly, in line with our national goals and cultural values," she added.

Sultana highlighted the key pillars of responsible AI – fairness, transparency, security, and accountability – calling

them essential for building trustworthy and equitable systems.

She also pointed to urgent risks, including threats to data privacy from widely used AI models, the decline of critical thinking due to over-dependence on AI, and societal harms such as deepfakes and surveillance.

"Bangladesh stands today on the edge of its most dangerous illusion: believing that connectivity is intelligence, that digitisation is governance, and that dashboards are decisions," said Zulkarnin Jahangir, assistant professor at North South University and a member of UNESCO AI Experts Without Borders.

He added that UNESCO's AI Readiness Assessment Map (RAM) study highlighted this issue. Instead of celebrating AI adoption, the study served as a stress test, showing how ambition has outpaced institutional capacity and how fragmented governance struggles to manage systems requiring coherence, accountability, and trust.

"What emerged from the assessment was not a technology gap, but an institutional one. Policies are stalled, data is scattered, and infrastructure varies across sectors and districts. AI pilots are advancing in pockets, but without a shared ethical, legal, or operational backbone. We are building AI systems on top of institutions that have not yet learned to handle power responsibly in

digital form," Jahangir said.

He added that AI is not just a software problem – it is an institutional stress test. Universities must go beyond teaching tools and techniques and examine power, incentives, and exclusion. Research should focus on social consequences, including bias, labour displacement, data sovereignty, and who benefits from automation. Otherwise, academia risks documenting outcomes rather than shaping them.

From an industry perspective, RAM shows both opportunity and fragility. Bangladesh has potential in AI adjacent sectors such as data annotation and applied services, but without standards, safeguards, and workforce protections, growth could reproduce informality rather than value. "Speed without trust will not scale," Jahangir warned.

For policymakers, Jahangir stressed, AI cannot be governed through isolated circulars or stalled drafts. It requires coordinated action, investment in data infrastructure, and mechanisms for public accountability. "AI policy is not a technology roadmap, it is a social contract," he added.

Ishiaque Ahmed, associate professor in the Department of Computer Science at the University of Toronto, and Rashed Mujib Noman, country director of Augmedix Bangladesh, also spoke at the event.

Probe panel formed over alleged irregularities at Beacon Pharma

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has formed a three-member committee to investigate alleged financial irregularities and fraud at Beacon Pharmaceuticals.

According to a BSEC order, the Bangladesh Financial Intelligence Unit (BFIU) recently reported suspicious financial practices by the listed drug maker, prompting the regulator to order a detailed inquiry in the interest of investors.

The commission said the investigation will examine allegations that Beacon Pharmaceuticals extended loans to other entities in violation of securities rules and sold its manufactured medicines through Beacon Medicare, a sister concern, in a manner that may have misled shareholders.

The probe will also look into claims that funds borrowed by Beacon Pharmaceuticals were used to adjust the liabilities of Beacon Medicare Limited, rather than being applied for the purposes stated in company disclosures.

Besides, the committee will verify allegations that loan proceeds and overdraft facilities obtained by Beacon Medicare were transferred to personal accounts and invested in the stock market.

BSEC said the pattern of transactions points to possible fraud, deception and other irregularities in the capital market, requiring a detailed investigation.

The committee comprises Sheikh Mahubur Ur Rahman, director of BSEC, Md Sirajul Islam, deputy director, and Binoy Das, assistant director.

The investigation team has been asked to complete its work and submit a report to the commission within 60 working days from the date the order was issued.

In March last year, The Daily Star ran an investigative report, which detailed how Beacon Pharmaceuticals stopped exporting drugs directly and instead sold them to its privately owned sister concern, Beacon Medicare.

That report mentioned transfer pricing, undisclosed related party transactions and large loans to group entities, practices that analysts said eroded profits at the listed company and harmed the interests of general shareholders.

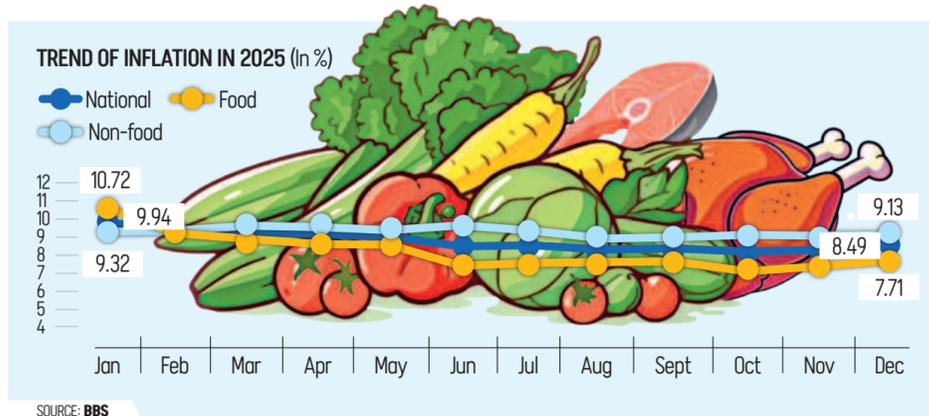
Oil prices drop

AFP, Tokyo

Oil prices fell on Monday after a US military operation seized Venezuelan leader Nicolas Maduro, whose country has the world's biggest proven crude reserves.

Increased volumes of Venezuelan oil entering the market would add to oversupply concerns and put further pressure on oil prices, which have fallen in recent months. In morning trade in Asia, Brent Crude was down 0.21 percent at \$60.62 per barrel while West Texas Intermediate was off 0.35 percent at \$57.12, both off earlier lows.

US forces attacked Caracas in the early hours of Saturday, bombing military targets and spiriting away Maduro and his wife to face federal narco-trafficking charges in New York.



SOURCE: BBS

Inflation rises to 8.49% in December

FROM PAGE B1
clear sign of a lasting decline," said Zahid Hussain, former lead economist of the World Bank Dhaka office.

"The measures taken so far to control inflation have not produced visible results. The current tightening measures are still not strong enough to bring prices down," he added.

Hussain also said food inflation in Bangladesh is not driven by exchange rates or credit conditions. "Instead, it largely follows its own past trend. This means structural and supply-side factors mainly drive food inflation, and demand-side measures alone are unlikely to work," he said.

He added that the data suggest it is too early to ease policy and questioned whether the current level of tightening is sufficient to achieve the intended outcome.

Sharing a similar view, Mustafa K Mujeri, executive director of the Institute for Inclusive Finance and Development (InM), questioned the effectiveness of the existing tightening monetary policy.

"If the policies adopted so far

were working, inflation should have come down by now. Instead, inflation has stayed above 8 percent for several months, raising doubts about the effectiveness of the existing measures," he said.

He added that Bangladesh has followed a contractionary monetary policy for a long period, but it has failed to deliver the expected results because inflation is not driven by demand alone.

Mujeri said supply-side weaknesses, particularly poor market management and problems in the value chain, continue to keep inflation high, allowing powerful intermediaries to create artificial shortages and push up prices.

He added that higher prices often do not benefit producers such as farmers, as most of the gains go to intermediaries.

Without stronger market oversight and a coordinated approach involving monetary, fiscal, supply-side and credit policies, contractionary monetary policy alone cannot reduce inflation in a country like Bangladesh, Mujeri said.

Khaleda Zia

FROM PAGE B4
was brought into leadership after the assassination of Ziaur Rahman through a well-judged decision by senior BNP leaders.

"She fought for parliamentary democracy defeating autocracy. Khaleda made the private and public sectors unique combinations," he said.

BNP Secretary General Mirza Fakhrul Islam Alamgir said 1,700 party supporters and activists faced the enforced disappearance and six million false cases were filed against them during the Awami League-led regime.

Some 47 cases were filed against Khaleda Zia, he said.

He said, the possibility of democracy in the country was destroyed because of such a culture. "Khaleda Zia stood against this culture. She was an icon of the people, a fact that was proven during her funeral, when millions attended spontaneously."

ICC-B Vice-president AK Azad said she dedicated her life to democracy, development and establishing the rights of people. "She was a symbol of patriotism."

ICC-B President Mahbubur Rahman chaired and moderated the discussion. Representatives from the insurance sector also spoke on the occasion.

Onion prices fall

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Shahidul Alam, a retailer at Karwan Bazar, one of the largest kitchen markets in the capital, said newly imported onions were sold yesterday at Tk 65-Tk 70 per kg, compared to Tk 60-Tk 65 for early varieties.

The early varieties entered the market almost a month ago. Initially, one kg of those onions sold at Tk 130-Tk 150, and the price has gradually decreased since then, he said.

Meanwhile, Abdul Majed, general secretary of the Shyambazar Onion Traders' Association, a major onion-selling hub, said after the government granted import permission, increased supply in the market has lowered onion prices.

At the wholesale level, imported onions were sold at Tk 60 per kg yesterday, he mentioned, adding that the government is no longer granting new import permissions, causing onion prices in the market to start rising again.

Just two to three days ago, onions were sold at Tk 45-Tk 50 per kg in the wholesale market, he said, adding that the current supply of early varieties in the market is not sufficient to meet the demand.

IMPORT BRINGS TK 32.51CR IN REVENUE

According to data from the

National Board of Revenue, a total of 62,987 tonnes of onions worth Tk 240.11 crore were imported during the first six months of the current fiscal year.

Customs authorities collected Tk 32.51 crore in revenue from these imports. Of the total imported onions, 79 percent or 49,873 tonnes were imported in December alone.

The average import price of the onions stood at around Tk 38 per kg, while importers had to pay about Tk 5 per kg in duties, taking the cost to Tk 43 per kg. The landed cost rises to around Tk 50-Tk 52 per kg after adding all other costs, traders said.

As onions are a perishable commodity, around 3 percent to 4 percent of the consignments are damaged during transportation.

Moreover, the weight of onions also declines over time due to various factors, including moisture loss, said Ali Hossain, proprietor of Madina Traders, an importer at Chattogram's Khatunganj wholesale hub for essential commodities.

The DAE estimates last season's harvest at over 39 lakh tonnes, enough to meet domestic demand. However, it projects that an additional 6-7 lakh tonnes of imports will be needed to offset post-harvest losses.

NBFI depositors

FROM PAGE B1

The press conference also confirmed that Sammilito Islami Bank PLC, the large commercial lender being created through the bank merger, will open on January 19.

The central bank governor said the new bank will operate privately but will be temporarily government-owned, with a suitable investor expected to take over within three years.

Mansur said the bank would face some immediate challenges, including restoring export import operations, remittance services, and utility bill payments.

Tk 20,000CR-Tk 30,000CR NEEDED TO MERGE MORE BANKS

While responding to a question, Mansur said bank resolution is an ongoing process, and several more banks will gradually come under the merger initiatives.

He estimated that an additional Tk 20,000 to Tk 30,000 crore will be required, with no allocation in this year's budget, leaving the matter for the next government.

"The next government will need to give the green light. Subject to these considerations, we will continue our activities, as bank resolution is never free. It is a costly exercise, and bank resolution takes place in many countries around the world," he said.

Gold price surges

REUTERS

Gold prices climbed Monday along with other precious metals, after the United States captured Venezuelan President Nicolas Maduro over the weekend, escalating geopolitical tensions and fueling safe-haven demand.

As of 0742 GMT, spot gold rose 2.2 percent to \$4,424.17 per ounce, a one-week high. US gold futures for February delivery gained 2.4 percent to \$4,434.20.

"The kidnapping of a foreign head of state naturally leads to high degrees of instability, and in this environment, gold and silver are viewed as a solid hedge against uncertainty," said Tim Waterer, KCM Trade's chief market analyst.

On Saturday, the US captured Maduro in an attack that was Washington's most controversial intervention in Latin America since the invasion of Panama 37 years ago.

Vice President Delcy Rodriguez has taken over as interim leader and said that Maduro remains president.

Geopolitical tensions, combined with interest rate cuts, robust central bank purchases and inflows into exchange-traded funds contributed to bullion's 64 percent gains last year, its biggest annual gain since 1979.

It hit a record high of \$4,549.71 on December 26, 2025.

Federal Reserve Bank of Philadelphia President Anna Paulson said on Saturday that further rate cuts could be some way off after an active campaign of easing last year.

Her comments come as investors still expect at least two Fed rate cuts this year. Meanwhile, investors are focused on non-farm payroll data, which is due Friday, for more cues into potential Fed rate cuts, Waterer added.

Non-yielding assets tend to do well in a low-interest-rate environment and during geopolitical or economic uncertainties.



PHOTO: ICC-B

Top business leaders, alongside senior BNP leaders, attend a memorial and prayer event, jointly organised by 18 leading trade bodies, at InterContinental Dhaka yesterday.

Khaleda Zia laid foundations of private sector-led growth

Say business leaders, party members

STAR BUSINESS REPORT

Business leaders yesterday credited former prime minister Khaleda Zia with laying the foundation for private sector-led growth through market-oriented reforms introduced during her first term in office.

After becoming the premier in 1991, she undertook many economic reform initiatives, encouraging entrepreneurs to invest in the private sector, they said at a memorial and prayer session (do mahfil) jointly organised by 18 leading trade bodies in Dhaka.

Khaleda Zia, the country's first female premier, died on December 30 in a Dhaka hospital after prolonged illness.

Delivering the inaugural speech at the event, Mahbubur Rahman, president of International Chamber of Commerce-Bangladesh (ICC-B), said Khaleda Zia's leadership was instrumental in re-establishing parliamentary democracy and strengthening democratic institutions in Bangladesh.

"Her administration also pursued policies to encourage private sector development, expand trade and investment, and integrate Bangladesh more actively into the global economy, contributing to the foundations of long-term growth," said Rahman.

Khaleda Zia's leadership earned wide international recognition, he said, adding that her journey also involved significant personal hardship, including periods of imprisonment, legal challenges and long-term health struggles.

Abdur Rahim Khan, administrator to the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said she knew how to unite people from all walks of life and would be remembered for

her contributions.

Also speaking at the event, Amir Khosru Mahmud Chowdhury, former commerce minister and BNP Standing Committee member, said Khaleda Zia did not pursue a country-specific foreign policy but instead based it on multilateralism.

He said the private sector in Bangladesh was able to thrive because of her reform initiatives.

Taskeen Ahmed, president of Dhaka Chamber of Commerce and Industry (DCCI), said when she assumed office in 1991, the economy was stagnant and constrained by structural limitations.

"With remarkable foresight, she introduced an open-market approach, private sector-led development and entrepreneurial policies to revitalise economic activity," he said.

Through landmark reforms, including the enactment of VAT, banks and financial institutions laws, and the establishment of the privatisation board and the Securities and Exchange Commission, she significantly strengthened revenue mobilisation, the financial sector and the capital market, Ahmed added.

Kamran T Rahman, president of Metropolitan Chamber of Commerce and Industry (MCCI), said the economy transformed during Khaleda Zia's tenure due to policy-driven industrialisation, remittance and export growth.

"Employment also grew a lot, and she was bold and determined about democracy," he said.

A representative of the Foreign Investors' Chamber of Commerce and Industry (FICCI) noted that during Khaleda's tenure, Lafarge Surma Cement made a half a billion dollars of investment and she had inaugurated the

cement plant.

He also praised the VAT system that was adopted in 1991.

Anwar-Ul-Alam Chowdhury (Parvez), president of Bangladesh Chamber of Industries (BCI), said under her leadership, democracy and economic progress made a permanent footprint in Bangladesh, which were vital for the private sector. "Entrepreneurship and investment flourished during her time."

Abdul Hai Sarker, chairman of Bangladesh Association of Banks, said Khaleda Zia used to talk less but listen more. Industrialisation and development bloomed during her tenure.

DCCI President Taskeen Ahmed said: "With remarkable foresight, Khaleda Zia introduced an open-market approach, private sector-led development and entrepreneurial policies to revitalise economic activities."

Meanwhile, Mohammad Hatem, president of Bangladesh Knitwear Manufacturers and Exporters Association, recalled a meeting with Khaleda Zia in 2002, when he was the vice-president of the association.

"After listening to the sector's challenges, she took key decisions that helped the industry grow into the world's second-largest knitwear exporter after China," he said.

Inamul Haq Khan, senior vice-president of Bangladesh Garment Manufacturers and Exporters Association, said Khaleda

Zia was an uncompromising leader and she would be remembered for her contribution to the garment sector.

"We are indebted to her as she contributed a lot to the garment industry such as free market economy, economic development and female empowerment," he said.

Syed Ishtiaq Ahmed, vice-president of Bangladesh Association of Publicly Listed Companies, said Khaleda Zia's journey was difficult, but she stood firm and made sacrifices for democracy.

She governed the country during a defining moment of Bangladesh, he said, adding that her silence spoke more than words.

Abdul Muktadir, president of Bangladesh Association of Pharmaceuticals Industries, said the pharmaceutical sector was indebted to her for a landmark decision taken in 1994, which reduced government control on drugs pricing.

"Other countries such as India and Pakistan adopted similar moves much later. The decision helped the sector grow," he said.

MA Jabbar, president of Bangladesh Semiconductor Industry Association, defined the tenure of Khaleda Zia as a period of leadership and sacrifice.

Bangladesh Cement Manufacturers Association President Amirul Haque said Khaleda Zia made Chattogram the country's commercial capital.

He added that her husband, former president Ziaur Rahman, established the Export Processing Zone, and that the business community was indebted to the family.

BNP Standing Committee member Abdul Moyeen Khan said Khaleda Zia

READ MORE ON B3

2025 was a testing year for RMG sector

MOHIUDDIN RUBEL

Bangladesh's export engine, long powered by the ready-made garment (RMG) sector, slowed in 2025 amid overlapping domestic and external shocks. After a strong rebound in 2024, when RMG exports reached \$38.48 billion, a 7.23 percent year-on-year increase, exports in 2025 edged up to \$38.82 billion, marking growth of just 0.89 percent.

Several interlinked factors explain this slowdown. Externally, trade tensions played a critical role. Tariff threats and order suspensions from major markets, especially the United States, created deep uncertainty. Buyers became cautious in placing orders and, in some cases, temporarily shifted sourcing to other suppliers. For an industry dependent on stable, long-term relationships with global brands, such volatility disrupts planning, investment, and production.

Last year, India withdrew the long-standing transshipment facility it had provided to Bangladesh for exports to third countries. As a result, export lead times have increased, deliveries have been delayed, and some foreign buyers have moved orders to alternative suppliers.

Domestically, political instability weakened business confidence and disrupted normal trade flows. Political tensions frequently triggered logistical bottlenecks, further exposing the fragility of the overall business climate. In such conditions, both local and foreign investors delayed decisions, while exporters became more cautious in importing raw materials or expanding capacity.

Labour unrest intensified in 2025, with serious consequences for the RMG sector. Road blockades, factory shutdowns, and repeated production disruptions directly reduced output and damaged Bangladesh's reputation as a reliable sourcing hub. Since global buyers value timeliness alongside low cost, recurring delays or sudden stoppages encourage them to diversify away from a country.

An extraordinary shock came from the complete shutdown of the customs house, an event almost unheard of globally. In a country where most

export earnings come from RMG, such a shutdown was unprecedented and deeply damaging. On top of this, despite the huge financial losses suffered by factories, exporters, and insurers due to a major cargo fire at the airport, the incident further undermined buyer confidence.

The withdrawal of export incentives and persistent domestic inflation raised production costs and eroded price competitiveness. These pressures further constrained export growth in 2025, preventing it from matching the previous year's performance. Structural challenges and global competition added to the strain. Tougher competition in Europe squeezed Bangladesh's share in a key market, while weak performance in non-traditional markets highlighted the risks of relying heavily on a few destinations such as the European Union and the United States. Limited product diversification remains evident, particularly when compared with rivals like Vietnam, which is moving faster into higher value-added products and broader market coverage.

Even so, important positive developments emerged. Recent labour law amendments aim to strengthen workers' rights and align the RMG sector with international standards, a vital step for long-term sustainability, although they also raise compliance costs and responsibilities for factory owners. In 2025, Bangladesh's RMG industry set a global benchmark in sustainable manufacturing by adding 38 new LEED-certified green factories. This reinforced its leadership in environmentally responsible apparel production and signalled a shift from basic compliance to an excellence-driven green transformation.

Bangladesh's competitiveness will depend on how quickly it can close infrastructure gaps, ease internal bottlenecks, and move up the value chain. Stronger logistics, political and social stability, higher factory-level efficiency, and greater investment in research, innovation, and marketing are essential. The country must address the root causes of factory closures and strengthen the financial sector capacity to support both distressed firms and viable enterprises with growth potential. At the same time, it needs a critical assessment of least developed country graduation prospects and implications, alongside effective monitoring to ensure new factories contribute to broader industrial development goals.

Despite current headwinds, Bangladesh retains strong advantages in scale, capacity, and buyer relationships, and has emerged as a pioneer in sustainable apparel. With a coherent strategy, coordinated action, and sustained policy commitment, it can restore export momentum and reinforce its position in global trade.

The writer is a former director of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA)

PHOTO: AFP/FILE

Samsung to double AI mobile devices to 800m units this year

REUTERS, Seoul

Samsung Electronics plans to double this year the number of its mobile devices with "Galaxy AI" features largely powered by Google's Gemini, its co-CEO said, which would give the US firm an edge over rivals as the global race in artificial intelligence heats up.

The South Korean company, which had rolled out Gemini-backed AI features to about 400 million mobile products, including smartphones and tablets, by last year, plans to boost that figure to 800 million in 2026.

"We will apply AI to all products, all functions, and all services as quickly as possible," T M Roh told Reuters in his first interview since becoming Samsung Electronics co-CEO in November.

The plan by the world's largest backer of Google's Android mobile platform is set to give a major boost to its developer Google, which is locked in a race with OpenAI and others to attract more consumer users to their AI model.

Samsung seeks to reclaim its lost

market from Apple in the smartphone crown from Apple in the smartphone market and fend off competition from Chinese rivals not only in mobile telephones, but televisions and home appliances, all overseen by Roh.

It will offer integrated AI services across consumer products to widen its lead over Apple in such features, though the latter was set to be the top smartphone maker last year, according to market researcher Counterpoint.

Alphabet's Google launched the latest version of Gemini in November, highlighting Gemini 3's lead on several popular industry measures of AI model performance.

In response to Gemini 3, OpenAI CEO Sam Altman reportedly issued an internal "code red," pausing non-core projects and redirecting teams to accelerate development. The ChatGPT maker launched its GPT-5.2 AI model a few weeks later.

Roh expects the adoption of AI to accelerate, as Samsung's surveys on awareness of its Galaxy AI brand jumped to a level of 80 percent from about 30 percent in just one year.

"Even though the AI technology might seem a bit doubtful right now, within six months to a year, these technologies will become more widespread," he said.

While search is the most used AI feature on phones, consumers also frequently use a range of generative AI editing and productivity tools for images and others, as well as

translation and summary features, he said.

Galaxy AI is Samsung's term for its suite of AI features, including those powered by both Google's Gemini model and Samsung's own Bixby for different tasks.

Samsung shares ended up 7.5 percent on Monday, as the company is set to flag a profit jump for the fourth quarter later this week, fueled by a global chip shortage.

"NOT IMMUNE" TO MEMORY CHIP SHORTAGE

A global shortage of memory chips is a boon to Samsung's mainstay semiconductor business, but pressures margins on the smartphone business, its second largest revenue source.

"As this situation is unprecedented, no company is immune to its impact," Roh said, adding that the crisis affects not only mobile phones but other consumer electronics, from TVs to home appliances.

He did not rule out raising product prices, saying some impact was "inevitable" from a surge in memory chip prices, but Samsung, the world's No.1 TV maker, is working with

partners on longer term strategies to minimise the impact.

Market researchers such as IDC and Counterpoint predict the global smartphone market will shrink next year, as the memory chip shortage threatens to drive up phone prices.

Roh said the market for foldable phones that Samsung pioneered in 2019 has been growing slower than expected.

He attributed this to the engineering complexities and lack of applications suitable for the hardware design, but expected the segment to go mainstream in the next two or three years.

A "very high" rate of foldable phone users opt for the same segment for their next purchase, he said, but gave no details.

Samsung controlled nearly two-thirds of the foldable smartphone market in the third quarter of 2025, according to Counterpoint.

But it faces competition from Chinese companies such as Huawei, as well as Apple, which is expected to launch its first foldable phone this year.



Promoters show Samsung Galaxy Z TriFold smartphones during a launch event at a Samsung store in Seoul. Samsung rolled out Gemini-backed AI features to about 400 million mobile products by last year and plans to boost that figure to 800 million in 2026.

PHOTO: AFP/FILE