

## 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 Zulkarin 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.

Ishtiaque 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.

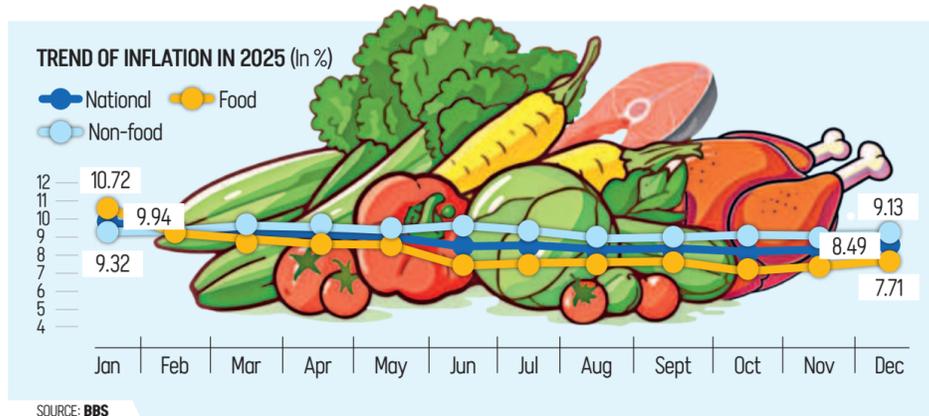
## Oil prices drop

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.



## Inflation rises to 8.49% in December

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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

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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

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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.