

star BUSINESS

Banks asked to settle inward remittances in a day

STAR BUSINESS REPORT

The Bangladesh Bank (BB) has instructed banks to credit inward remittances to beneficiaries' accounts on the same day or the next business day in order to reduce delays and improve efficiency in cross-border payment processing.

The central bank issued a circular in this regard yesterday, which took effect immediately. However, banks have been given a transition period until March 31, 2026, to fully comply with the new instructions.

Under the circular, banks must promptly notify customers through secure electronic channels once an inward remittance message is received.

Remittances received during banking hours must be credited on the same business day, while those received after banking hours must be credited on the next business day.

To speed up processing, banks have been advised to adopt straight-through processing (STP) or risk-based expedited processing methods.

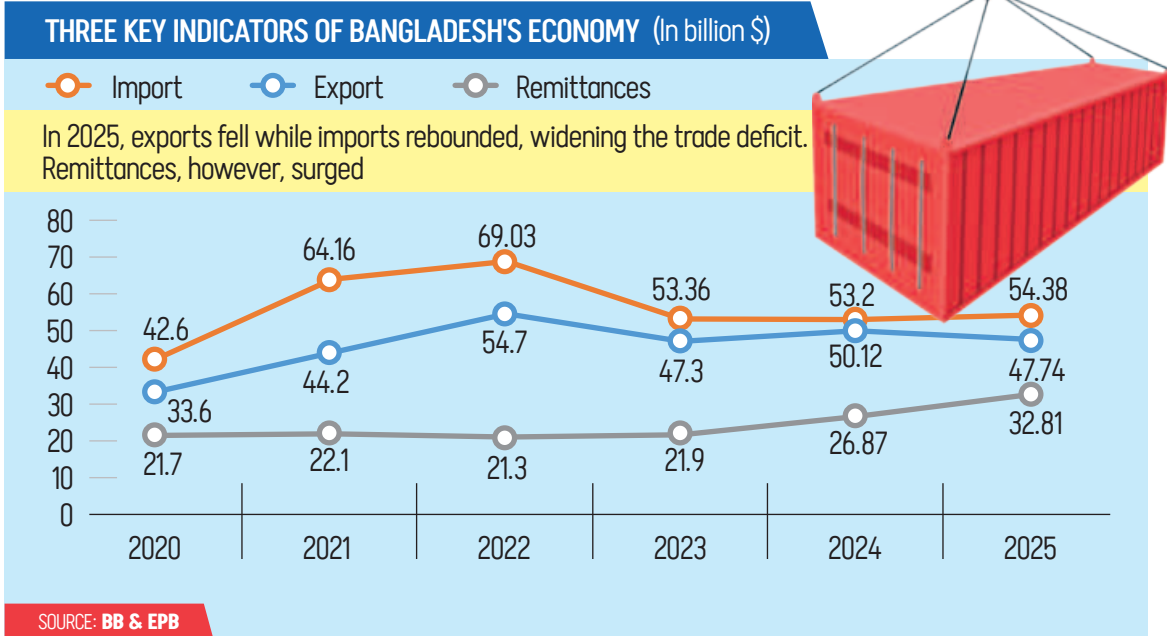
Where essential information is available, beneficiary accounts may be credited even if some documentation or compliance checks are pending, with the remaining requirements to be completed afterwards, according to the circular.

If post-credit review is not feasible, banks will be required to complete pre-credit verification and settle the transactions within three business days.

The banking regulator has also directed banks to reduce reliance on end-of-day nostro account statements and instead use intraday credit confirmations to accelerate settlement.

Uneasy recovery: strong reserves, weak exports

Record remittances and recovering foreign-exchange reserves offer a rare cushion, but weakening exports expose vulnerabilities



SOHEL PARVEZ

For Bangladesh's economy, the year 2025 closed not with a definitive verdict, but with a mixed bag that has left economists in more than the usual anxiety. On one side of the ledger, the news was almost jubilant: remittances surged to an all-time high of \$32.8 billion. The foreign exchange reserves, which were over \$21 billion a year ago, have staged a reassuring

recovery. As the new year dawned, readily usable reserves stood at \$28.5 billion, enough to cover five months of import bills. This is a cushion comfortably above the International Monetary Fund's three-month threshold, a statistic that, in simpler times, might have been cause for a victory lap.

While some indicators are brightening, the factory floors are telling a gloomier story. Exports that have driven Bangladesh's

economic growth for decades stumbled in the final months of 2025. The downturn exposes a structural fragility that has long worried economists: the country's overwhelming reliance on the readymade garment industry. Garment exports managed only a tepid one percent year-on-year increase, bringing in \$38.82 billion. This stagnation in the primary sector was compounded by a collapse in others; shipments of frozen fish, agricultural products, and various manufactured items all fell, dragging the overall export figures down with them.

"Falling exports are deeply concerning and point to a structural weakness that remittances alone cannot offset", said Mohammad Abdur Razzaque, chairman of Research and Policy Integration for Development, a research organisation, cautioning

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Khaleda Zia strengthened stock market foundation

Say sector leaders

STAR BUSINESS REPORT

Former prime minister Khaleda Zia made a significant contribution to building the institutional foundation of Bangladesh's capital market by introducing supportive policies and establishing regulatory bodies, according to market leaders.

The Dhaka Stock Exchange (DSE) and the DSE Brokers Association of Bangladesh (DBA) jointly organised a doa mahfil yesterday to mark her departure on December 30.

DSE Managing Director Nuzhat Anwar said, "Khaleda Zia was a resolute and visionary leader whose contributions to the country's economic development remain particularly memorable."

She added that during her tenure, the Bangladesh Securities and Exchange Commission (BSEC) was established in 1993, playing a key role in strengthening the institutional foundation of the capital market.

"Her presence at the award ceremony on March 2, 1994, where the top ten listed companies of DSE were honoured with national awards, is an important example of state recognition of the industrial and corporate sector," Anwar said.

"Khaleda Zia was a humane politician who always respected opposing views," said Saiful Islam, president of DBA.

By opening the capital market to foreign investors in 1991, she ushered in a new chapter for the sector. "It was her visionary decision that paved the way for the modern capital market of today," he added.

Although challenges

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BB buys over half a billion dollars within a week to shore up reserves

STAR BUSINESS REPORT

The Bangladesh Bank (BB) purchased \$617 million from commercial banks in the first seven days of January as part of its ongoing intervention in the foreign exchange market.

The move comes as the central bank seeks to rebuild reserves and keep the market stable. With the latest purchase, BB has bought a total of \$3.75 billion from the banking sector so far in the current fiscal year (FY) 2025-26.

"We are purchasing dollars with two objectives in mind: rebuilding reserves and keeping the foreign exchange market stable," said Md Habibur Rahman, deputy governor of the Bangladesh Bank. "As foreign currencies are available in the market, we are buying," he added.

Reserves have been recovering since last year, supported by higher remittance inflows, stronger export earnings, and slower import growth.

After years of selling greenbacks, the central bank now aims to raise gross foreign exchange reserves to \$35 billion in the near term.

Yesterday, BB made an Asian Clearing Union (ACU) payment of \$1.535 billion. Following that, foreign exchange reserves stood at \$27.85 billion under the IMF's calculation method, while BB's own calculation showed reserves at \$32.44 billion.

According to BB data, reserves have increased by more than \$8 billion over the past year.

After selling more than \$25 billion from reserves between FY21 and FY25 to finance imports of fuel, fertiliser, and food, the central bank began purchasing dollars again at the start of the current fiscal year as foreign currency supply improved.

A senior BB official said the intervention aims to prevent sharp volatility in the exchange rate.

Despite adopting a floating exchange rate in May last year under a \$5.5 billion IMF loan programme, the central bank continues to intervene if the dollar rises above Tk 123 or falls below Tk 121 to maintain stability.

Following the fall of the Awami League-led government in August 2024 amid a mass uprising, BB had suspended dollar support for government imports due to depleted reserves.

Subsequent increases in remittances and export earnings provided relief to the interim government, allowing the central bank to resume dollar purchases in March 2025.

Dhaka eateries hit by LPG supply crunch, price hike

SUKANTA HALDER

Restaurant owners in Dhaka are grappling with a deepening liquefied petroleum gas (LPG) crisis, marked by soaring prices and constrained supply despite official data showing steady imports and adequate stock levels.

Importers and government officials allege that some wholesalers are trying to create an artificial shortage by disrupting supply.

Restaurants across the capital say they are facing limited deliveries and steep price hikes, driving up food production costs and threatening daily operations.

At wholesale and retail levels, suppliers are selling 12kg LPG cylinders at Tk 350 to Tk 900 above the government-fixed rate, even as data from the National Board of Revenue (NBR) indicates no major disruption in imports.

The Bangladesh Energy Regulatory Commission (BERC) set the January retail price of a 12 kg LPG cylinder at Tk 1,306. However, in markets across Dhaka and Chattogram, cylinders are selling between Tk 1,650 and Tk 2,200.

Restaurant owners say the situation on the ground is worsening by the day. Many report receiving only 30 to 40 percent of their daily LPG requirements, forcing them to pay inflated prices just to keep kitchens running.

At Sky Lounge in Mirpur-1, operators say they typically require around 10 cylinders a day but are often supplied only two or three.

"We need 10 LPG cylinders per day, but we are getting only two or three, that too not at the

Supply pressure Restaurant owners report receiving 30-40% less LPG than required	Impact on restaurants Owners say will shut down if situation continues
OVERPRICING - Cylinders sold Tk 350-Tk 900 above govt rates - Govt price for a 12kg cylinder: Tk 1,306 - Market prices in Dhaka, Ctg: Tk 1,650-Tk 2,200	Industry Dhaka has 25,000 restaurants; 4.81 lakh nationwide
Demand Owners urge gas line restoration and affordable LPG supply	

government-fixed price," said Saad Bin Siraj, assistant manager of the restaurant.

Siraj said they are paying roughly Tk 400 more per cylinder than the official rate. "The situation is so severe that we are willing to pay the higher price just to keep our operations running."

Despite rising costs, food prices have not yet been raised. "Prices cannot be changed suddenly because menus are already printed. For now, we are continuing operations in the hope that the gas crisis will be resolved."

Only four cylinders remained at the restaurant yesterday, Siraj added. "These may last until today or tomorrow. If no further supply is received, the restaurant will be forced to shut down."

Similar accounts are emerging from other parts of the city. At Old

Terrace in Dhanmondi, restricted LPG deliveries are disrupting daily operations.

"If we need three or four cylinders per day, we are barely getting one," said Rakib Mia, supervisor of the restaurant.

He said inflated prices have compounded the problem, while printed menus prevent immediate price revisions. The restaurant's gas line is also operating at minimal capacity, making it difficult to provide normal service. "If the supply does not improve soon, the restaurant may be forced to shut down."

The restaurant sector includes an estimated 25,000 eateries in Dhaka and about 4.81 lakh nationwide, employing roughly 30 lakh people, according to the Bangladesh Restaurant Owners' Association (BROA).

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Talks on extra duty on yarn imports end without consensus

Decision now heads to commerce ministry

REFAYET ULLAH MIRDHA

The garment exporters, textile millers and senior officials of the Bangladesh Trade and Tariff Commission (BTTC) could not reach a consensus on a proposal to impose a 20 percent safeguard duty on yarn imports, pushing the issue to the commerce ministry for a final decision.

At a meeting held at the BTTC office in Dhaka yesterday, leaders of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) opposed the extra duty proposal by local spinners.

The apparel makers and knitwear manufacturers said it would increase production costs and hurt the global competitiveness of local garment items.

During the meeting, chaired by BTTC Chairman Md Abdul Gafur, three alternatives were discussed. Those are imposing a 20 percent safeguard duty on yarn imports, providing a 5 percent incentive to garment exporters for using locally spun yarn, or withdrawing the bonded warehouse facility for importing 20 to 30 count yarn, which local mills say they can adequately supply.

On condition of anonymity, a businessman present at the meeting said BGMEA and BKMEA leaders agreed only to the incentive option and rejected the other two proposals.

They argued that a safeguard duty would raise yarn prices, while withdrawal of the bond facility would disrupt exporters' operations and lead to loss of business.

The businessman said a segment of the Bangladesh Textile Mills Association (BTMA) leaders also agreed to the 5 percent incentive proposal. As no consensus could be reached among the stakeholders, the issue will now be sent to the commerce ministry for a decision.

A spinner present at the meeting said many importers misuse the bonded facility by selling imported yarn in the local market illegally, which he said was damaging domestic producers.

He said the domestic yarn market for fabric and garment production is worth around \$12 billion and is mainly supplied by local spinners. However, around \$5 billion worth of locally produced yarn remained unsold last year as demand was met through imported yarn.

Meanwhile, a knitwear exporter said sales of yarn from local textile mills had declined to some extent, but this was not due to yarn imports.

READ MORE ON B3

Prime Bank offers benefits on home loan transfers

STAR BUSINESS DESK

Prime Bank PLC has launched a “Home Loan & Investment Transfer Campaign” under its Hasanah Islami Banking, enabling customers to transfer their existing conventional home loans or Islamic home investments from any financial institution and avail themselves of up to a 2 percent reduction in the prevailing annual profit rate.

The campaign is designed to ease financial pressure on customers and help them redirect savings towards everyday needs and long-term aspirations, according to a press release.



Prime Bank

Through the initiative, customers can shift their conventional or Islamic home financing facilities to Shariah-compliant Hasanah Home Investment, resulting in lower monthly instalments and greater financial flexibility over the long term.

Under the offer, customers will receive competitive profit rates, flexible repayment options, personalised advisory support and a smooth transfer process,

making housing finance easier to manage while unlocking meaningful savings.

Commenting on the initiative, M Nazeem A Choudhury, deputy managing director of Prime Bank PLC, said, “This home loan and investment transfer offer allows customers to move their existing conventional or Islamic housing finance to Prime Bank’s Hasanah Islami Banking and benefit from up to a 2 percent profit

rate reduction.”

“Our goal is to make home ownership more affordable while enabling customers to enjoy tangible savings,” he added.

Prime Bank’s Hasanah Home Investment solutions are designed to meet diverse customer needs and are backed by transparent pricing, prompt processing and dedicated relationship management, the bank said.

Customers interested in transferring their conventional home loan or Islamic home investment to Prime Bank’s Hasanah Islami Banking can learn more by visiting www.transfer2prime.now or contacting their nearest Prime Bank branch.

Eastern Bank hosts entrepreneur development training under SICIP

STAR BUSINESS DESK

Eastern Bank PLC (EBL) has launched a month-long “Entrepreneur Development Training” programme as part of its ongoing efforts to support entrepreneurship in Bangladesh.

The programme is being implemented under the Skills for Industry Competitiveness and Innovation Program (SICIP), led by the Ministry of Finance and Bangladesh Bank, according to a press release.

Under the programme, financed by the Asian Development Bank, trainee and trainer selection was carried out through transparent and structured processes by the trainee selection committee and the trainer selection committee.

Husne Ara Shikha, executive director of Bangladesh Bank, inaugurated the programme as the chief guest at EBL’s

head office in Gulshan, Dhaka yesterday.

In her address, Shikha highlighted the importance of developing skilled, innovative and ethical entrepreneurs to ensure sustainable economic growth in Bangladesh.

She encouraged participants to focus on identifying diversified business opportunities, generating new ideas, practising good governance and acquiring modern entrepreneurial skills.

Speaking on the occasion, Ali Reza Iftikhar, managing director of Eastern Bank PLC, said that sound planning, innovation, financial discipline and integrity are the cornerstones of business success.

“Eastern Bank believes that programmes like this play a vital role in developing entrepreneurs and building a sustainable SME sector,” he said while presiding over the event.



Husne Ara Shikha, executive director of Bangladesh Bank, poses for group photographs with participants of the “Entrepreneur Development Training” programme, organised by Eastern Bank PLC, at the latter’s head office in Gulshan, Dhaka yesterday.

PHOTO: EASTERN BANK

Shopping Bag Supermarket offers discounts for IFIC Bank customers

STAR BUSINESS DESK

IFIC Bank PLC has signed a memorandum of understanding (MoU) with Shopping Bag Supermarket, one of the retail destinations in Chattogram.

Md Monjurul Mumin, chief manager of Agrabad branch at IFIC Bank PLC, and Milton Dey, managing director of Shopping Bag Supermarket, signed the MoU at the supermarket’s corporate office in the port city recently, according to a press release.

Under the agreement, IFIC Bank customers will be able to enjoy a wide range of benefits, according to a press release.

These include a 3 percent special discount at Shopping Bag Supermarket, a 10 percent discount at the Chef’s Terminal Food Court, a 30 percent discount on entry tickets at Kidz Play Land, free home delivery services, early access to promotions and events, and a customer privilege experience.

Sheikh Samsuddin Bayzid, manager of IFIC Bank’s Khatunganj Branch; Shahadat Kabir, head of credit administration at the Agrabad Branch of IFIC Bank; and Md Zafar Ullah, executive director of Shopping Bag Supermarket, along with other senior officials from both organisations, were also present.



Milton Dey, managing director of Shopping Bag Supermarket, and Md Monjurul Mumin, chief manager of Agrabad branch at IFIC Bank PLC, pose for a photograph after signing a memorandum of understanding at the supermarket’s corporate office in Chattogram recently.

PHOTO: IFIC BANK

Nvidia seeks

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allowing H200 sales with a 25 percent fee to be paid to the US government.

Nvidia has been burned in the past. Last year, it wrote down \$5.5 billion in inventory after the Trump administration abruptly banned it from selling the H20 chip to China, previously the most powerful product it was able to offer there.

While the US has reversed that decision, China has since banned H20 shipments.

But the payment structure for the H200 effectively transfers financial risk from Nvidia to its customers, who must commit capital without certainty that Beijing will approve the chip imports or that they will be able to deploy the technology as planned.

Chinese internet giants including ByteDance and

others view the H200 as a significant upgrade over currently available chips. The H200, currently Nvidia’s second-most powerful chip, delivers roughly six times the performance of the now-blocked H20 chip that Nvidia had designed specifically for the Chinese market.

Nvidia plans to fulfill initial orders from existing stock, with the first batch of H200 chips expected to arrive before the Lunar New Year holiday in mid-February, Reuters reported last month.

The company has approached contract chipmaker Taiwan Semiconductor Co about ramping up H200 production to meet the Chinese demand, with additional manufacturing expected to begin in the second quarter of 2026, Reuters reported last week.

Startups go public

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Zhao said he did not expect Zhipu or MiniMax to be profitable “any time soon”.

“That depends on two industry-wide shifts: significantly lower computing costs and much larger AI demand to spread those costs across,” he explained.

Beijing has reportedly been encouraging tech firms to use homegrown microchips owing to Washington’s on-and-off restrictions on top-end Nvidia chips, used to train and run AI systems.

Investor faith in the potential of China’s chip industry to challenge US powerhouse Nvidia last month sent shares in semiconductor companies

Moore Threads and MetaX skyrocketing on their market debuts.

Earlier this month, Baidu, the operator of China’s top search engine, said its AI chip unit Kunlunxin has filed a listing application in Hong Kong.

For chatbot providers, the picture is nuanced, said Shengyun Lu, founder of LSY Consulting.

“To run a foundational model company, it costs a lot and takes a lot of time,” he cautioned.

“IPOs allow the companies to raise money for financing their future research activities, but on the other hand, the initial investors are seeking an exit.”

Mutual Trust Bank signs cash management services deal with SMC Enterprise

STAR BUSINESS DESK

Mutual Trust Bank PLC has signed a cash management services agreement with SMC Enterprise Limited, an organisation involved in the sales, marketing and production of health, consumer and pharmaceutical products.

Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank PLC (MTB), and Sayef Uddin Nasir, managing director of SMC Enterprise Limited, signed the agreement at the bank’s corporate head office in Gulshan-1, Dhaka recently, according to a press release.

Under the arrangement, SMC Enterprise Ltd will be able to process all types of transactions seamlessly through MTB’s corporate banking solution, named “MTB eBank”.

Users can approve these transactions conveniently using biometric authentication on the MTB eBank app.

Mohammad Mamun Faruk, divisional head of the wholesale banking division at the bank; Eva Rahman, unit head of wholesale banking division-I; Sanjib Kumar Dey, head of the SME and agri banking division; Md Abu



Sayef Uddin Nasir, managing director of SMC Enterprise Limited, and Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank PLC, pose for a photograph after signing the agreement at the bank’s corporate office in Gulshan-1, Dhaka recently.

PHOTO: MUTUAL TRUST BANK

Bokar Siddik, head of the cards division; and Mohammad Ashik Iqbal Khan, divisional head of cash management and transaction banking, attended the event.

Abul Bashir Khan, chief financial officer of SMC

Enterprise Ltd, and Mohammad Tanvir Hossain, deputy general manager of finance and accounts, along with other senior officials from both organisations, were also present.

Meghna Bank strikes participation deal with BB for Start-up Refinance Scheme

STAR BUSINESS DESK

Meghna Bank PLC has signed a participation agreement with Bangladesh Bank under the BB Start-up Refinance Scheme to help foster an innovation-led entrepreneurial ecosystem.

Momtazul Karim N Ahmed, deputy managing director of Meghna Bank PLC, and Nawshad Mustafa, director of the SME and Special Programmes Department of Bangladesh Bank, signed the agreement at the BB headquarters in Motijheel, Dhaka recently, according to a press release.

Nurun Nahar, deputy governor of Bangladesh Bank (BB), attended the signing ceremony as the chief guest.

Under the scheme, eligible start-ups

will be able to access credit facilities at concessional interest rates, providing financial support for innovative and scalable ventures.

The partnership underscores Meghna Bank’s strategic focus on nurturing high-potential entrepreneurs expected to contribute significantly to the country’s sustainable economic growth.

Husne Ara Shikha, executive director of the central bank; Mohammad Sohel Miah, senior executive vice-president and head of SME banking at Meghna Bank PLC; Md Shahabuddin, head of branch SME and agri banking; and Md Shaidur Rahman, head of micro and small business, along with other senior officials from both organisations, were also present.

DHL Express, NCC Bank team up to cut greenhouse gas emissions

STAR BUSINESS DESK



DHL Express will help NCC Bank PLC reduce greenhouse gas emissions from its international air shipments by 30 percent through the GoGreen Plus service.

The initiative will support the bank in lowering its Scope 3 emissions – the indirect emissions generated across its value chain, particularly from transportation and distribution – by using an “insetting” approach, according to a DHL press release.

Through a book-and-claim system, DHL replaces fossil fuels with sustainable alternatives across its network and allocates the environmental benefits to participating customers.

DHL Express’s GoGreen Plus is the only service in the global express logistics sector that enables customers to use Sustainable Aviation Fuel (SAF) to reduce shipment-related emissions.

Md Miarul Haque, managing director of DHL Express Bangladesh, said the company was pleased to welcome NCC Bank to the GoGreen Plus initiative.

“By adopting sustainable aviation fuel, NCC Bank is taking a meaningful step towards reducing the environmental footprint of its shipments,” he said, adding that the partnership would help accelerate the adoption of SAF across the air transport industry.

DBH’s Shariah Supervisory Committee holds 9th meeting

STAR BUSINESS DESK



DBH Finance PLC, one of the country’s largest housing finance institutions, recently held the ninth meeting of its Shariah Supervisory Committee at its head office in Gulshan.

Muhammad Saifullah, chairman of the Shariah Supervisory Committee (SSC) of DBH Finance PLC, presided over the meeting as the chief guest, according to a press release.

DBH Finance PLC currently offers shariah-compliant Islamic home financing and mudaraba deposit services through all 16 of its branches across the country under the brand name “DBH Islamic,” in addition to its conventional operations.

Md Fariduddin Ahmed, Md Abdul Awwal Sarker and Zubair Mohammad Ehsanul Hoque, members of the SS committee; Nasimul Baten, managing director and CEO; Tanvir Ahmad, deputy managing director and head of Islamic Financing; along with other senior officials of the non-bank financial institution, were also present.

AkijBashir launches country's first three-layer insulated wire

STAR BUSINESS REPORT

AkijBashir Group has officially entered Bangladesh's electrical wire and cable industry with the launch of its new brand, AkijBashir Cables, introducing the country's first three-layer insulated electrical wire.

The announcement was made at a formal ceremony at the Bangladesh-China Friendship Conference Centre in Dhaka yesterday.

The new cables feature a pure copper core with three layers of insulation, designed to provide enhanced safety, durability, and resistance to high temperatures of up to 105 degrees Celsius.

According to company officials, the innovation sets a new benchmark for electrical safety and reliability in the country, especially for residential, commercial, and industrial installations.

The launch was attended by leading industry professionals, business partners, trade leaders, and key stakeholders.

The brand was officially unveiled by Mohammad Khorshed Alam, chief operating officer of AkijBashir Group, alongside other top executives, including Helal Ahmed, deputy managing director, and Mohammad Omar Faruke, Head of Business (Cable Operations).

In his remarks, Alam said AkijBashir Cables reflects the group's longstanding commitment to quality and innovation.



Mohammad Khorshed Alam, chief operating officer of AkijBashir Group, poses for a group photograph after unveiling the group's new business unit, AkijBashir Cables, at the Bangladesh-China Friendship Conference Center in Dhaka yesterday. PHOTO: AKIJBASHIR GROUP

"With our advanced manufacturing capabilities and trusted market presence, we are confident AkijBashir Cables will emerge as a reliable solution for modern electrical needs," he said.

The company has already opened 32 showrooms across Bangladesh to ensure immediate product availability and customer access. The brand's tagline, "Confidence Within," highlights its focus

on safety, performance, and trust.

Alam added that AkijBashir Cables aims to deliver secure, efficient, and future-ready electrical solutions through its nationwide distribution network.

Improved corporate culture can reduce insider trading: experts

STAR BUSINESS REPORT

Improved corporate culture at listed companies can help reduce the practice of making profit through insider trading, experts said yesterday.

Insider trading refers to the buying or selling of a company's securities by individuals who possess material, non-public information about the company.

The remarks were made at an event at Dhaka University. Ahsan Habib, professor of financial accounting at Massey University in New Zealand, presented the keynote paper.

Habib discussed recent empirical findings on insider trading profitability, the role of corporate governance mechanisms, and the importance of corporate culture in ensuring fair and transparent capital markets.

He said improvements in corporate culture reduce the profitability of insider trading, which in turn discourages such practices.

As a result, he stressed the need to place greater emphasis on strengthening corporate culture alongside regulatory measures.

The research seminar on corporate culture and insider trading was organised by the Accounting Research Initiative of the Department of Accounting.

Maksudur Rahman Sarker, chairperson of the Department of Accounting at the University of Dhaka, inaugurated the seminar.

Bangladesh remains cash-heavy despite digital gains: PRI

STAR BUSINESS REPORT

Bangladesh has made notable progress in digital payments, yet it remains largely cash-dependent due to constraints, including limited interoperability, infrastructure gaps, cybersecurity risks, and low digital literacy, said the Policy Research Institute of Bangladesh (PRI) yesterday.

The research organisation shared the findings at a workshop on formulating a national strategic roadmap to move toward a cashless economy at its Dhaka office.

PRI said progress in cashless payments has been led by mobile financial services, quick response (QR) code-based payments, and online banking.

The cashless agenda must now be elevated to a national development priority, said PRI Principal Economist Ashikur Rahman, presenting a keynote at the event.

He said digital and cashless instruments are no longer

peripheral innovations; they are powerful enablers of financial inclusion, economic governance, and a low-transaction-cost economy.

"When designed and deployed well, they can extend formal financial services to underserved populations, reduce informality, improve transparency, and strengthen state capacity.

"If Bangladesh is to sustain inclusive growth in an increasingly digital global economy, the transition to cashless finance must be deliberate, coordinated, and time-bound," he added.

Arief Hossain Khan, executive director of Bangladesh Bank (BB), said the central bank is actively pursuing initiatives to promote digital payments, financial inclusion, and a secure payment ecosystem.

"Success in our transition toward a cashless economy depends on strong coordination among regulators, financial institutions,

and technology providers to ensure it is inclusive for all," he said.

PRI Chairman Zaidi Sattar said three factors determine economic growth: labour force growth, capital investment, and productivity growth.

"The cashless economy contributes to productivity growth, but the valuations generated within the cashless economy must be captured."

To reflect digital advancements in national production, the Bangladesh Bureau of Statistics (BBS) needs to adopt the UN System of National Accounts (UN SNA) 2025 to appropriately incorporate the value added by digital and cashless transactions into GDP growth, he added.

"This process will take at least three years. Cooperation among the Bangladesh Bank, BBS, and research organisations will be required, including access to relevant data from the BB," he said.

Uneasy recovery: strong reserves

FROM PAGE B1

that the pressure on the export sector is unlikely to lift anytime soon, reflecting both cyclical and longer-term challenges in global trade.

The causes of this malaise are both external and domestic. The external world is no longer the reliable partner it once was.

"There is no credible signal that the global trading environment will turn supportive any time soon. It remains unfavourable, fragmented, and highly unpredictable," Razzaque added.

"There is no indication that the global trading environment will improve. It remains unfavourable and unpredictable," Razzaque added. The shifting tectonic plates of international commerce — specifically the impact of increased US reciprocal tariffs, the opacity of American trade policy, and an increasingly complex geopolitical landscape are reshaping trade flows and investment decisions, with adverse implications for export-dependent economies such as Bangladesh.

In the United States, a newly protectionist mood has taken a heavy toll on the global economy. Following the imposition of an additional 20 percent tariff, prices for Bangladeshi apparel rose, and American demand predictably softened. Closer to home, a logistical severing occurred last year when India removed transshipment benefits for Bangladesh's exports to third countries. The result was an immediate increase in lead times and delayed deliveries, prompting unsentimental foreign buyers to shift their orders to alternative suppliers.

Razzaque also points to specific unknowns that complicate the calculus for Dhaka, particularly regarding its neighbours.

"We do not know how US tariff policy towards India or for any other country will evolve, and that uncertainty matters for Bangladesh's competitive position in key markets," he said.

"Taken together, these unresolved policy issues and extremely volatile global geopolitical landscape

suggest a period of heightened uncertainty in the global trading system, an assessment widely shared by economists working on applied international trade and development."

Domestic headwinds have been equally fierce. Political uncertainty, coupled with interest-rate hikes designed to curb inflation, has driven up the cost of doing business, eroding price competitiveness.

This is concerning, even though the economy had, until recently, shown genuine signs of recovery. Imports, after two years of contraction, had finally rebounded in 2025, posting a 2 percent increase — usually a signal of industrial vitality. Private investment, too, seemed to be waking from its hibernation; in November, credit flow to the private sector ticked up to 6.58 percent, from 6.23 percent just a month prior.

This modest progress towards economic stabilisation has come at a steep cost: slow growth, stagnant investment, rising unemployment, and declining real wages. The economy has been suffering from a slowdown for the fourth year running. If the export downturn persists, it will undo the gains of the last few months.

The business community is currently in a state of suspended animation, waiting for the national election scheduled for next month. The hope is that the polls will usher in a democratic transition, restoring policy predictability and unleashing what some are calling an investment frenzy. There is also the seasonal promise of the coming months: Ramadan and Eid-ul-Fitr are expected to stoke consumer demand.

A political transition is viewed not merely as a democratic formality but as an economic necessity.

"A credible political transition is indispensable. The incoming government will inherit formidable challenges in dismantling long-standing bottlenecks that constrain export growth, while simultaneously safeguarding external competitiveness at a time of weakening demand and rising

costs," said Razzaque, noting the amplification of pressure for the country's graduation from the least developed country category and looming loss of preferential trade treatments that have long shielded the economy.

Ashikur Rahman, the principal economist at the Policy Research Institute of Bangladesh, suggests that the era of predictable stability is over. "Internal political uncertainty, institutional stress, and governance challenges will continue shaping macroeconomic management," he said. In his view, the economic policymaking of 2026 cannot rely on old assumptions. Instead, he offered a metaphor that captures the anxious alertness of the moment. "In many ways, we must behave like a deer in a forest," Rahman said. The nation must be "always alert, always conscious of the environment, attuned to early warning signals and crisis-time economic playbooks."

In this new world, where the stable ground of today can become the chaotic sinkhole of tomorrow, survival will depend on "vigilance, adaptability, discipline, and readiness to act decisively".

Talks on extra duty

FROM PAGE B1

He claimed yarn imports declined during July-December last year compared with the same period a year earlier.

According to him, the fall in yarn sales was due mainly to a slowdown in garment exports over the past few months. "When overall garment exports fall, yarn consumption also falls," he said.

Some businessmen present at the meeting said the government may consider imposing a 10 percent safeguard duty as a compromise.

The BTMA had earlier urged the government to impose a 20 percent safeguard duty on imports of 20 to 30 count yarn to protect the country's \$23 billion primary textile sector.

Dhaka eateries hit

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The association estimates that around two crore people are directly or indirectly linked to the industry.

"Restaurant owners are facing a severe crisis as LPG prices have increased by nearly 50 percent to 60 percent," said Imran Hassan, secretary general of BROA.

The sharp rise in fuel costs has placed an unbearable burden on small and medium-sized businesses, he said. "Restaurants are receiving 30 percent to 40 percent less gas than their actual demand, causing eateries to incur around 15 percent to 20 percent losses per day."

"We cannot change food prices multiple times a day to match fluctuating fuel costs. As a result, we have become systematically hostage to the current energy crisis," Hassan said, warning that many restaurants may soon reduce production or shut down entirely.

"ARTIFICIAL SHORTAGE"

In 2025, Bangladesh imported 14.65 lakh tonnes of LPG, higher than the previous year. Of that volume, 54.2 percent arrived in the last six months, according to NBR figures. The total import bill stood at around Tk 11,780 crore, down nearly 2.7 percent year-on-year.

Local spinners say the measure is necessary to protect the domestic industry from unfair competition.

In the last week of December, BTMA leaders accused India of dumping cheap yarn in Bangladesh and said local mills were sitting on unsold stock worth Tk 12,000 crore.

According to the spinners, Bangladesh imported \$2 billion worth of yarn from India in fiscal year 2025-26, with local mills consuming around 1,600 tonnes daily. From April to October 2025, imports stood at \$950 million.

They also said Bangladesh has become the largest destination for Indian yarn exports, accounting for 44 percent of the total, followed by Cambodia at 21 percent.

Bangladesh requires around 14 to 15 lakh tonnes of LPG annually, making the latest import volume broadly in line with demand.

At a recent meeting with energy ministry officials, LPG importers said overall stock levels remain satisfactory but flagged problems such as delays in opening letters of credit, rising shipment costs due to a shortage of vessels, and delays in approvals for expanding import capacity.

They warned that without government intervention, these issues could lead to a supply crunch in the future. Some importers also alleged that certain wholesalers have already created an artificial crisis, pushing prices higher.

Government officials, meanwhile, insist there is no genuine shortage. They argue current disruptions stem largely from market manipulation and collusion among wholesalers and retailers.

"We will contact the Bangladesh Bank to provide priority in opening LCs for LPG as a necessary product," Monir Hossain Chowdhury, joint secretary of the energy and mineral resources division, said after the meeting with importers.

He said shipment costs have risen after the United States last month imposed sanctions on at least 29

Khaleda Zia strengthened

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remain, the BSEC continues to protect investors and improve the market established during her tenure. "With that, the stock market came under the control of the regulatory body," Saiful Islam said.

Under her leadership, financial institutions began getting listed thanks to favourable policies. The market crashed in 1996, mainly due to fake paper shares. After returning to power, Khaleda Zia established the Central Depository Bangladesh Limited (CDBL), he added.

"In 2003, the CDBL started commercial operations, which helped end the paper-based share market era in Bangladesh," the DBA president said.

"So, she made an enormous contribution to the stock market.

vessels used by importers. "Now they are looking for alternatives, but costs have increased due to the ship crisis," he added.

Power and Energy Adviser Fouzul Kabir Khan has also said recent abnormal price hikes were the result of deliberate manoeuvring rather than import or production failures.

He said district administrations and consumer protection authorities have been instructed to conduct enforcement drives, including mobile courts, to curb artificial scarcity.

The ministry has also proposed tax relief measures. In a letter to the NBR yesterday, it recommended restoring a VAT exemption by lowering VAT on LPG imports to below 10 percent and removing VAT on local production and trader-level sales to ease cost pressures during the winter demand surge.

Mohammed Amirul Haque, president of the LPG Operators Association of Bangladesh, said the government had taken appropriate steps amid a difficult period.

"We are trying our best to make the situation normal as soon as possible. The problems regarding booking ships in the Middle East are not in our hands," he said. "Though shipment costs are increasing, we hope the shipments will be okayed

FTA with Mercosur could boost garment exports: BGMEA

STAR BUSINESS REPORT

A trade agreement with Mercosur, a common trade bloc of five South American countries with more than \$3 trillion in gross domestic product, could create huge garment export potential for Bangladesh, experts said yesterday.

The comment came during a meeting between leaders of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Uruguayan Ambassador to Bangladesh Alberto Guani at the association office in Dhaka.

Currently, local garment exporters face high duties when sending apparel items to the promising Mercosur countries—Brazil, Bolivia, Argentina, Uruguay and Paraguay. BGMEA leaders said a trade agreement with the bloc would benefit both sides through expanded trade.

In particular, by using Uruguay's efficient ports and advanced transportation infrastructure, Bangladeshi garment exporters would be able to supply products easily across the entire Mercosur region, according to a statement issued by the BGMEA.

At yesterday's meeting, both sides discussed the need for Bangladesh to pursue a free trade agreement (FTA) with the Mercosur bloc to address challenges the South Asian country will face after graduating from the least developed country category.

Currently, local garment exporters face high duties when sending apparel items to the promising Mercosur countries

Bangladesh would receive special preferences for garment exports to Uruguay if it imports wool from the Latin nation under the proposed FTA, which would be beneficial for both countries, said BGMEA Director Sumaiya Islam.

Honorary Consul of Uruguay in Bangladesh Mostafa Quamrus Sobhan said Uruguayan Merino wool carries internationally recognised traceability certification, which Bangladeshi garment manufacturers could use to become more competitive in the global market.

BGMEA Senior Vice President Inamul Haq Khan highlighted various aspects of Bangladesh's garment industry and sought state-level cooperation to increase garment exports from Bangladesh to Uruguay. He noted that although Bangladesh is the world's second-largest garment exporter, it has not yet significantly penetrated the Latin American market, and the country is keen to capitalise on this opportunity.

BGMEA Director Shah Rayeed Chowdhury said Uruguay, in particular, could act as the main "gateway" for Bangladesh's readymade garment exports to the wider Mercosur region.

The ambassador of Uruguay expressed interest in increasing garment imports from Bangladesh and also proposed exporting world-class, fully traceable wool from his country to Dhaka.

BGMEA Director Sheikh Hossain Muhammad Mustafiz said importing wool from Uruguay would allow Bangladesh to diversify its product range and strengthen its position in the Latin American market.

Geyser sales heat up as colder winter bites

JAGARAN CHAKMA

As temperatures fall and winter cold lingers longer than usual, geysers are once again emerging as a seasonal essential, with demand rising sharply across urban and semi-urban areas of Bangladesh.

Market insiders say sales volume have increased, particularly in areas with higher-income households. Although there is no consolidated industry data, they estimate that during the current winter season, spanning November to February, sales could reach at least 500,000 units.

Bangladesh is experiencing a colder winter this January, with prolonged cold spells sweeping the country. Yesterday, Sreemangal recorded the lowest temperature this winter at 7 degrees Celsius, according to the Bangladesh Meteorological Department (BMD).

"Demand for geysers has grown significantly this winter. Compared to last year, we've seen at least a 20 percent rise in demand due to the temperature drop," Md Nurul Afser, deputy managing director of Electro Mart Group, told The Daily Star yesterday.

"People are now more aware of geyser usage in the context of Bangladesh's winter needs," he said. Afser estimates that the total market size for geysers in Bangladesh, both branded and non-branded, may be between 450,000 and 500,000 units this season.

His company offers a range of geysers priced from Tk 10,200 and up, depending on features and capacity.

"We have models ranging from 40 to 70 litres," he added. "A 70-litre geyser, for example, costs around Tk 17,000," he said.

Md Sharif Sarker, branch operations head at Transcom Digital's Uttara-14 outlet, said the colder winter this year has significantly boosted the demand for geysers.

"Last year, the winter wasn't as cold. This time, demand has more than doubled. We're already out of stock,"



A man points to wall-mounted geysers on display at a sanitary and home appliances showroom. Traders say prolonged cold spell has driven up sales of the water heater among higher-income households in urban and semi-urban areas. PHOTO: AZAHAR UDDIN

Sharif said.

"We're receiving only a limited supply of Haier geysers, which are high in demand due to their performance," he added.

Sharif noted that prices for geysers offered by his company range from Tk 10,520 to Tk 18,200, depending on the model, with a 10 percent discount offered in December to attract winter shoppers.

Transcom Digital primarily sells Haier-branded geysers, with no other brands currently offered at the outlet.

Md Jishan Babu, a geyser installer, said

he has installed 26 geysers over the past seven days as temperatures began to drop in the capital.

He said that the ongoing cold wave is expected to last longer this year, raising hopes for increased demand and better job prospects in geyser installation.

Fazle Rabbi Khadem, senior brand manager (home and kitchen appliances) at Walton, said they have recorded a spike in sales volume over the past 15-20 days as temperatures continued to drop.

"We projected to sell around 6,000 units per day, but deliveries reached nearly

8,000 last month. In January, it also hit 8,000-9,000 units a day," he said, adding that the company had to arrange extra shifts to meet production needs.

Kamruzzaman Kamal, director of marketing at Pran RFL, said, "This winter, we've seen a 25 percent increase in sales, thanks to rising demand."

He also said increased local manufacturing has helped make geysers more affordable for middle-income families, not just in urban areas, but also in semi-urban and rural regions across the country.

The cost of being right

MAHTAB UDDIN AHMED

Every society has its unwelcome truth tellers. In Bangladesh, we treat them with refined politeness. We do not silence them loudly; we quietly make them disappear from our lives. Our corporate culture has perfected this courtesy. In this ecosystem, incompetence is manageable, corruption is negotiable, and power is protected. What truly disrupts the system is not wrongdoing, but the decision to speak from the weaker end of the hierarchy. Until then, calls are returned, meetings happen, and tea arrives on time. Once the truth enters the conversation, calendars fill up, and support turns symbolic.

This is why so many corporate stories feel painfully familiar. Across television, film, and real life, the ending is rarely a mystery. Institutions survive, perpetrators adjust, and the victim bears the longest and heaviest cost of speaking up. That's why everyone advises, don't take a fight with your company!

In recent weeks, I watched two television series, which claimed to be true stories, set in corporate environments. One followed a sexual abuse complaint that ended in a sanitised termination letter. The other revolved around a rape allegation slowly buried under legal language, power equations, and organisational loyalty. I also watched a Netflix film, "Haq", based on a "true story." Different formats, different continents, same moral conclusion. The perpetrator remains protected by the institution and the legal system. The victim is left to negotiate with society without morale.

Power, it turns out, travels well across borders. What binds these stories together is not crime but consequence. Once a complaint is made public, the victim's life

begins to shrink. Careers stall. Social invitations dry up. Support becomes conditional and carefully private. Sympathy arrives quietly in personal messages, while public distance is maintained with professional elegance.

In a corporate environment, association is everything. Reputation behaves like a stock price. The moment a name becomes controversial, it is treated as

volatile. Employers become risk managers. Recruiters turn into compliance officers. The resume may be impressive, the competence undeniable, but the file is quietly set aside. Litigation risk, cultural fit, timing issues. Polite phrases do heavy lifting.

Global data support this lived reality. Studies from the United States and Europe indicate that more than half of workplace abuse complainants face retaliation, while a significant portion struggle to re-enter comparable employment for years. In Asia, where hierarchy is deeply cultural and dissent deeply uncomfortable, the cost is often higher.

What is striking is the absence of institutional or legal support for any victims. There are organisations for many forms of injustice, rightly so. But if you are a mid-career professional undone by corporate politics, abuse, or retaliation, you are mainly on your own. Corporate victims are not a recognised category. They do not mobilise donors. They do not produce neat narratives.

Yet some fool still speaks. The protagonists in those series and that film knew the odds and went ahead anyway. Real life, however, is harsher than fiction. Court cases are longer than expected. Savings disappear faster than anticipated. Justice, if it arrives, arrives late.

I see similar stories unfold close to home. A former colleague, capable and credible, now spends his days chasing interviews to survive, while funding a legal battle against an organisation with deeper pockets and longer patience. People wish him well. Quietly. Few are willing to be seen. My 32 years of corporate experience are not significantly different.

As a society, we celebrate courage only in retrospect, in books or in our lectures. We admire integrity once it is safe to do so. While the victim is still living with the consequences, we choose to distance ourselves. Neutrality feels respectable. Silence feels prudent.

Silence is not neutral. It always sides with power. Until we are willing to stand visibly with the victim and carry some of the discomfort ourselves, we will keep perfecting systems that protect institutions and abandon those who tell the truth.

The writer is the president of the Institute of Cost and Management Accountants of Bangladesh and founder of BuildCon Consultancies Ltd

Nvidia seeks full upfront payment for H200 chips in China

Sources say

REUTERS, Beijing/Shanghai

Nvidia is requiring full upfront payment from Chinese customers seeking its H200 artificial intelligence chips, hedging it against ongoing uncertainty over Beijing's approval of the shipments, said two people briefed on the matter.

The US chipmaker has imposed unusually stringent terms requiring full payment for orders with no options to cancel, ask for refunds or change configurations after placement, the people said.

In special circumstances, clients may provide commercial insurance or asset collateral as an alternative to cash payment, one of the people added.

Nvidia's standard terms for Chinese clients have previously included advance payment requirements, but they were sometimes allowed to place a deposit rather than make a full payment upfront, the person said. But for the H200, the company has been particularly strict in enforcing conditions given the lack of clarity on whether Chinese regulators would greenlight the shipments, the person added.

In special circumstances, clients may provide commercial insurance or asset collateral as an alternative to cash payment

Both people spoke on condition of anonymity because the information is not public. The stepped-up policy enforcement has not been reported previously. Nvidia and China's industry ministry had yet to respond to requests for comment at the time of publication.

Chinese technology companies have placed orders for more than 2 million H200 chips that are priced at around \$27,000 each, Reuters reported last month, exceeding its inventory of 700,000 of the chips.

While Chinese chipmakers like Huawei have developed AI processors including the Ascend 910C, their performance still lags behind Nvidia's H200 for large-scale training of advanced AI models.

Beijing in recent days asked some Chinese tech companies to temporarily pause their H200 chip orders as regulators are still deciding how many domestically produced chips each customer will need to buy alongside each H200 order, the second person said.

The information first reported the pause on Wednesday.

Nvidia CEO Jensen Huang said on Tuesday that customer demand for H200 chips was "quite high" and that the company has "fired up our supply chain" to ramp up production.

Huang said he did not expect China's government to make a formal declaration on approval, but "if the purchase orders come, it's because they're able to place purchase orders."

BALANCING ACT

The strict payment requirements underscore the delicate balancing act Nvidia faces as it attempts to capitalise on surging Chinese demand while navigating regulatory uncertainty in both countries.

The Biden administration had banned advanced AI chip exports to China, but President Donald Trump reversed that policy last month,

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AI to boost copper demand 50% by 2040: S&P

REUTERS

Growth in the artificial intelligence and defense sectors will boost global copper demand 50 percent by 2040, but supplies are expected to fall short by more than 10 million metric tons annually without more recycling and mining, the consultancy S&P Global said on Thursday.

Copper has long been used widely across the construction, transportation, tech and electronics industries as it is one of the best electricity-conducting metals, is corrosion-resistant and is easy to shape and form.

While the electric vehicle industry has lifted copper demand the past decade, the AI, defense and robotics industries will require even more of the metal during the next 14 years alongside traditional consumer appetite for air conditioners and other copper-hungry appliances, S&P said in its report.

Demand globally will reach 42

million metric tons per year by that 2040 mark, up from 28 million metric tons in 2025, the report found. Without new sources of supply, nearly a quarter of that demand is likely to be unmet, the report found.

While the electric vehicle industry has lifted copper demand in the past decade, the AI, defense and robotics industries will require even more of the metal during the next 14 years

"The underlying demand factor here is electrification of the world, and copper is the metal of electrification," Dan Yergin, S&P's vice chairman and one of the report's authors, told Reuters.

AI is a major growth area for copper, with more than 100 new data center projects last year valued

at just under \$61 billion, Reuters reported last month.

The conflict in Ukraine and moves by Japan, Germany and others to increase defense spending are likely to also fuel copper demand, the report found.

"Demand for copper really is inelastic in the defense sector," said Carlos Pascual, an S&P vice president and former US ambassador to Ukraine.

Nearly every electronic device contains copper. Chile and Peru are the largest copper miners, and China is the largest copper smelter. The United States, which has imposed a tariff on some types of copper, imports half of its needs each year.

The report does not factor in potential supply from deep-sea mining.

S&P published a similar report in 2022 that forecasted copper demand should the world reach carbon neutrality by 2050, a goal described as "net zero."

Startups go public in litmus test for Chinese AI

AFP, Hong Kong

Leading Chinese artificial intelligence startup Zhipu AI soared as it went public in Hong Kong on Thursday, a day before rival MiniMax also makes its market debut in a litmus test for the country's rapidly developing sector.

Shares in Zhipu AI, which runs the Z.ai tool, rallied as much as 11.8 percent in early trade after its oversubscribed initial public offering raised HK\$4.35 billion (US\$558 million).

This week's flotations come before any IPO announcements from top US startups OpenAI, the maker of ChatGPT, and Anthropic, known for its Claude chatbot.

But analysts said profits were unlikely any time soon from either company – the first two IPOs among China's so-called "six tigers", generative AI providers competing with tech giants such as Alibaba and ByteDance.

"Zhipu is honoured to stand at this historic juncture as a representative of China's large model sector," company chairman Liu Debing said at Thursday's listing ceremony.

Zhipu AI was founded in 2019 and is a major provider of large language model (LLM) services to businesses and

government clients in the world's second-largest economy.

Proceeds from the IPO will go towards developing general-purpose large AI models, including key algorithms and system infrastructure, the firm said.

MiniMax, established in 2022, targets

the consumer market, particularly outside China, with its generative AI tools for speech, music and video, as well as text.

China tech analyst Poe Zhao, founder of the Hello China Tech newsletter, told AFP that the two IPOs "demonstrate both the revenue potential and the fundamental



Company chairman Liu Debing (fifth from right) and attendees pose during the initial public offering launch of one of the largest large language model developers in China, Zhipu AI, or Knowledge Atlas Technology, at the Hong Kong Stock Exchange yesterday.

PHOTO: AFP

challenges facing this new generation of LLM companies".

"The high demand definitely reflects broader optimism about Chinese AI," he said.

An AI boom has helped push tech stocks to record highs in recent months, but they are also volatile as global investors watch intently for any signs of a bubble.

"Do I think there's a bubble? Yes. But I want to distinguish between 'bubble' and 'bubble risk'. These companies need capital intensity," Zhao said.

The LLM market in China is estimated to grow to 101.1 billion yuan (US\$14.5 billion) by 2030, according to consultancy Frost and Sullivan.

In January 2025, Chinese startup DeepSeek shook the tech world with a low-cost, high-performance reasoning model that upended assumptions of US dominance in the sensitive sector.

A year ago, Washington put Zhipu, backed by conglomerate Tencent, on its export control blacklist over national security concerns.

And Disney along with other US entertainment outfits including Universal is suing MiniMax for copyright infringement.

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