

# Star BUSINESS



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## Low investment, high inflation major hurdles for next govt: CPD

STAR BUSINESS REPORT

Raising investment and taming inflation will be the main economic challenges for the next elected government, private think tank Centre for Policy Dialogue (CPD) said yesterday.

"If investment does not rise, job opportunities will not increase, people's incomes will stagnate, and inequality will deepen. That is why investment must be the top priority," Fahmida Khatun, executive director of CPD, said at an event regarding the state of the Bangladesh economy for the first half of the fiscal year 2025-26 (FY26) in Dhaka.

She said that with inflation remaining stubbornly high for the past couple of years, real wages have declined, making both inflation control and investment revival critical challenges for the next government.

Fahmida said that under the current circumstances, marked by political transition and uncertainty, the scope for strong investment inflows remains limited.

### RECOMMENDATIONS FOR NEXT GOVT

- Prioritise investment revival to create jobs
- Continue reform momentum to manage debt risks
- Tame inflation through supply-side reforms
- Ensure reliable energy supply
- Restore fiscal discipline through policy continuity
- Accelerate renewable energy investment
- Reform banking sector and ensure BB's independence
- Strengthen food supply chains through rapid institutional reform
- Simplify tax and VAT regimes
- Safeguard external-sector stability

Long standing constraints such as inadequate infrastructure, policy uncertainty, bureaucratic red tape, burdensome tax policies, high financing costs and weak contract enforcement have continued to discourage new investment, she added.

Energy shortages, particularly disruptions in gas supply, remained a major constraint on industrial activity, raising production costs and undermining business confidence, she also said.

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## Garment exports to US grew 15% in Jan-Oct Show US Department of Commerce data

REFAYET ULLAH MIRDHA

Bangladesh's readymade garment exports to the United States, the country's largest single-market destination, grew more than 15 percent year-on-year to \$7.08 billion in the January-October period, according to US government data.

Local apparel makers say the surge was largely driven by front-loaded shipments ahead of the Trump administration's reciprocal tariff enforcement.

A temporary 10 percent baseline tariff was applied by the US from part of April to the entire July before higher country-specific rates took effect on August 7 last year. It added with the existing 16 percent, taking the total rate to around 26 percent.

During the low baseline tariff period, local apparel makers say American buyers brought in larger-than-usual consignments. Apparel exporters said this rush pushed overall shipments in the January-October window above normal levels, somewhat masking the basic trend for the rest of the year.

For Bangladesh, a punishing 35 percent reciprocal rate was initially announced in April last year. It was later revised to 20 percent after bilateral negotiations.

The growth came amid a largely flat US apparel market. Total imports from the world by the United States declined 0.61 percent year-on-year to \$66.63 billion during the January-October period last year, according to the Office of Textiles and Apparel (OTEXA), an agency under the US Department of Commerce.

Similar to Bangladesh, most other major exporting countries also saw positive growth in the American market during the period.

Vietnam's exports to the US rose 11.5 percent to \$14.16 billion, India's 8.6 percent to \$4.39 billion, Pakistan's 12.3 percent to \$2.02 billion, Indonesia's 10.1 percent to \$3.98 billion, and Cambodia's 25.5 percent to \$4.04 billion.

China was the exception, with exports to the US falling 32.4 percent to \$9.49 billion.

During the period, unit prices of Bangladeshi garments declined slightly, reflecting intense competition and cautious buying by US retailers, according to OTEXA data.

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## Political unrest, global trade risks to weigh on economy: BMI

STAR BUSINESS REPORT

Prolonged political unrest poses a major drag on Bangladesh's economic growth amid global trade uncertainty, said BMI, a provider of insights, data, and analytics owned by Fitch Solutions.

"The external environment is bleak. Apart from US trade antagonism, Europe-based businesses and diplomats have urged Bangladesh to increase imports from the EU in order to help narrow the bloc's large trade deficit with the country," BMI said in its report on Bangladesh's economy released last week.

BMI forecast that Bangladesh's economic growth will rise to 5 percent in the fiscal year 2025-26, up from 3.7 percent last year, but warned of downside risks. Earlier, it had projected 5.5 percent growth for the country.

Last month, the Asian Development Bank cut its growth forecast for Bangladesh to 4.7 percent for the current fiscal year from 5 percent in September, citing sluggish investment ahead of elections and slower growth in export earnings.

BMI said its estimate is below the government's 5.5 percent growth target but still faster than last year. "Private consumption will likely be more resilient in the next few months," the report said.

The research firm noted that while inflation appears to be sticky to the downside, real wages contracted more slowly, averaging a 0.7 percent year-on-year drop from January to November 2025, compared with a 2.4 percent contraction in 2024.

## Autogas stations shut nationwide amid shortage

Says association

STAR BUSINESS REPORT

An acute shortage of liquefied petroleum gas (LPG) has forced nearly all autogas stations across the country to shut down operations, said Serajul Mawla, president of the Bangladesh CNG Filling Station and Conversion Workshop Owners Association, yesterday.

Mawla said the shortage has directly affected thousands of LPG-powered vehicles, leaving owners and drivers in severe distress as they struggle to obtain fuel.

In many cases, vehicle owners roam from one station to another for hours but fail to collect gas, disrupting both vehicle operations and passenger services, he added.

He made the remarks at a press conference held at the Dhaka Reporters Unity in the capital.

According to the association, Bangladesh consumes an average of about 140,000 tonnes of LPG per month.

"We strongly urge the Bangladesh

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**UCB**

Record breaking 2025

**-13,000** Crore

Net Deposit Growth

A.D. Ratio 82%

16419

## Monetary policy alone can't cool inflation

Says finance adviser, seeks broader cooperation to rein in prices

STAR BUSINESS REPORT

After the interim government kept bank lending rates high for about one and a half years to reduce inflation, Finance Adviser Salehuddin Ahmed acknowledged that tight monetary policy alone cannot cool soaring prices.

At a programme in Dhaka yesterday, he said inflation control also requires effective supply-side management, stronger market supervision and cooperation from both businesses and consumers.

Even so, the adviser leaned towards maintaining the current policy stance, saying that an abrupt cut in interest rates could hurt the wider economy.

Local business leaders have long pressed for lower lending rates, but Salehuddin said that the issue could not be settled through a single decision.

"Interest rates are often discussed as if simple solutions exist, but lowering rates in one area can create pressure elsewhere in the economy," he told the publication ceremony of the Banking Almanac at the CIRDP auditorium in the capital.

Referring to the recent fall in treasury bill yields, he said the impact would gradually feed through to the market. However, higher returns on treasury bills or savings instruments could pull deposits away from banks, posing risks to the financial system.

The former Bangladesh Bank governor said the core role of the banking sector is to bridge savings and lending. "Banks and non-bank financial institutions play this intermediary role, and any weakness in this structure negatively affects the entire economic system."

READ MORE ON B2

**Eastern Bank PLC.**

নিজ আঙিনার স্বপ্ন পূরণে এক নতুন মাইলফলক

ইবিএল হোম লোন এখন সর্বোচ্চ

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# Citizens Bank to collect Titas Gas bills

STAR BUSINESS DESK

Citizens Bank PLC recently signed an agreement with Titas Gas Transmission and Distribution PLC to collect gas bills and demand notes from customers.

Md Abdul Latif, deputy managing director of Citizens Bank PLC, and Md Lutful Hyder Masum, company secretary of Titas Gas Transmission and Distribution PLC, signed the agreement at Titas Bhaban in Karwan Bazar, Dhaka, according to a press release.

Alamgir Hossain, managing director of Citizens Bank PLC, and Shahnewaz Parvez, managing director of Titas Gas Transmission and Distribution PLC, attended the signing ceremony.

Under the agreement, Citizens Bank will collect gas bills and demand notes from customers under the domestic (metered and non-metered), industrial, commercial, compressed natural gas (CNG), captive, and power categories.

Md Mostafizur Rahman, deputy managing director of the bank; Md Mohiuddin Mollah, general manager of the gas transmission and distribution company; and Mohammad Yousuf, deputy general manager, along with other senior officials of both organisations, were also present.



Md Lutful Hyder Masum, company secretary of Titas Gas Transmission and Distribution PLC, and Md Abdul Latif, deputy managing director of Citizens Bank PLC, pose for a photograph after signing the agreement at Titas Bhaban in Karwan Bazar, Dhaka recently.

PHOTO: CITIZENS BANK

# Gulzar Ahmed elected vice-chairman of Standard Bank

STAR BUSINESS DESK

Gulzar Ahmed, a director of Standard Bank PLC, has been elected as the vice-chairman of the bank.

The election was held at the bank's 421st meeting of the board of directors last week in Dhaka, according to a press release.

After completing his education, he took over the family business, Apan Jewellers. Through the combined efforts of the Apan family, nine jewellery showrooms have been established in different parts of Dhaka.

A prominent business personality, Ahmed has risen to the pinnacle of success through honesty, dedication and professionalism during his 44-year business career.

He served as acting president of the Bangladesh Jewellers Association (Bajus) for a long time.

He is also the chairman of Unique Gold Private Limited, first vice-president of the Bangladesh Jewellery Manufacturers and Exporters Association (BJMEA), a member of the general body of the Federation of Bangladesh Chambers of Commerce and Industry, and chief adviser of Apanscape.

He also previously served as president of the Baitul Mukarram Business Group.



Gulzar Ahmed

# Prime Bank signs payroll banking deal with Bando Eco Apparels



Md Lutfor Rahman, managing director of Bando Eco Apparels Limited, and M Nazeem A Choudhury, deputy managing director of Prime Bank PLC, pose with a photograph after signing the agreement at the bank's corporate office in Dhaka recently.

PHOTO: PRIME BANK

STAR BUSINESS DESK

Prime Bank PLC recently signed a payroll banking agreement with Bando Eco Apparels Limited, a sister concern of Teamtex Group, to provide payroll banking services.

M Nazeem A Choudhury, deputy managing director of Prime Bank PLC, and Md Lutfor Rahman, managing director of Bando Eco Apparels Limited, signed the agreement at the bank's corporate office in Dhaka, according to a press release.

Under the agreement, employees of Bando Eco Apparels Limited will enjoy payroll banking facilities, including salary accounts with competitive rates, dual-currency debit cards with fee waivers and lifestyle benefits, customised

loan and credit card facilities, and a wide range of consumer banking products and services on preferential terms.

They will also have access to PrimePay, the bank's omni digital platform, which enables seamless and automated salary disbursement along with convenient, round-the-clock corporate payment solutions.

Mamur Ahmed, senior executive vice-president and head of the distribution network at the bank; Sajid Rahman, senior executive vice-president and area head of corporate and institutional banking; Md Kudrat-E Khouda, executive vice-president and team head of corporate and institutional banking; and Hasina Fardous, vice-president and head of payroll banking, attended the event.

# Eastern Bank launches Visa SME credit card

STAR BUSINESS DESK

Eastern Bank PLC (EBL), in collaboration with global digital payment solutions provider Visa, has launched the "EBL Visa SME Credit Card", a dedicated credit solution designed exclusively for sole proprietorship business loan customers.

The dual-currency Visa credit card, secured with an EMV chip, is aimed at supporting business-related payments with greater flexibility and convenience.

M Khorshed Anowar, deputy managing director and head of retail and SME banking at Eastern Bank PLC,

and Sabbir Ahmed, country manager for Bangladesh, Nepal and Bhutan at Visa, inaugurated the card at the bank's head office in Gulshan, Dhaka recently, according to a press release.

Key benefits of the card include an issuance fee waiver and an annual fee waiver subject to completing 24 transactions. Cardholders are also entitled to spend up to \$3,000 annually for bona fide international expenses.

The card offers complimentary access to Sky lounge for travellers, along with four global lounge visits per calendar year through Priority Pass.



Sabbir Ahmed, country manager for Bangladesh, Nepal and Bhutan at Visa, and M Khorshed Anowar, deputy managing director and head of retail and SME banking at Eastern Bank PLC, pose for a photograph at the launch of the new credit card at the bank's head office in Gulshan, Dhaka recently.

PHOTO: EASTERN BANK

# NRBC Bank chairman gets Excellence in Corporate Governance Award



Md Ali Hossain Prodhania, chairman of NRBC Bank PLC, receives the award from Ahsan H Mansur, governor of Bangladesh Bank, at the NRB Global Convention at Sheraton Dhaka in the capital's Banani recently.

PHOTO: NRBC BANK

STAR BUSINESS DESK

Md Ali Hossain Prodhania, chairman of NRBC Bank PLC, has been honoured with the "Excellence in Corporate Governance Award" in recognition of his outstanding leadership in promoting excellence, transparency and accountability in corporate governance.

Ahsan H Mansur, governor of Bangladesh Bank, handed over the award to Prodhania at the NRB Global Convention held at Sheraton Dhaka in the capital's Banani recently.

Sheikh Moynuddin, special assistant to the chief adviser, was also present as a special guest at the event.

The recognition reflects Prodhania's significant role in ensuring good governance, transparency, accountability and ethical standards in the banking sector and the broader corporate arena through effective leadership.

The award also underscores NRBC Bank PLC's continued commitment to strengthening corporate governance and delivering sustainable and secure banking services for its customers.

Enamul Haque Enam, founder of NRB World, along with expatriate entrepreneurs, industrialists, business leaders, doctors, engineers, scientists, teachers and information technology professionals from around 25 countries, attended the programme.

# IFIC Bank holds annual business conference

STAR BUSINESS DESK

IFIC Bank PLC yesterday held its "Annual Business Conference 2026" at IFIC Tower in Dhaka.

Md Mehmood Husain, chairman of IFIC Bank PLC, inaugurated the conference as the chief guest, according to a press release.

In his address, Husain said, "Building a strong, transparent and customer-centric banking system to address the country's economic challenges remains IFIC Bank's foremost priority."

"We are committed to ensuring sustainable growth through sound governance, effective risk management, technology driven banking and the strategic transformation of our business model," he said.

"In achieving these goals, the board of directors remains firmly committed to providing full support and cooperation to the management at every step," he added.

Sayed Mansur Mustafa, managing director of the bank, presided over the conference, reviewing the bank's performance over the past year and setting strategic business objectives for the year ahead.



Md Mehmood Husain, chairman of IFIC Bank PLC, poses for a group photograph with participants of the "Annual Business Conference 2026" at IFIC Tower in Dhaka yesterday.

PHOTO: IFIC BANK

# Monetary policy

FROM PAGE B1

On the Banking Almanac, Salehuddin said the publication does not offer direct investment guidance, but it is an important data source for analysing the banking sector. It contains key information including paid up capital, authorised capital, capital ratios, provisioning, retained earnings and credit-deposit ratios.

Discussing the health of the banking sector, he said conditions were critical when he took office in August 2024. Recent data analysis, however, shows early signs of improvement in provisioning and lending at some banks -- trends also reflected in the banking Almanac.

Calling on the media, Salehuddin urged journalists not to portray Bangladesh only in negative terms, but to highlight positive developments alongside constructive criticism. He said the country has made notable progress despite many constraints.

Abdul Hai Sarker, chairman of the Bangladesh Association of Banks (BAB), said the exact reasons behind high interest rates remain unclear.

Sarker, the chairman of Dhaka Bank, said banks are receiving funds from both the Bangladesh Bank and the government, yet lending rates remain high.

Despite adequate liquidity, banks are unable to invest because of an unfavourable business climate, he said, adding that weak law and order and low business confidence are discouraging fresh investment.

Sarker said politically driven bank approvals have eroded confidence and triggered capital outflows from the banking system.

High interest rates are also hurting exports by raising production and financing costs, weakening competitiveness in global markets, according to the BAB chairman.

Hossain Zillur Rahman, acting chairman of the board of editors of the Banking Almanac and a former

adviser to the caretaker government, said business and entrepreneurial confidence remains a key challenge. He said this should be understood broadly to include farmers and small producers.

Economic democracy, especially access to credit and policy support for small and medium enterprises and grassroots actors, is another critical benchmark, he added.

"While inflation and daily economic comfort have shown mixed trends, persistent gaps remain due to inefficiencies in policy execution and supply chains."

The economist said strong economic governance depends on quality data, professionalism, better norms, continuous monitoring and effective consultation with stakeholders.

Nazma Mobarek, secretary of the Financial Institutions Division at the Ministry of Finance, said that Bangladesh depends more on the money market than the capital market, leaving banks under growing pressure.

She said the Banking Almanac should include a chapter offering recommendations and possible exits from the crisis, including the problem of rising bad loans.

Md Khairuzzaman Mozumder, secretary of the Finance Division, said the financial sector has been passing through a difficult period over the past one and a half years.

He said some challenges, including letter of credit payment problems, have eased. The true scale of bad loans has now become visible following loan classification under international standards, he added.

Bangladesh Bank Deputy Governor Nurun Nahar also spoke at the event as a special guest. Mohammed Nurul Amin, a member of the editorial board of the book, made remarks on the publication.

The ceremony marking the seventh edition of the Banking Almanac was organised by ShikkhaBichitra with support from the Bangladesh Bank.



Customers visit a home appliance store to buy electric cookers as Dhaka households turn to induction and infrared models amid the ongoing gas shortage. The photo was taken recently. PHOTO: PRABIR DAS

# Electric cooker sales soar as gas crisis worsens

STAR BUSINESS REPORT

Mousumi Mirdha, a resident of Mohammadpur in Dhaka, recently bought an induction cooker to cope with the ongoing gas shortage.

"I bought an induction cooker because we hardly get gas during the day. At night, there's some supply, but it's very inconsistent, which makes cooking difficult," she said.

She added that the appliance has become a helpful alternative. "With the induction cooker, I can cook or reheat food anytime I need. It's especially useful during emergencies or for quick meals. This has been a practical solution amid the severe gas shortages."

Electric cookers from brands such as Walton, Vision, Vigo, Kiam, Gazi, Miyako, and Philips are dominating the market. Lesser-known models from Nova and Prestige are also available.

Market insiders say infrared cookers are slightly more expensive than induction models, with prices generally ranging from Tk 3,500 to Tk 6,000. Premium models are priced higher.

R N Paul, managing director of RFL Group, said demand for electric cookers – particularly infrared and induction models – has surged in recent weeks. "We have seen a significant spike. Our stock of infrared and induction cookers has nearly sold out within just two weeks," he added.

He highlighted the efficiency of induction cookers, which use electromagnetic energy to heat cookware directly, unlike infrared cookers

that function like traditional coil heaters.

"Induction cookers are highly energy efficient and save about 30 percent power compared to traditional heating methods. If the power supply is stable, these can become mainstream. Abroad, most people use induction cookers to avoid the risks of gas cylinder-based cooking," Paul said.

On affordability, he said that entry-level electric cookers cost around Tk 5,000. For a family of four, the monthly electricity bill for regular use is about Tk 2,000, comparable to or even less than cylinder costs.

Currently, a 12kg gas cylinder sells for Tk 2,200, up from Tk 1,306 last month, due to supply shortages, rising transport costs, and dealers selling above the official price.

"Electric cookers are also safer and more sustainable. Globally, this is a trending product," Paul said.

He added that RFL's annual sales of electric cookers now reach nearly Tk 100 crore, with about 20,000 units sold per month. He estimated RFL's share in the segment at around 40 percent, with the total market size at Tk 250 to Tk 300 crore annually.

Augustin Sujan Barai, assistant director at Walton, said monthly sales of electric cookers have reached 7,000 to 10,000 units due to rising cylinder prices and ongoing shortages.

"Demand is clearly on the rise. Consumers are looking for alternatives, and electric cookers are

proving to be a reliable solution," he added.

Barai added that Walton offers 10 to 12 models of induction and infrared cookers, priced between Tk 3,700 and Tk 5,700. Walton's induction cookers feature up to 2,000 watts of power, adjustable wattage settings from 200W to 2,000W, touch-screen controls, multiple temperature sensors, intelligent cooking systems, auto safety shut-off, and timers up to three hours.

Its infrared cookers feature modern designs, a power range from 300W to 2,000W, high temperature-resistant glass, touch controls, timers, safety shut-off features, and compatibility with all flat-bottomed pans, he added.

Matiar Rahman Haider, managing director of Kiam Metal Industries, said sales have risen in the past two weeks due to higher cylinder prices and low gas pressure in many areas. "These issues have pushed more consumers to look for alternative cooking solutions, boosting demand for electric cookers," he said.

He added that while Kiam produces both induction and infrared cookers, their market share remains relatively low.

Haider explained that consumers tend to prefer infrared cookers because they work with any flat-bottomed cookware, unlike induction models that require compatible pots and pans.

He added that demand for electric cookers is steadily growing, particularly in urban areas where households are choosing modern, energy-efficient appliances.

# MetLife invests Tk 50cr in BRAC Bank's social bond

STAR BUSINESS DESK

MetLife Bangladesh has signed an agreement with BRAC Bank PLC under which the life insurer has invested Tk 50 crore in the country's first-ever social bond issued by the bank, marking a significant milestone in sustainable financing in Bangladesh.

Ala Ahmad, chief executive officer of MetLife Bangladesh, and Tareq Refat Ullah Khan, managing director and CEO of BRAC Bank PLC, signed the agreement at the Sheraton Dhaka in the capital's Banani yesterday, according to a press release.

Commenting on the investment, Ahmad said, "This investment reflects our commitment to supporting sustainable development in Bangladesh. By partnering with BRAC Bank on this landmark social bond, we aim to empower communities, promote financial inclusion and contribute to a resilient future."

The proceeds from the social bond will be directed towards impactful sectors, including women-led micro, small and medium enterprises (MSMEs), affordable

housing, healthcare, agriculture, and climate risk mitigation and resilience projects, aimed at fostering inclusive economic growth and social development.

BRAC Bank holds the distinction of being the highest-rated bank by leading local and international credit rating agencies. It has also secured the top position among Bangladeshi companies in the Bloomberg ESG rating, underscoring its commitment to environmental, social and governance excellence.

MetLife Bangladesh, the country's leading life insurer with around one million individual customers and more than 900 corporate clients, continues to strengthen its investment portfolio.

In addition to being one of the largest investors in government bonds, MetLife is diversifying into secured corporate bonds to provide sustainable financing to local corporates while delivering improved returns on customers' insurance policies.

With this latest investment, MetLife Bangladesh's total investment portfolio now stands at approximately Tk 19,000 crore.



PHOTO: METLIFE BANGLADESH

Tareq Refat Ullah Khan, managing director and CEO of BRAC Bank PLC, and Ala Ahmad, chief executive officer of MetLife Bangladesh, pose for a photograph after signing the agreement at the Sheraton Dhaka in the capital's Banani yesterday.

# EU, India say 'good progress' made towards trade deal

AFP, Brussels

The EU and India's trade chiefs said Friday after talks that they were getting closer to a trade deal between the 27-nation bloc and the world's most populous nation.

Brussels is pressing to seal an agreement with New Delhi as US President Donald Trump has rocked the global order.

EU trade commissioner Maros Sefcovic said the two sides were getting nearer after an "intense two day marathon of talks" with Indian counterpart Piyush Goyal in Brussels.

"Our shared goal: a balanced, mutually beneficial trade and investment agreement to boost relations," Sefcovic wrote on X.

"Good progress made. Open issues

narrowing. Full steam ahead in the coming days," he added.

Goyal echoed the upbeat assessment. "We made good progress and provided strategic guidance to our negotiating teams and reaffirmed our strong political resolve to deliver a fair, balanced, and ambitious agreement," he wrote.

The leaders of the EU and India are expected to hold a summit at the end of January and the two sides have been pushing to wrap up negotiations for that event.

The talks with India came as the EU on Friday gave a long delayed go ahead Friday to a huge trade deal with South American bloc Mercosur championed by Brussels as key to boosting the bloc's global standing.

# Garment exports to US

APPAREL EXPORTS TO US (in billions of \$) \*Jan-Oct



FROM PAGE B1

The unit price for Bangladeshi items declined 0.63 percent. The decline for Vietnam was 0.46 percent and 10.47 percent for China. Cambodia's price declined by 7.26 percent, Pakistan's 6.85 percent and Indonesia's 2.72 percent, show OTEXA data.

In the case of India, the unit price increased by 1.57 percent during January-October.

Despite the strong headline growth, exporters said momentum began to ease after August. Shipments weakened in October and November, following the enforcement of the higher tariffs.

Anwar ul Alam Chowdhury (Parvez), former president of the Bangladesh Garment Manufacturers and Exporters Association (BGMFA), said the January-October figures do not fully reflect the year's underlying trend.

"The growth was concentrated in the early months, when shipments were rushed ahead of tariff enforcement," he said.

Parvez added that export performance slowed after August but expects shipments to stabilise after Bangladesh's general election next month, as international buyers are likely to place full work orders once the heated political atmosphere cools off.

Meanwhile, retail sales in the United States posted solid year-on-year growth in November, with early holiday-season activity keeping results on track to meet the National Retail Federation's (NRF) 2025 spending forecast, the organisation said in a statement recently.

It means the retail buying is likely to consume the fashion inventory, prompting the US buyers to place fresh orders.

"Retail sales showed healthy year-over-year gains in November, while month-on-month data was largely flat," NRF President and CEO Matthew Shay said.

For large apparel manufacturers like Bangladesh, it is positive news on the export front.

Shay said, "Shoppers looking for online deals may have held back a bit until Cyber Monday, which fell in December this year due to a late Thanksgiving, likely shifting some spending. Consumers are focusing on value and spending carefully during the holiday period, and retailers are offering products at competitive prices to fit every budget."

"We remain confident in our holiday forecast as well as our retail sales projections for the full year," he concluded.

# Low investment, high inflation

FROM PAGE B1

Lower energy supply, higher prices and elevated financing costs have collectively increased the cost of doing business, she added.

The CPD executive director continued that the next government must also ensure continued implementation of the Smooth Transition Strategy (STS) prepared for Bangladesh's graduation from the least developed country (LDC) status and place dedicated emphasis on digitalisation and automation of all investment-related services.

**ECONOMY UNDER INTERIM GOVT**

Assessing the interim government's macroeconomic management, Fahmida said it assumed office at a time when foreign exchange reserves were falling, inflation was rising, and most macroeconomic indicators were deteriorating.

"This freefall was stopped. Foreign exchange reserves have started to rebound, the exchange rate has stabilised, and hundi has been controlled, bringing some degree of comfort," she said.

However, she added that although reform initiatives had begun in several sectors, much more remains to be done, noting that one and a half years were insufficient to fully revive the economy. "The next government would need to continue the reform agenda."

Despite the relative stabilisation, CPD warned that the economy remained vulnerable to falling into a debt trap.

Prof Mustafizur Rahman, a distinguished fellow of CPD, said debt servicing has now become the second-highest expenditure item in the national budget, surpassing education, which previously ranked second after public sector salaries.

"This debt-driven economy is creating the risk of falling into a debt trap," he said, citing examples from several LDCs.

He recommended focusing on raising direct tax collection.

Also speaking on the matter, Fahmida said external borrowing remained necessary for infrastructure

development but stressed the importance of proper fund utilisation alongside stronger tax collection.

Although the National Board of Revenue (NBR) tax collection rose by 15 percent during July-November of FY26, CPD said the revised target, raised by Tk 55,000 crore for the full fiscal year, was not achievable. It said the rationale behind setting such a high target remained unclear.

Due to the fiscal deficit, reliance on bank borrowing increased during the first three months of FY26, CPD added.

On inflation, CPD said price pressures had become structural rather than temporary. The interim government relied mainly on monetary tightening and fiscal restraint, but these measures had shown limited success in containing food inflation, which is driven largely by supply-side constraints.

Climate shocks, production shortfalls, rising input costs, import dependence, market rigidities and the role of intermediaries have all contributed to higher prices, CPD also said, calling for stronger supply-side interventions.

Food inflation disproportionately affects low-income households and exacerbates poverty and inequality. To examine the issue, CPD conducted a market survey covering 10 essential commodities.

The survey found that perishable vegetables carried significantly higher gross profit margins for retailers. Beef recorded the highest absolute margin at Tk 49 per kilogramme (kg), followed by fish at Tk 33 and chicken at Tk 18.

A total of 50 retailers across 10 markets in the Dhaka Division were surveyed for each commodity.

Retailers cited limited bargaining power, dominance of intermediaries, artificial supply manipulation and syndication, particularly in potatoes, as key reasons for price variation.

More than half of the retailers reported having to pay additional fees or commissions beyond the purchase price when procuring commodities, with the exception of green chilli,

eggs, and chicken, from wholesalers or urban warehouse owners.

These intermediaries increased procurement costs without adding value, with the burden ultimately passed on to consumers, said CPD.

**RECOMMENDATIONS FOR NEXT GOVT**

The private think tank made several recommendations on various issues for the next elected government, including restoration of fiscal discipline, reducing inflation, better coordination among agencies, banking reforms, resolving the energy crisis, bringing in investment, and sustaining external sector resilience.

It said restoring fiscal discipline while safeguarding growth and social stability would require policy continuity, institutional credibility and good governance to rebuild macroeconomic stability and investor confidence.

On bringing down commodity prices, it added that monetary tightening alone cannot resolve inflation rooted in supply-side rigidities, weak competition and market distortions.

Reforming food supply chains must therefore become a national priority. "Stabilising food prices is not only an economic necessity but also a social and political imperative."

Rapid institutional reform and stronger inter-agency coordination are needed to build a resilient food security system, CPD said.

It also pointed out that the banking sector remains one of the economy's most fragile pillars.

To that end, CPD called for swift implementation of reform legislation, restoration of Bangladesh Bank's independence and consistent application of the bank resolution framework. It also stressed the need for a modern insolvency regime supported by specialised courts to resolve issues related to distressed assets efficiently.

To boost private investment, CPD said tax and VAT regimes must be simplified, investment-related services fully digitalised, access to gas and electricity ensured, interest rates gradually eased as stability improves, and anti-corruption and

legal reforms strengthened.

In the power and energy sector, CPD said recent reforms have produced mixed results.

The next phase, it said, should prioritise renewable energy, reduce reliance on imported LNG by strengthening domestic gas exploration, phase out inefficient power plants, modernise the national grid and ensure transparency and accountability.

The external sector provided an important anchor of stability in the first half of FY26, CPD also said. Sustaining this resilience will require export diversification, productivity gains and lower business costs and lead times, it noted.

A coherent strategy, supported by skilled human resource development and stable remittance channels, will be essential to navigate the post-LDC era, it added.

# Autogas stations

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Energy Regulatory Commission to ensure an uninterrupted supply of at least 10 per cent of total monthly LPG consumption, or 15,000 tonnes, to autogas stations for use in the transport sector," Mawla said.

He said that if the autogas industry collapses, nearly 150,000 owners of LPG-powered vehicles will face serious hardship and be forced to remove LPG kits and revert to other fuels.

Mawla also said autogas station owners are already facing severe business losses due to the ongoing crisis.

Md Hasin Parvez, general secretary of the association, said the government has a moral and constitutional responsibility to protect people from the crisis by quickly normalising LPG imports, investigating the causes of the shortage and resolving them.

At present, the organisation has approximately 800 members.



Yasir Azman

# Telecom reforms gain pace, but investment challenges remain

Says Grameenphone CEO Yasir Azman

## MAHMUDUL HASAN

After years of inertia, Bangladesh's telecom sector has begun to move again under the interim government, reopening long-stalled reform pathways even as deep structural problems continue to weigh on investment and innovation, according to Grameenphone (GP) CEO Yasir Azman.

"There were a lot of ups and downs," Azman told The Daily Star in a recent interview, noting that the industry has gone through "substantial change in terms of how the future will be defined."

He said the past year saw sustained work on long-delayed reforms, including drafting a comprehensive telecom licensing policy, preparations for the auction of the 700 MHz spectrum, issuance of a new quality of service directive and the enactment of a new telecom law.

These developments, he noted, brought both opportunities and fresh challenges.

He also pointed to a series of regulatory decisions that eased operational constraints, such as approving the sale of network-locked or SIM-locked handsets, withdrawing cap on the number of service packages, permitting voice over Wi-Fi, and enabling access to leased dark fibre.

Despite many headwinds and volatility, the GP CEO said he sees the developments through an optimistic lens. That optimism, however, was tempered by sharp criticism of the financial and regulatory environment.

The chief executive of the country's largest telecom operator identified tax burden as the biggest obstacle for the industry. "There are 40 percent corporate tax, 15 percent VAT, 20 percent supplementary duty, 1 percent surcharge, 5.5 percent revenue share, 1 percent SOF and then licence and spectrum fees."

"Unless these issues are resolved, investors' appetite will remain extremely limited. This is not a concern unique to Grameenphone; it affects all operators," he added.

Besides, he complained that operators are not only heavily taxed but also locked in unresolved disputes with the regulator. "In our 28 years of operation, not a single annual audit dispute has been resolved. So, we have not been able to get clear of financial disputes from inception to this day."

He said this uncertainty directly undermines investor confidence, noting that GP has "Tk 12,500 crore stuck in financial disputes with the regulator".

"All three private telecom operators are (fully or partly) owned by foreign investors. How will they decide to continue to invest heavily?" he said.

As a way forward, Azman suggested pursuing international arbitration. Otherwise, he warned, the disputes could remain stuck in court for another decade, increasing pressure on operators.

The GP CEO informed that discussions were underway with the Bangladesh Telecommunication Regulatory Commission (BTRC) to initiate arbitration.

On service quality, Azman rejected criticism that network performance has deteriorated, claiming that the latest regulatory report on the matter was flawed. The report identified frequent call drops, blurred video calls and no indoor network coverage in several

These remain operational challenges the industry must "take on our shoulders".

On pricing, he said recent changes in charging structures have altered how customers perceive costs. From the user's perspective, he acknowledged, "price is going up," but said company data showed otherwise.

"Our ARPU (average revenue per user) has not increased... Data price per MB has gone down by another 11 percent," he said.

He attributed the disconnect to changing consumption patterns, as customers shift from short-duration packs to monthly combo offers. "If you buy 2 kilograms of rice for Tk 100 and 5 kg for Tk 150, you feel you paid more, but per kg it's cheaper," he explained.

He argued that customers are now buying larger data volumes with longer

indoor coverage and address rural gaps before pushing for widespread 5G deployment.

Asked why GP has not applied for a digital banking licence while rivals Robi Axiata and Banglalink have, Azman said it was not a strategic priority. "We are experts in telecom; we should focus on our telecom."

He also addressed concerns over data security and SIM-related fraud, calling cybersecurity and privacy "the topmost priority".

While he cited steps such as shutting down thousands of suspicious retail points, he acknowledged that the ecosystem remains difficult to fully control.

Smartphone affordability, he said, is another structural constraint. Restrictions on SIM-device bundling and limited access to consumer credit

# Driving export growth

MAMUN RASHID

The major causes of the multifaceted crises facing the country in the recent past have largely been the shortage of foreign currency and the continuous depletion of foreign exchange reserves. Recent upward trends in exports and remittances have helped ease the severity of these two pressures. While remittance inflows continue on an upward trajectory, export earnings are not showing similar momentum.

Export Promotion Bureau (EPB) data shows that export growth declined by nearly 14.25 percent in December 2025. In fact, export performance has been on a downward trend for five consecutive months in the current fiscal year. During the first six months of FY2025-26, Bangladesh exported goods worth \$23.99 billion, compared to \$24.53 billion in the same period of the previous fiscal year, marking a decline of 2.19 percent.

Many believe the current state of global trade, particularly the reciprocal tariffs imposed by the United States and the resulting erosion of the competitiveness of Bangladeshi products, has played a major role. Higher tariffs in the US market have pushed competing countries such as China and India to divert goods to European markets at relatively lower prices, causing Bangladesh to lose market share.

The domestic socioeconomic environment has also been unfavourable for business and investment over the past few years. The energy crisis, high inflation,

elevated interest rates, the mass uprising, incidents of mob violence and other factors have slowed the pace of economic activity. Production has declined, while production costs have increased. Together, these pressures have discouraged new business ventures and fresh investment.

Adding to these challenges is the strain in relations with India. India remains a major trade partner of Bangladesh, not only for raw material

imports and product exports, but also because Indian land ports have long played an important role in facilitating Bangladesh exports. The political transition following the mass uprising has affected bilateral diplomatic relations, creating new obstacles for cross-border trade.

A major structural weakness of the export sector is its excessive reliance on a single industry. Any slowdown in garment exports has a direct impact on overall export performance. According to EPB data, garment exports declined by 2.63 percent during this period.

Analysts have long stressed the need to diversify export products, yet little meaningful action has followed.

Competitiveness is the most critical issue in export performance, and there is little evidence of effective countermeasures. While competing countries are offering substantial incentive packages to exporters to offset the impact of reciprocal tariffs, Bangladesh has withdrawn cash incentives and other support, citing various justifications. As a result, competitors have managed to reduce production costs and offer lower prices, while Bangladesh has struggled to do so.

Some experts expect the current uncertainty to ease once an elected government takes office. However, sustainable export growth requires long-term and coherent planning. Alongside policy support, the government must take steps to remove deeper structural barriers.

Export products and destinations need diversification. Both public and private initiatives are required to reduce excessive dependence on ready-made garments. Relying on a limited number of markets for export earnings is equally risky. Along with identifying non-traditional export products, greater emphasis is needed on exploring new destinations. Diversification can reduce the volatility affecting the garment sector due to higher US tariffs and help foster domestic industrial growth. Export diversification should be aligned with industrial, import and financial policies to strengthen overall competitiveness.

The writer is an economic analyst

### TAKEAWAYS FROM INTERVIEW

| POSITIVE DEVELOPMENTS IN THE SECTOR                           |  |  |   |   |   |
|---|--|--|---|---|---|
| Comprehensive telecom licensing policy formulated after years | Preparations underway for 700 MHz spectrum auction | New "Quality of Service" directive issued to raise service standards | Sale of network-locked/SIM-locked handsets approved | Cap on number of service packages withdrawn | Voice over Wi-Fi and local roaming payments enabled |

  

| KEY CHALLENGES   |  |
|--|--|
| Unsustainable tax regime sharply dampening investor interest | Coverage gaps on expressways, in hospitals and other strategic locations |
| Long-unresolved financial disputes affecting all operators   | Smartphone affordability limited by SIM-device bundling restrictions     |

locations across the country.

Azman said both operators and the regulator had agreed to dispute the weaknesses in the report's methodology.

He countered the report's findings with performance data, noting that the call drop rate now stands at 0.15 percent, far below the 2 percent threshold. He also said data speeds have improved significantly, with operators now delivering "more than 15 Mbps," while they struggled to reach 5 Mbps a few years ago.

He, however, acknowledged persistent coverage gaps. Elevated expressways, hospitals and other strategic locations still experience service drops.

"There are more than 200 spots in Dhaka where it's very difficult," he said, adding that operators often lack permission to install infrastructure.

validity, increasing total spending while reducing per-unit costs. He said it would take three to six months for users to fully adjust to this transition.

Azman also criticised regulatory constraints on competition and innovation, particularly for GP as a significant market power (SMP) operator.

"We need approvals for every product and service we launch... it takes years," he said, noting innovation is difficult under such conditions.

On 5G, he urged caution, arguing that expectations were ahead of reality. "5G is not for (individual) customers, it's for industries," he said, noting that there are only "5 percent to 7 percent 5G devices" in the market.

Everything is possible with 4G, provided that the speed is good, he said, emphasising the need to strengthen

have slowed smartphone adoption. Only recently, he noted, had SIM-locking been permitted, which could accelerate penetration.

Azman repeatedly linked the health of the telecom sector to broader national development.

"Without strong connectivity, we will not be able to progress," he said, pointing to digital services across health, education and business.

Asked about expectations from the new government after the upcoming election, he said a predictable business and regulatory environment is needed, where business can be conducted fairly and transparently.

"This is not about benefiting the operators; it's about benefiting the customers. If we can bring that perspective, all the problems will be solved," he said.

# India's 2025 rice exports surge to near record

REUTERS, Raipur

India's rice exports jumped 19.4 percent last year to the second highest on record after New Delhi lifted all export curbs, making shipments more competitive, government and industry officials told Reuters on Saturday.

An improved flow of rice from the world's largest exporter of the grain curbed shipments from rivals Thailand and Vietnam and drove prices in Asia to their lowest in nearly a decade, easing costs for poor consumers in Africa and other regions.

"Indian shipments rebounded quickly after the government lifted export restrictions" in March, said a government official, who asked not to be named as he was not authorised to speak to the media.

As supplies improved with record production, India removed the last of the export curbs imposed in 2022 and 2023. Exports rose to 21.55 million metric tons from 18.05 million in 2024, near the 2022 record of 22.3 million tons, the official said.

Non-basmati rice shipments jumped 25 percent to 15.15 million tons, while basmati exports increased 8 percent to a record 6.4 million tons, he said.

Non-basmati rice shipments rose sharply to Bangladesh, Benin, Cameroon, Ivory Coast and Djibouti, while Iran, the United Arab Emirates and Britain increased purchases of premium basmati rice during the year, said another government official.

India usually exports more rice than the combined shipments of the world's next three largest exporters: Thailand, Vietnam and Pakistan.

"Indian rice is very competitive compared with supplies from other exporting countries, with lower prices helping India regain lost market share," Nitin Gupta, senior vice president at Olam Agri India, said on the sidelines of the India International Rice Summit.

# Brew, smell, and serve: AI steals the show at CES 2026

AFP, Las Vegas

AI took over Consumer Electronics Show (CES) 2026, powering coffee machines to brew the perfect espresso, a device to create your perfect scent, and ball-hitting tennis robots that make you forget it's human against machine.

**ALEXA, MAKE ME AN ESPRESSO**  
German group Bosch presented a new feature for its fully automated 800 Series coffee machine (sold from \$1,700) that can be synchronized with Amazon's Alexa voice assistant.

After a short night's sleep, users can order a double espresso with voice commands only, and the coffee maker will deliver. Some 35 different espresso options are available.

"We're one of the first manufacturers to really lean in with AI," explained Andrew de Lara, spokesperson for Bosch.

The century-old company, positioned at the high end of the market in the United States, wants to gradually bring AI into the kitchen, notably through its Home Connect mobile app, which already allows users to control several appliances remotely.

**SCENT OF AI**  
South Korean company DigitalScent has developed a machine, already available in some airports, that creates a personalized fragrance based on your mood and preferences.

Once you have picked your preferences, it releases a scent that gives you an idea of the final result. You can then make adjustments

before making your final decision.

Once you have placed your order, the machine uses AI to produce a virtually unique fragrance in a matter of seconds, choosing from a range of over 1,150 combinations.

The fragrance is contained in a small, portable vial, costing \$3 to \$4, according to a spokesperson.

**GAME, SET, AI**

Several start-ups unveiled new-generation ball machines powered by artificial intelligence.

While Singapore-based Sharpa already offers a convincing humanoid table tennis robot with a reaction time of just two hundredths of a second, there is no equivalent on the market for tennis.

A few days ago, China's UBTECH posted a video online of its Walker S2 robot playing rallies with a human, but at a slow speed and without any real movement.

UBTECH's robots are designed for industrial use rather than tennis courts and, in all likelihood, the video was produced solely to demonstrate the agility of the Walker S2 to attract business customers.

While we wait for the humanoid robot that can volley at the net, another Chinese company, Tennix, is marketing a robot that sends balls at speeds of up to 75 miles per hour (120.7 kilometers per hour).

It has 10 different shots, some with spin, and even a lob that reaches eight meters high. The basic version, which can hold up to 100 balls, will set you back \$699, but the most complete version, at \$1,600, includes cameras and wheels that allow it to move around.

The fast-moving machine uses AI to analyze the trajectory of your cross-court forehand and fires off a ball from about where a real-life return shot would most likely come, giving the player the impression of a real rally.

"There's a real rhythm," says Run Kai Huang, spokesperson for Tennix, "as if you were playing with a real person."



The photo shows a Bosch 800 Series coffee machine displayed during the annual Consumer Electronics Show in Las Vegas, Nevada. Users can order a double espresso with voice commands only, and the coffee maker will deliver.

PHOTO: AFP

# Gold set for weekly gain

REUTERS

Gold prices rose on Friday and were on track for a weekly gain, as investors weighed weaker-than-expected US payrolls data along with broader policy and geopolitical uncertainty.

Spot gold was up 0.5 percent at \$4,496.09 per ounce as of 01:31 p.m. ET (1618 GMT), and was set for about 3.9 percent weekly gain. Bullion hit a record high of \$4,549.71 on December 26.

US gold futures for February delivery settled 0.9 percent higher at \$4,500.90.

US nonfarm payrolls in December rose by 50,000, missing expectations of a 60,000 gain, while the unemployment rate eased to 4.4 percent, below forecasts of 4.5 percent.

"Payrolls are showing us a poor job creation environment. Potentially more (geopolitical tension), somewhat higher oil prices, which are inflationary, uncertainty and an easing Fed — all a combination for precious metals," said Bart Melek, global head of commodity strategy at TD Securities.

Market participants continued to factor in at least two Federal Reserve rate cuts this year, a backdrop historically favorable for gold.