Oil prices settle up as US begins holiday weekend

REUTERS, *Houston*

Oil prices settled higher on Friday as some investors covered short positions ahead of the three-day Martin Luther King holiday weekend in the US and lingering worries about a possible US military strike against Iran.

Brent crude settled at $64.13 a barrel up 37 cents or 0.58 percent. US West Texas Intermediate finished at $59.44 a barrel up 25 cents, or 0.42 percent.

Most of Friday's gains seemed to be due to buying supply ahead of the long weekend, said John Kilduff, partner with Again Capital LLC.

"With that carrier strike group making the move to the (Persian) Gulf, it doesn't seem likely anything will happen soon," Flynn said.

The US Navy's aircraft carrier USS Abraham Lincoln was expected to arrive in the Persian Gulf next week after operating in the South China Sea.

Weighing against those fears are potential supply increases from Venezuela, said Phil Flynn, senior analyst with Price Futures Group.

"The supply from Venezuela has not become the tidal wave that was expected," Flynn said. "Buying today seems to be people not wanting to be caught short over the long weekend."

Both benchmarks hit multi-month highs this week after protests flared up in Iran and US President Donald Trump signalled the potential for military strikes, but lost over 4 percent on Thursday as Trump said Tehran's crackdown on the protesters was easing, allaying concerns of possible military action that could disrupt oil supplies.

"Above all, there are worries about a possible blockade of the Strait of Hormuz by Iran in the event of an escalation, through which around a quarter of seaborne oil supplies flow," Commerzbank analysts said in a note.

Jean Bouquot, president of the International Federation of Accountants, and Md Touhid Hossain, adviser to the Ministry of Foreign Affairs, are seen with guests and participants at the inaugural session of the SAFA International Conference on "Next Generation Profession: Converging Ethical AI and Sustainability Reporting", organised by the Institute of Chartered Accountants of Bangladesh, at Le Méridien Dhaka yesterday. PHOTO: ICAB

Accountants urged to uphold ethics as AI reshapes profession

STAR BUSINESS REPORT

Global and regional leaders in the accounting profession have called for stronger ethical oversight, responsible use of artificial intelligence (AI), and robust sustainability reporting to reinforce trust and long-term value creation in financial governance.

The call was made at the inaugural session of the SAFA International Conference on converging ethical AI and sustainability reporting, organised by the Institute of Chartered Accountants of Bangladesh (ICAB) at Le Méridien Dhaka yesterday.

Speaking at the event, Foreign Affairs Adviser Md Touhid Hossain said a substantial amount of money had been siphoned out of Bangladesh over the past 15 years, with a significant portion facilitated by the misuse of professional accounting expertise.

He added that financial records were intentionally distorted to conceal irregularities and mislead stakeholders. "These were not simple mistakes or technical lapses."

Restoring trust in the financial system, he said, would require stronger accountability and collective vigilance, particularly from accountants and financial professionals.

Jean Bouquot, president of the International Federation of Accountants (IFAC), underscored the profession's responsibility in advancing ethical leadership, sustainability and digital transformation.

He said sustainability-related risks are reshaping corporate reporting and urged wider adoption of the International Sustainability Standards Board (ISSB) standards.

On AI, Bouquot called for continuous digital upskilling, while emphasising that ethics remains the foundation of public trust.

Md Sajjad Hossain Bhuiyan, chairman of the Financial Reporting Council (FRC), said AI and sustainability are becoming central to financial reporting.

"The FRC sees itself not only as a regulator but also as a partner in professional development and financial system credibility," he also said, adding that collaboration between FRC and ICAB will further strengthen Bangladesh's financial reporting ecosystem.

ICAB President NKA Mobin said the future of the accounting profession lies not only in technical innovation but in upholding values, ethical leadership and public trust.

He reaffirmed ICAB's commitment to capacity building, urging accountants to lead transformation with integrity in an increasingly digital environment.

"We must prepare future accountants to navigate a digital world with strategic vision, competence, and integrity," he said.

Former ICAB president Adeeb Hossain Khan said the convergence of ethical AI and sustainability reporting is reshaping the profession's core responsibilities.

"Technology is no longer a support function, and sustainability is no longer a remote disclosure; they are now central to value creation," he said.

Describing 2025 as a year of "contradictions and confusion", Khan pointed to heavy investments in AI alongside limited returns and a scaling back of ESG (environmental, social, and governance) initiatives in some regions.

He also highlighted tensions between AI's energy demands and sustainability goals, warning of risks related to bias and reduced transparency.

Khan warned of AI's potential to introduce bias and diminish transparency in critical financial decisions.

"AI may be powerful, but it lacks accountability and ethics. That responsibility must remain human," he said, adding that future accountants must exercise judgment to ensure technology strengthens trust and supports long-term value creation.

Govt takes down ICT white paper from official website

MAHMUDUL HASAN

The government-commissioned white paper on ICT has been removed from the official website of the ICT Division just days after it was uploaded.

The division was yet to officially issue any explanation or statement regarding the matter as of yesterday.

However, when contacted, ICT Division Secretary Shish Haider Chowdhury told The Daily Star that the document had been uploaded for about a week but was later taken down due to technical constraints.

"It was removed because of capacity issues, as it is a very large file," he said, adding that journalists could be provided with printed copies if needed.

He also said the ICT Division is preparing around 100 hard copies of the white paper for journalists.

The white paper on ICT spans 649 pages, including appendices. By comparison, a much larger sized telecom white paper, exceeding 3,200 pages including appendices, remains available on the websites of the Posts and Telecommunications Division.

A Google search for "ICT white paper" still displays a link to the relevant webpage – ictd.gov.bd. However, clicking on the link now leads to an error message stating, "The requested page could not be found."

ICT Division is preparing around 100 hard copies of the white paper for journalists

The document, titled "White Paper on Digital Bangladesh: Modernization, Mimicry and the Myth of Digital-Era Development," was formally submitted following extensive investigation and review by a taskforce, the ICT Division said on January 8.

It added that the paper detailed irregularities, corruption, administrative weaknesses, and structural problems across various division activities over the past 15 years.

Iftekharuzzaman, executive director of Transparency International Bangladesh (TIB), said the removal of the ICT White Paper without specific explanation raises a question whether the document was intentionally removed to conceal the responsibility of individuals and institutions implicated in corruption and irregularities identified in the report.

He further said the incident adds to the growing list of interim government's failures to practise transparency and ensure proactive disclosure of public interest-related information.

Such actions, he added, contradict the aspirations of the July Uprising and commitments of transparency and accountability made by the government soon after it took over the responsibility of laying foundations of state reform, he added.

The white paper found that the Awami League government's flagship "Digital Bangladesh" vision largely functioned as an "architecture of political slogan" rather than a coherent national digital strategy.

Southeast Bank holds annual agent banking conference for Dhaka zone

STAR BUSINESS DESK

Southeast Bank PLC recently organised its "Annual Agent Banking Conference 2026" for the Dhaka zone, bringing together all 84 agent partners operating agent banking outlets in the area.

MA Kashem, chairman of Southeast Bank PLC, inaugurated the daylong conference as the chief guest, according to a press release.

The conference reviewed the performance of the agent banking division in 2025 and discussed policies and strategies to achieve business targets for 2026.

Southeast Bank launched its agent banking service, branded "Shagotom", on March 7, 2021 with the objective of expanding banking services to the unbanked population.

The initiative particularly focuses on small entrepreneurs, school banking and farmers, in line with the bank's commitment to financial inclusion and wider access to banking services across the country.

The bank continues to provide both conventional and Islamic agent banking services under the brands Shagotom and Tijarah. Through these platforms, customers can access a wide range of modern, technology-based conventional and Islamic banking services.

MA Kashem, chairman of Southeast Bank PLC, poses for a group photograph with participants at the "Annual Agent Banking Conference 2026" for the Dhaka zone, in the capital recently. PHOTO: SOUTHEAST BANK

RMG exports to EU grew 7%

FROM PAGE B1

Bangladesh, the second-largest garment exporter to the EU, is narrowing the gap with China, the world's largest exporter. China shipped €24.42 billion worth of garments to the EU in the January-November period last year, up 6.55 percent year-on-year.

In total, the 27 EU member states imported a total of €82.94 billion worth of garments in the first 11 months of 2025, a 3.93 percent increase from the previous year.

Among Bangladesh's competitors, Turkey's exports fell 11.31 percent to €7.65 billion, India's rose 8.31 percent to €4.24 billion, Cambodia's grew 15.21 percent to €4.14 billion, and Vietnam's increased 10.10 percent to €4.01 billion.

Pakistan's shipments rose 10.46 percent to €3.54 billion, Morocco's fell 0.18 percent to €2.52 billion, Sri Lanka's grew 6.43 percent to €1.25 billion, and Indonesia's rose 3.30 percent to €0.90 billion, according to data.

Local exporters have urged the government to intensify negotiations with the EU to secure GSP Plus status. Bangladesh's current Generalised Scheme of Preferences (GSP) benefits under the Everything but Arms (EBA) initiative will expire in 2029.

The country is set to graduate from least developed country (LDC) status to a developing nation on November 24. The EU will maintain current GSP benefits for a transitional period of three years.

To qualify for GSP Plus, Bangladesh must comply with 32 international conventions covering human rights, labour standards, environmental protection, and good governance. GSP Plus would guarantee duty-free access to the EU market after graduation. Without it, Bangladesh could face tariffs of over 12 percent, potentially reducing competitiveness.

Studies suggest losing GSP Plus could cost Bangladesh roughly 14 percent of its exports in a year, equivalent to $8 billion. Currently, 73 percent of the country's export earnings rely on GSP-related trade facilities, and Bangladesh alone enjoys 67 percent of the trade benefits available to all 44 LDCs.

Swiss firm

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on inland waterways and further strengthen multimodal transport connectivity. He urged Medlog to come forward with investments and expand operations at other inland river ports and container terminals across the country.

ATM Anisul Millat, managing director of Medlog Bangladesh, outlined the firm's vision, modernisation plans, and operational roadmap for the terminal under its management.

The dangerous illusion

FROM PAGE B1

The country's bond market has historically been thin, with limited liquidity and a narrow investor base. Although some subordinated bonds are listed on the stock exchange, trading is rare, making exits difficult.

As a result, individual investors shy away, while corporates hesitate to lock funds into long-term instruments.

Interest rates also work against bank bonds. In recent years, yields on risk-free treasury bills and bonds have exceeded returns on subordinated bank bonds.

"Why would investors subscribe to subordinated bonds when treasury rates are higher?" said Tanzim Alamgir, managing director and chief executive officer of UCB Investment Limited, which manages around 50 subordinated bonds.

Shah Md Ahsan Habib, a professor at the Bangladesh Institute of Bank Management (BIBM), said the lack of institutional investors leaves banks with few options.

"There are no vibrant bond markets and no institutional investor base, so banks are forced to go to other banks," he commented.

Syed Mahbubur Rahman, a former chairman of the Association of Bankers, Bangladesh, said banks have limited scope to sell subordinated bonds to corporates.

"Corporates are reluctant to invest in long-term instruments, while individual investors want liquidity," said Rahman, who is also the managing director and CEO of Mutual Trust Bank.

THE SCALE OF EXPOSURE

According to an analysis of 18 banks' 2024 financial statements, around 80 percent of subordinated bonds were subscribed by other banks, while the rest went to corporates.

Among corporate subscribers, provident funds of banks still accounted for a large share.

In 2022, banks accounted for 96 percent of subscriptions. The ratio fell to 86 percent in 2023, showing a gradual rise in non-bank participation, though the market is still heavily skewed towards banks.

Of the 18 banks, Pubali Bank attracted the highest share of corporate subscribers at 65 percent. Nine banks failed to attract any corporate investors at all.

According to 2024 data, Agrani Bank subscribed Tk 350 crore of Mudaraba subordinated bonds issued by Exim Bank, while Standard Bank invested Tk 125 crore.

More than half of Exim Bank's bondholders are now banks facing potential losses.

Mudaraba bonds issued by First Security Islami Bank and Union Bank were fully subscribed by other banks.

Since 2016, banks have issued subordinated bonds worth more than Tk 35,000 crore, according to the Bangladesh Securities and Exchange Commission (BSEC).

WHAT REGULATORS ADMIT

A senior central bank official said the regulator ordered banks to include corporate subscribers after realising that bank-to-bank subscriptions weaken capital quality.

Arief Hossain Khan, spokesperson for the Bangladesh Bank, said subordinated bonds allow banks to reduce their capital deficit.

"It is true that when a bank invests in another bank's bond, it ultimately sends deposits to capital, which is not happy information. So, the central bank is considering this and trying to increase participation of corporates instead of banks," he added.

Abul Kalam, spokesperson for the BSEC, said subscriptions by banks do not create real capital, even though they count as Tier-2 capital.

"Deposits of one bank are shown as capital of another," he said.

He added that small savings and corporate funds need to be channelled into bonds for the proceeds to qualify as genuine capital.

While BSEC requires bond issuers to list, a lack of buyers due to low trust in issuers remains a problem, added Kalam.

Govt tightens

FROM PAGE B1

Senior officials disclosed the developments at a two-day workshop titled "SOEs and ABs Governance: Progress Review and Way Forward," which concluded in Cox's Bazar yesterday.

The event was organised by the Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS) under the Finance Division.

Addressing the inaugural session, Md Hasanul Matin, additional secretary (budget and macroeconomics), said that the inefficient performance of several SOEs and the creation of overlapping authorities have significantly increased contingent liabilities.

"Bangladesh needs to restore its governance approach with global best practices," he said, identifying rising debt burdens and declining revenue as major challenges requiring a "whole-of-government" approach.

The Finance Division's assessment highlighted that 14 "very high-risk" entities represent liabilities equivalent to 3.13 percent of GDP, while another 28 high-risk entities account for 1.67 percent. Persistent weaknesses include delays in audited financial statements and a shortage of professional accountants.

Ziaul Abedin, additional secretary and national program director of SPFMS, argued that only commercially viable SOEs should operate in a market economy.

"Transforming SOEs requires strong political commitment. We must rethink their future through broader, sustainable business models," he added.

Rahima Begum, director general of the Monitoring Cell, emphasised that the new PPE manual aligns with international standards to ensure systematic tagging and tracking of government assets.

The workshop also detailed the "SOEs and ABs Governance Reform Strategy 2025-30," which proposes enacting a comprehensive SOE law and publishing annual fiscal risk statements to reduce reliance on government transfers.