

star

BUSINESS



Spinners, apparel exporters at odds over yarn imports

STAR BUSINESS REPORT

Textile millers and garment exporters are at odds over the government's move to withdraw the duty-free import facility for certain types of yarn, a step meant for protecting local spinning mills.

The disagreement surfaced publicly after a joint press conference in Dhaka on Monday by leaders of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

Later the same day, Bangladesh Textile Mills Association (BTMA) President Showkat Aziz Russell sent a statement to the media rejecting different claims by apparel exporters.

Russell said that, following a request from BTMA, the Bangladesh Trade and Tariff Commission (BTTTC) sent a letter to the commerce ministry recommending suspension of the duty-free yarn import facility after consultations with BTMA, BGMEA and BKMEA leaders.

BGMEA, however, said while the BTTTC held meetings with leaders from both the textile and garment sectors, apparel exporters' views were not given due weight in the duty withdrawal recommendation by the commerce ministry.

To protect local textile millers, the commerce ministry has requested the revenue board to suspend the duty-free benefit for imports of certain counts of yarn

The association also pointed out that the BTTTC meeting minutes were published on January 13, while the recommendation letter to the commerce ministry was sent a day earlier, on January 12.

Russell said the commerce ministry wrote to the National Board of Revenue (NBR) requesting withdrawal of the duty-free import facility for 10 to 30 count yarn, but did not propose imposing any new tariff on the import of these widely used yarns.

He added that the ministry also did not ask for any safeguard duty on yarn imports.

Acting BGMEA President Salim Rahman said in a separate statement that the average tariff on yarn imports in Bangladesh stands at 39 percent. Export-oriented garment manufacturers are currently allowed to import yarn at zero duty under the bonded warehouse facility.

If the bond facility is withdrawn, exporters would have to pay the full duty, which could weaken the competitiveness of Bangladeshi garment shipments in the global supply chain, BGMEA said.

Russell said the subsidy provided by yarn exporting countries amounts to 50 cents per kilogram, while the commerce ministry letter cited a figure of 30 cents. BGMEA echoed this discrepancy in its statement.

On value addition, Russell said Bangladesh will need to achieve at least 40 percent value addition to retain preferential market access after graduation from the least developed countries group. He argued this would

READ MORE ON B3

Stubborn and sticky: Why inflation defies monetary tightening



MD MEHEDI HASAN

The Bangladesh Bank (BB) is grappling with an obstinate economic reality: inflation.

Despite an aggressive tightening cycle that has pushed the policy rate from 6 percent to 10 percent over the past three years, inflation refuses to be tamed.

Headline inflation, which peaked at 11.66 percent in July 2024, has defied the gravitational pull of higher borrowing costs. Although it dipped briefly to 8.48 percent in June last year, falling below 9 percent for the first time in two years, the relief was short-lived.

By December, inflation had edged back up to 8.49 percent from 8.29 percent the previous month.

The 12-month average now stands at 8.77 percent, well above the central bank's target. This also challenges the optimism expressed by Governor Ahsan H Mansur, who had forecast inflation falling below 5 percent by fiscal year 2025-26.

The failure of tight money to cool prices reflects a basic policy contradiction.

BB has raised the repo rate, the cost at

BB to unveil monetary policy on Jan 29

STAR BUSINESS REPORT

The Bangladesh Bank (BB) is going to unveil its monetary policy statement for January to June of the current fiscal year on January 29, at a time when inflation remains elevated despite a high policy rate.

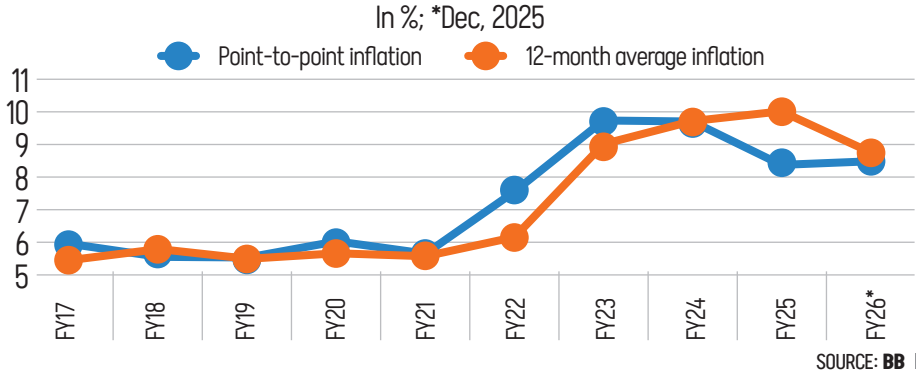
The central bank monetary policy committee is scheduled to meet this week to finalise the policy stance for the six-month period. The proposal will then be placed before the board of directors of the banking regulator for approval on January 25.

BB Governor Ahsan H Mansur will announce the policy at a press conference at the central bank headquarters.

READ MORE ON B3

KEY POINTS		
BB has maintained a contractionary stance since July 2023	The policy rate was raised 11 times to 10 percent in Oct 2024	Monetary tightening has fallen short of expectations
Policy contradictions have weakened effectiveness	Government borrowing has diluted tightening efforts	Governance failures are fuelling inflation

TREND OF INFLATION IN BANGLADESH



WHAT'S LIKELY IN THE JAN-JUN 2026 MONETARY POLICY?

A tight stance likely for 3-6 months	Policy rate may remain unchanged	BB prioritising exchange rate stability
--------------------------------------	----------------------------------	---

which commercial banks borrow from the central bank, making credit more expensive in theory. In practice, however, liquidity has continued to flow into the system.

To prevent the collapse of a dozen fragile lenders, the central bank has injected more than Tk 50,000 crore into the banking sector, extending a policy of regulatory forbearance that began under the previous regime. Another Tk 40,000 crore has entered the economy through the central bank's purchases of US dollars from commercial banks.

"This simultaneous tightening and easing undermines policy credibility and limits its ability to curb inflation effectively," said Birupaksha Paul, a professor at the State University of New York at Cortland and a former chief economist at the BB.

"This has created a counterproductive cycle," he said.

Weak fiscal discipline has further blunted the impact of monetary policy. While private sector credit growth slowed to 7.2 percent in December, government borrowing surged

by 26.28 percent year-on-year in November, smashing the central bank's ceiling of 20.4 percent.

The contrast points to the state crowding out private enterprises, pushing up money supply even as businesses rein in borrowing.

Apart from the money supply mechanism, structural problems are also keeping prices elevated.

Inflation initially surged after external shocks in 2022, including the war in Ukraine, a dollar shortage, and a sharp depreciation of the local currency, Taka. Those pressures have since eased, but domestic governance failures continue to feed inflation.

Supply chains are distorted by "market syndicates" and extortion, which raise costs regardless of interest rates. These factors lie outside the scope of monetary policy but shape inflation expectations, Paul said. Households and businesses, fearing future shortages, have begun hoarding essential goods, turning fears of price hikes into a self-fulfilling prophecy.

READ MORE ON B3



Special loan rescheduling for shipbuilder defaulters

A down payment of 3% of the outstanding loan balance will qualify for the facility

STAR BUSINESS REPORT

Bangladesh Bank (BB) has allowed a special loan rescheduling and restructuring facility for distressed export-oriented and domestic shipbuilding companies in a bid to keep the sector operational and improve loan recovery by banks.

As per a BB circular issued yesterday, borrowers will have to make a 3 percent down payment on their outstanding loan balance to qualify for the facility. They must pay 1.5 percent at the time of application and the rest within the next six months.

Defaulters will be able to reschedule or restructure their loans for up to 10 years, including

a maximum two-year grace period, depending on the borrower's repayment capacity and business prospects.

During the grace period, interest must be paid on a monthly or quarterly basis. Blocked interest will have to be repaid in instalments after the grace period ends without additional interest.

Borrowers must submit applications to their banks by June 30, 2026, along with the required down payment. On the other hand, banks have been instructed to decide on applications within 60 days of receipt.

BB has also instructed all scheduled banks to consider case-by-case applications from

genuinely affected shipbuilders for special rescheduling of their classified loans as of December 31, 2025.

For loans which were rescheduled under an earlier 2023 circular, banks may grant an additional two-year extension, subject to a further 2 percent down payment.

The central bank said the move became necessary due to disruptions in global supply chains, geopolitical instability in Europe, and a global economic slowdown that hurt the cash flows of shipbuilders beyond their control.

Firms found guilty of

READ MORE ON B3

NBR SPLIT Rules of business approved

STAR BUSINESS REPORT

The interim government yesterday approved the rules of business for two new divisions formed by splitting the National Board of Revenue (NBR) -- Revenue Policy and Revenue Management -- as part of efforts to reform the country's tax system.

A meeting of the National Implementation Committee for Administrative Reorganisation (NICAR) formally approved the rules. Chaired by Chief Adviser (CA) Muhammad Yunus, the meeting was held at his official residence, Jamuna.

"The two divisions are expected to begin operations in February separately," CA's Press Secretary Shafiqul Alam said at a briefing after the meeting, quoting NBR Chairman Md Abdur Rahman Khan.

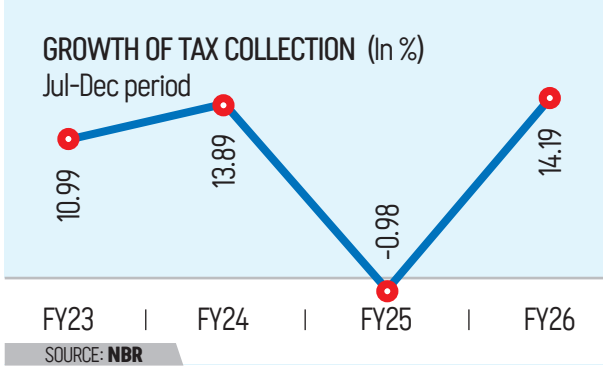
"The decision for this separation was made quite some time ago, and a lot of work has already progressed accordingly. However, since approval by NICAR is required under government rules, it was formally approved on Tuesday," he added.

The divisions will be under the finance ministry.

The rules of business are the formal guidelines

READ MORE ON B3

NBR misses target by Tk 46,000cr despite 14% collection growth



MD ASADUZ ZAMAN

The National Board of Revenue (NBR) posted a 14 percent growth in revenue collection in the first half of the current fiscal year (FY), yet missed the target for the period by a staggering Tk 46,000 crore or nearly 10 percent.

The development raises questions whether the board would be able to meet its hiked target for the year as experts and officials point out the latest growth is not remarkable, rather a recovery from last year's turbulence amid a more stable political and business climate.

The revenue board has failed to meet its annual target for at least a decade as of last year.

In the July-December period of FY2025-26, NBR logged Tk 185,229 crore, according to the board's provisional data.

All three main revenue streams contributed to the rise. Local level value-added tax (VAT) collection reached Tk 70,493 crore, up from Tk 58,759 crore a year earlier, marking around a 20 percent increase.

Income and travel taxes rose to Tk 61,875 crore, a 14.67 percent rise on the same period last year. Customs duties from international trade increased by 6.81 percent to Tk 52,860 crore, due to higher imports following the easing of restrictions.

However, speaking on condition of anonymity, an NBR official said the half-yearly growth was "usual", largely reflecting a low base caused by

READ MORE ON B3

Serious power shortfall awaits Bangladesh in 5yrs: Sanem

STAR BUSINESS REPORT

Bangladesh could face a serious electricity supply shortfall after 2031 unless fresh investments, policy reforms and efficiency measures are undertaken, according to a study by the South Asian Network on Economic Modelling (Sanem).

While Bangladesh's installed power generation capacity may peak at around 35,000 megawatts (MW) by 2029, effective capacity is likely to decline to nearly 30,000MW by the mid-2030s due to plant retirements, declining domestic gas availability and limited new project additions, it says.

"Installed capacity figures often create a false sense of comfort," states the study jointly presented by Sanem's Director Israt Hossain, and Honorary Deputy Director Md Tuhin Ahmed, at an online workshop on Bangladesh's energy transition organised by the platform yesterday.

Meanwhile, it estimates that electricity demand will grow by 5-6 percent annually, driven by industrialisation, mechanisation and rising living standards.

Under a 5 percent growth scenario, demand is expected to overtake supply by 2035, while a 6 percent scenario could see the crossover as early as 2033, potentially creating a supply gap of more than 14,000MW by 2040 if no corrective measures are taken.

"This is why the idea of overcapacity in the power sector is misleading," it notes. "The real challenge is ensuring dependable, fuel-secure and efficiently generated electricity over the long term."

READ MORE ON B3

TRUST PAYROLL

Secure & Seamless PAYROLL SOLUTIONS

- Free account opening
- Zero maintenance fee
- First year debit card charge free

Trust Bank PLC.

To Know More 16201

Abul Hashem made DMD of Al-Arafah Islami Bank

Bank Asia agent banking marked its 12th founding anniversary by celebrating a major milestone, bringing 75 lakh customers into the formal financial system and transforming access to banking services across Bangladesh.

Romo Rouf Chowdhury, chairman of Bank Asia PLC, and Zakia Rouf Chowdhury, vice-chairman, inaugurated the celebration programme, according to a press release.

Romana Rouf Chowdhury, director of the bank; Md Ataur Rahman, independent director; and Sohail RK Hussain, managing director, attended

The bank recognised agents and employees for their contributions to expanding banking services across the country.

Over the past 12 years, agent banking has onboarded 75 lakh customers, of whom 92 percent are from rural areas and 64 percent are women, reflecting the bank's strong commitment to inclusive growth and sustainable financial empowerment nationwide.

Md Sabbir Hossain, additional managing director; Ziaul Hasan, deputy managing director and agent banking and chief credit officer; Arekul Arefeen and Syed Zulkar Nayen, deputy managing directors; along with other senior officials and agents from different districts across the country, also joined the celebration.



PHOTO: BANK ASIA

Oil steadies

Citizens Bank PLC recently held its “Annual Business Conference 2026” at a resort in Munshiganj.

Chowdhury Mohammed Hanif Shoeb, chairman of Citizens Bank PLC, inaugurated the conference as the chief guest and delivered strategic guidance aligned with the bank's mission and vision, according to a press release.

SM Shofiqul Hoq, director, and AKM Shahidul Haque, independent director, attended the conference and delivered their valuable speeches and guidance.

Alamgir Hossain, managing director

of the bank, presented a comprehensive overview of the bank's business performance in 2025.

He highlighted strong deposit growth, improved asset quality, controlled non-performing loans, a robust compliance culture, sound capital adequacy, strong corporate governance and a solid financial foundation.

Citizens Bank achieved strong financial performance in 2025, with operating profit growing by 21 percent. Deposits rose by 30 percent, advances increased by 34 percent, while the non-performing loan (NPL) ratio stood at just 0.20 percent.



PHOTO: DHAKA BANK

Kazi Food Industries arranges annual business conference

Dhaka Bank PLC on Monday launched co-branded Visa credit cards -- Elite Co-Branded Signature Credit Card, Elite Co-Branded Platinum Credit Card and Tayyebah Islamic Platinum Credit Card -- in partnership with Robi Axiata PLC for the mobile operator's customers.

Osman Ershad Faiz, managing director of Dhaka Bank PLC, and Ziad Shatara, chief executive officer and managing director of Robi Axiata PLC, jointly inaugurated the cards at a function held in the capital, according to

Speaking at the event, Faiz said Dhaka Bank has consistently focused on offering technology-driven services and, as part of that commitment, has partnered with Robi and Visa to introduce the co-branded credit cards with a range of attractive features.

"We want to be a part of Digital Bangladesh and contribute to bringing a larger customer base under the digital banking platform," he said, adding that the bank remains committed to providing modern banking services to support the country's overall development.



PHOTO: BRAC BANK

BRAC Bank PLC has entered into a partnership agreement with Nippon Paint Bangladesh Private Limited to

offer advanced transaction banking solutions, aimed at strengthening receivable management while enhancing efficiency and transparency across dealer and

distributor collections.

Md Shaheen Iqbal, deputy managing director and head of wholesale banking at BRAC Bank PLC, and Rajesh Sircar, general manager of Nippon Paint Bangladesh Private Limited, signed the agreement at the bank's head office in Dhaka recently, according to a press release.

Under the collaboration, Nippon Paint will gain access to BRAC Bank's digital transaction banking platform, CORPnet, through API integration, enabling near real-time reflection of collections from nearly 200 distributors directly into the company's enterprise resource planning (ERP) system.

The integration is expected to improve cash flow visibility, streamline reconciliation and strengthen financial control across the network.

Kazi Food Industries Limited, one of the leading food manufacturing companies in Bangladesh, recently organised a two-day “Annual Business Conference 2026” at Seagull Hotel in Cox’s Bazar.

This year, the theme of the conference was "Innovate. Elevate. Dominate," according to a press release.

Kazi Zahedul Hasan, managing director of Kazi Farms Group, inaugurated the conference as the chief guest.

The programme featured a review of the previous year's performance, strategic plans for 2026, the unveiling of new product packaging, and an award-giving ceremony.



PHOTO: KAZI FOOD INDUSTRIES

Kazi Zahin Hasan, managing director of Kazi Food Industries Limited, and Tanvir Haider Chaudhury, chief executive officer of Kazi Food Industries Limited, along with other officials and members of the sales team from across the country, were also present.

Representatives from the Department of Environment and faculty members of the Bangladesh University of Engineering and Technology, along with more than a hundred dealers from different regions of the country, were also present at the programme.

Elite Hitech Industries Limited, the distributor of the world-renowned brand Midea air conditioners and the manufacturer of Elite air conditioners in Bangladesh, recently held its “Annual General Meeting 2026” in Dhaka.

Mohammad Shafiqul Islam, founder and managing director of Elite Hitech Industries Limited, inaugurated the meeting as the chief guest, according to a press release. Md Noor Alam, deputy managing director of the company, and Nayma Alam and Navila Alam, directors, attended the programme.

The company awarded the top-performing sellers for their outstanding performance throughout the year.

Representatives from the Department of Environment and faculty members of the Bangladesh University of Engineering and Technology, along with more than a hundred dealers from different regions of the country, were also present at the programme.



PHOTO: ELITE HITECH INDUSTRIES

WEST ZONE POWER DISTRIBUTION CO. LTD.

(An Enterprise of Bangladesh Power Dev. Board)
Office of the Project Director
Grid Power Evacuation System Development Project
Bidyut Bhaban, 35 Boyra Main Road, Khulna
e-mail: gpesd.wzpdcl@gmail.com

Memo No:27.22.4785.800.17.001.26/02

Date:20.01.2026

e-Tender Notice (NCT)

e-Tender for the office of the Project Director (GPESDP) invites in the National e-GP system Portal (www.eprocure.gov.bd) for the procurement of following service:

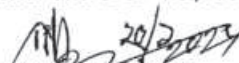
SI	Tender ID	Name of Tender	REOI Publication and Closing Date & Time
1	1213740	Consultancy Services for Survey, Planning, Design and Supervision of 33 KV Switching station construction (with SCADA integration of turnkey project) and 5.5 km line under "Grid Power Evacuation System Development Project for WZPDCL, Khulna.	22-Jan-2026 09:00 BST 09-Feb-2026 12:00 BST

This is an Online Tender. Where only e-tender will be accepted in the National e-GP System Portal and no offline/hard copies will be accepted.

To submit e-Tender, registration required in the National e-GP System Portal (www.eprocure.gov.bd).

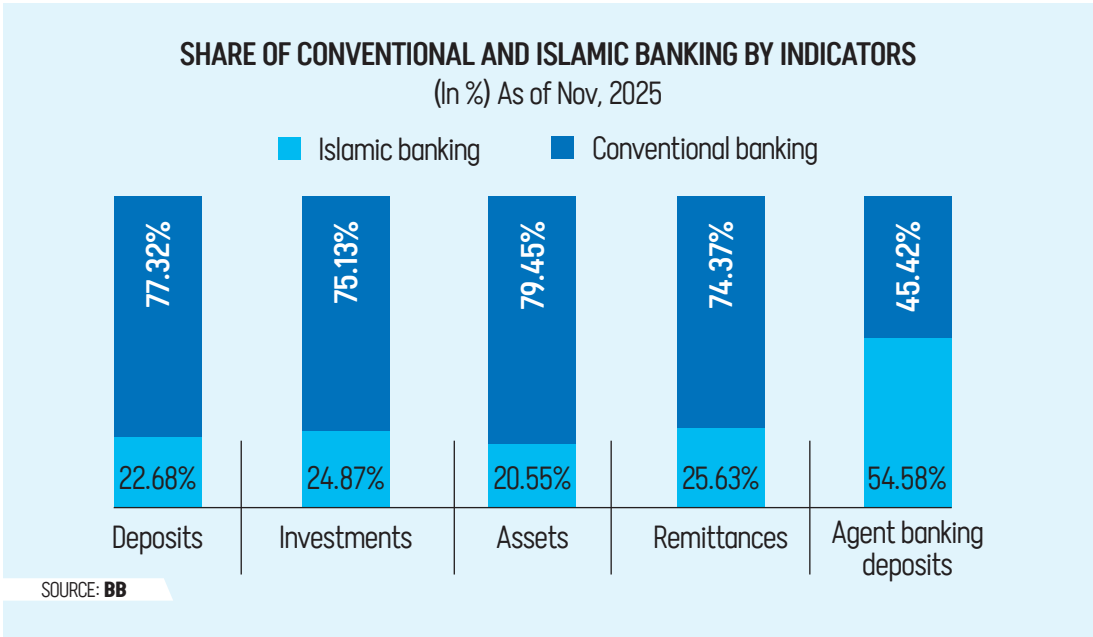
The fees for downloading the e-Tender documents from the National e-GP System Portal have to be deposited online through any registered Bank.

Further information and guidelines are available in the National e-GP System Portal and e-GP help desk (helpdesk@eprocure.gov.bd).


(Engr. Md. Mahmudul Haque)
Project Director (GPESDP)
WZPDCL, Khulna.

GD-152

Conventional banks lead remittances as Islamic lenders recover ground



FEDA AL HOSSAIN

Conventional banks continued to dominate remittance inflows between November 2023 and November 2025, even as Islamic banks recorded a noticeable recovery in market share over the past year, according to a recent Bangladesh Bank (BB) report.

During the two-year period, total remittances sent through the banking system increased, peaking at \$3.30 billion in March last year. Conventional banks handled the bulk of these inflows throughout the period, with their dominance strengthening after the initial months.

Islamic banks performed strongly early on but failed to sustain their market share over the longer term, allowing conventional banks to expand their share of remittance inflows.

However, Islamic banks improved their performance in recent months. Their share of workers' remittances rose from 21.46 percent in November 2024 to 25.63 percent in

November 2025, suggesting a partial recovery after a period of weakness.

In value terms, remittances through Islamic banks increased from \$472 million in November 2024 to \$740 million in November 2025. Over the same period, conventional banks' remittance inflows rose from \$1.73 billion to \$2.15 billion.

In its report titled Islamic Banking and Finance Statistics (IBFS), the central bank said the recent rebound in Islamic banks' performance was partly due to improvements in governance and management at several shariah-based banks.

These steps, BB says, helped restore confidence among expatriate workers, although conventional banks remained the main channel for remittances.

Overall, remittances through conventional banks rose sharply from \$1.17 billion in November 2023 to \$2.15 billion in November 2025, an increase of about 84.31 percent. In contrast, remittances

handled by Islamic banks declined slightly over the same period, falling from \$764 million to \$740 million, or about 3.09 percent.

The central bank added that the recent recovery in Islamic banks' market share highlights the need for further policy support and operational improvements. As workers' remittances are crucial for foreign currency reserves and foreign exchange transactions, additional reforms may be needed to strengthen depositor confidence.

The report also showed mixed trends in other areas. Islamic banks' share of total deposits fell slightly from 23.09 percent in November 2024 to 22.68 percent in November 2025, while conventional banks held the remaining 77.32 percent.

In investments, Islamic banks marginally increased their share from 24.50 percent to 24.87 percent, but conventional banks continued to dominate with a 75.13 percent share.

Liquidity picking up, but inflation remains high

Says BB governor

STAR BUSINESS REPORT

The liquidity position is improving and the external balance is showing signs of recovery after years of strain, but inflation still remains a major concern for the central bank, said Bangladesh Bank (BB) Governor Ahsan H Mansur.

He said inflation has been stuck above 8 percent in recent months and their goal is to bring it down to below 5 percent.

At a seminar titled "Understanding Pulse of the Economy Through Purchasing Managers Index (PMI)" on Monday, the governor said deposit growth, foreign exchange reserves, and money market conditions have all improved in recent months, but price pressures were proving difficult to tame.

At the event, jointly organised by the Metropolitan Chamber of Commerce (MCCI) and Industry and Policy Exchange Bangladesh at the MCCI office in Dhaka, Mansur said Bangladesh is on track to meet or exceed its foreign exchange reserve target of \$35 billion this fiscal year, even without support from the International Monetary Fund (IMF).

"If anything comes from the IMF, it will be icing on the cake," he said.

He added that recent liquidity growth has been driven by balance of payments surpluses rather than deficit financing, with central bank purchases of foreign currency boosting reserves. Deposit growth rose from 6.4 percent in December 2022 to 11 percent in 2023 and is expected to reach 14 percent this year, creating room for banks to cut prime lending rates by around 2 percentage points.

However, Mansur cautioned against cutting interest rates too quickly, saying that premature easing could destabilise the exchange rate.

He said easing global commodity prices, a stable currency, and better domestic supply conditions should gradually help reduce inflation.

At the programme, James Goldman, deputy high commissioner and development director at the British High Commission in Dhaka, reiterated the United Kingdom's commitment to supporting Bangladesh as it prepares to graduate from least developed country status this year.

He stressed the importance of reliable data, strong institutions, and transparent regulations in sustaining long-term growth. "Good data builds trust and supports sound policymaking," he said, praising the Purchasing Managers' Index (PMI) initiative for improving transparency.

Zaidi Sattar, chairman of the Policy Research Institute, said the PMI had emerged as a useful leading indicator that offered early signals on the direction of the economy.

M Masrur Reaz, chairman and chief executive of Policy Exchange Bangladesh, said the PMI helped fill a critical gap by providing timely insights into business activity.

He said traditional government data, while comprehensive, often arrived late or was not regular.

The PMI, developed with the MCCI and supported by the UK Foreign, Commonwealth and Development Office, tracks monthly activity across agriculture, manufacturing, services, and construction.

Kamran T Rahman, president of MCCI, said the PMI could act as an early warning system if properly used by policymakers, investors, and businesses. "PMI offers real-time insights into business sentiment across key sectors. It helps detect economic shifts before they appear in traditional statistics," he said.

The Singapore story

PARVEZ MURSHED

During the Brexit campaign of 2016, pro-Brexit politicians in the United Kingdom promoted the vision of a "Singapore on the Thames" by freeing the UK from the European Union. Amaravati, the proposed new capital of Andhra Pradesh in India, was also envisioned as a Singapore-style city. Across the world, politicians cite Singapore as a role model, and people aspire to replicate it. Having lived and worked in Singapore for over a decade, I see three key areas where the city state excels and sets itself apart.

Singapore is widely recognised for its honest and efficient governance. A few weeks after I arrived, I received a call from the Ministry of Manpower. The officer informed me that my application to employ a domestic worker to care for my elderly mother had been received and assured me that it was being processed quickly.

I was told not to worry. This level of service and efficiency is a small but telling example of how government ministries and agencies operate in Singapore. Many of the most meritorious students join the public service, and any incident of bribery is dealt with strictly, which has created a clean image of the state.

The second area where Singapore excels is logistics and infrastructure. It has one of the world's best airports and one of the most efficient seaports. I never felt the need to buy a car due to the excellent and reliable public transport system. I could check bus timings on an app, walk to the stop, and the bus would arrive on time. The same applies to the metro system, which covers most of the island and runs at fixed intervals during both peak and off-peak hours. The high cost of obtaining a Certificate of Entitlement to buy a car has limited the number of vehicles on the road, averting congestion of the kind seen in Dhaka.



The third factor is Singapore's world-class healthcare system. During Covid, the country recorded one of the lowest mortality rates globally. The response was well managed through careful planning, including advance vaccine procurement from global pharmaceutical companies, which helped reduce deaths in an ageing society.

More broadly, there is strong emphasis on health and wellbeing. Singaporeans are encouraged to lead active lives through running, cycling and walking in well-maintained public parks. The Health Promotion Board promotes healthy habits such as walking 10,000 steps a day. Singapore was also the first country to mandate reductions in sugar content in soft drinks. It declared a war on diabetes and has taken firm action against vaping and k-pods, alongside a zero-tolerance policy on drugs.

Singapore moved from a third-world country to a developed nation within a few decades. While much of Asia turned towards nationalisation and socialism, Singapore's founding prime minister Lee Kuan Yew chose to open the economy to multinational companies, laying the foundation for its emergence as a regional financial hub. He was supported by a capable team that addressed housing and water shortages through the Housing Development Board, which now provides homes for nearly 80 percent of the population.

When people aspire for their country to become like Singapore, they are asking for a government that delivers on governance, infrastructure, housing and healthcare. These are not unreasonable expectations. Singapore has demonstrated what is possible over the past 60 years, and it offers a useful reference as Bangladesh transitions beyond least developed country status.

The writer worked as a senior executive at global banks in Bangladesh and Singapore

Pay commission to submit recommendations today

STAR BUSINESS REPORT

The pay commission is all set to submit its recommendations for the new salary structure of government officers and employees today.

The commission's chairman, Zakir Ahmed Khan, along with other members, will present the report to the chief adviser at the state guest house Jamuna at 5pm, according to finance ministry officials.

Finance Adviser Salehuddin Ahmed will also be present on the occasion.

The ministry officials have indicated that the recommendations of the National Pay Commission 2026 may be partially implemented from January 1 this year and will be fully enforced from the first day of the 2026-27 fiscal year, that is, from July 1.

However, the finance adviser yesterday told journalists that the

report will be submitted today, but the government will inform them later when it will be implemented.

Asked whether the additional spending for the implementation of the new pay structure would fuel inflation in the country, the adviser said he could not say how it will affect the market.

He added that there should not be any impact from the new pay structure, as the government has taken steps for the development of all sectors.

In response to another question about whether the pay rise will create pressure on the next government, the adviser said the pay commission will submit its recommendations by taking into account the government's capability.

He also noted that steps have been taken for widespread reforms in the National Board of Revenue, which will boost revenue collection in the future.

The current minimum salary of Tk 8,250 will be more than doubled, while the current maximum salary of Tk 78,000 will be raised to more than Tk 120,000.

The commission has recommended setting the ratio between the highest and lowest salaries at 1:8.

Meanwhile, in the revised budget for the 2025-26 fiscal year, operating expenses have been increased by Tk 20,000 crore.

The government has taken this step as part of the partial implementation of the new salary structure.

It plans to revise down development spending by Tk 30,000 crore this fiscal year and raise non-development expenditure by Tk 28,000 crore, The Daily Star has learnt from people involved with the proceedings.

The increase in non-development expenditure is to accommodate the

National Pay Commission 2025.

The new pay structure would provide a higher increase to those in the lower grades, the official added.

Meanwhile, the government has finalised the revised budget, which will come into effect on February 1.

The overall budget size has been reduced by Tk 2,000 crore to Tk 788,000 crore.

At present, the number of government officials and employees stands at about 15 lakh.

In addition, the new pay structure will also apply to employees of various autonomous bodies and state-owned banks, although their salaries are not paid directly from the government budget.

The commission may recommend a separate pay scale for Bangladesh Bank and state-owned banks, distinct from the government pay structure.

Gold blazes trail beyond \$4,700/oz to record high

REUTERS

Gold surged past the \$4,700 an ounce mark for the first time on Tuesday, and silver hovered just below a fresh record high, as global tensions sparked yet another rush to safety.

Spot gold gained 1.3 percent to \$4,727.99 per ounce by 0910 GMT, having hit an all-time high of \$4,731.34, while silver rose 0.7 percent to \$95.34 an ounce, after hitting a record high of \$95.488 earlier in the session.

US gold futures for February delivery climbed 3 percent to \$4,734.10 per ounce.

US President Donald Trump threatened to impose increasing tariffs from February 1 on eight European countries until the US is allowed to buy Greenland, fuelling fears of a renewed trade war.

"Growth concerns driven by threats of additional tariffs and the desire of Trump to have lower US interest rates are the drivers pushing gold to a new record high," said UBS analyst Giovanni Staunovo.

Gold has climbed 9.5 percent in just 20 days of this year and over 70 percent since Trump's second term began a year ago. Geopolitical tensions have been at the forefront of the recent record rally, with expectations of monetary policy easing also playing a significant role. Strong central bank buying and ETF inflows have also contributed to the unprecedented rise.

Instability in policy and politics drives investors to store value in traditional safe havens like gold, while lower interest rates limit the downside of holding non-yielding assets.

As US orders fade, Chinese salespeople face tough grind in new markets



REUTERS

China sold more goods to the world than ever in 2025, but export saleswoman Aimee Chen says it was the hardest of her roughly two-decade career.

After US President Donald Trump's tariff hikes led to US orders plunging by a third, Chen's pet products company moved to diversify geographies, chasing new and often lower-income markets like South America. The response mirrored China's official trade policy, which led to a record \$1.2 trillion surplus for 2025 despite new trade barriers.

Reuters interviews with 14 salespeople working on the frontlines of China's export diversification push, however, reveal the costs and caveats behind the rosy headline trade figures.

Four of the salespeople said that orders from the new markets were often smaller in volume and less lucrative than US sales, resulting in lower commissions and pay. Government data show profits at China's industrial firms fell 13.1 percent year-on-

year in November, the fastest pace in over a year.

Many of the employees also described longer working hours as well as greater intensity and uncertainty amid the export boom.

"I'm very anxious," said Chen, adding that she had recently experienced stress

symptoms like hair loss and insomnia.

Mingwei Liu, director at the Center for Global Work and Employment at Rutgers University, said that China's export strategy in alternative markets depended on firms chasing high volumes of cheap orders. Companies that succeed often give clients longer payment cycles and

bear higher default risks, he said.

"This market reorientation increases the labour intensity, the emotional burden and income uncertainty faced by workers in export sales," Liu said.

China's commerce ministry and human resources ministry, as well as the office which manages the cabinet's media queries, did not respond to requests for comment.

NEW MARKETS, NEW PROBLEMS

China and the US have grown increasingly interconnected since Beijing's 2001 accession to the World Trade Organization. Their relationship has also become more imbalanced, with their respective economic policies favouring production in the former country and consumption in the latter.

Some American retailers and Chinese producers have said they developed relationships that were so close that they could anticipate each other's needs and red lines, making deals feel almost automatic.

Chen, for instance, described her past interactions with US retailers in largely glowing terms. Clients in the world's largest economy were often "easy-going" and signed deals quickly, she said.

By contrast, customers in new markets like to haggle on price, she said.



A worker operates machinery at a textile factory in Qingdao, in eastern China's Shandong province. Chinese shipments to the US fell 20 percent in 2025, though it remains a top export destination.

PHOTO: AFP/FILE