

star BUSINESS

BB proposes keeping two state banks, merging others

STAR BUSINESS REPORT

The Bangladesh Bank (BB) Governor Ahsan H Mansur yesterday said the central bank has proposed that the government keep two state-owned banks and merge the others.

Bangladesh currently has 61 banks, which is far more than necessary, and 10 to 15 banks would be sufficient for the country, he said.

It would be easier to ensure good governance if the number of banks were reduced, he said while speaking at a public lecture titled "Banking sector: current challenges and future challenges".

The Bangladesh Economic Association (BEA) and the Department of Economics at Jagannath University organised the lecture, which was chaired by BEA Convener Prof Mahbub Ullah.

The governor made the comments at a time when the BB is merging five troubled sharia-based banks into a single entity in order to rescue the country's financial sector, which has been strained by high default loans due to past irregularities and weak corporate governance.

Meanwhile, discussions regarding the merger of two state-owned specialised banks – Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank – are also underway, while Janata Bank, once considered healthy, continues to suffer from high default loans.

Mansur, a former official of the International Monetary Fund (IMF), said criminal activities, irregularities, family dominance, and weak governance have destroyed Bangladesh's banking sector.

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BB begins liquidation hearings with nine NBFI

STAR BUSINESS REPORT

The Bangladesh Bank (BB) began hearings yesterday with the top executives of nine non-bank financial institutions (NBFI) to determine whether there are grounds to oppose their planned liquidation.

The central bank had earlier sent letters asking the NBFI to attend hearings scheduled yesterday and today at its Dhaka headquarters. Representatives from five finance companies attended yesterday's session.

At the hearings, NBFI are required to explain why they should not be liquidated, while BB officials present the case for winding them up, according to central bank officials familiar with the matter.

The nine NBFI facing liquidation are FAS Finance, Bangladesh Industrial Finance Company (BIFC), Premier Leasing, Farest Finance, GSP Finance, Prime Finance, Aviva Finance, People's Leasing and International Leasing.

In November last year, the BB board approved the liquidation of the institutions under the newly framed Bank Resolution Ordinance 2025, the country's first comprehensive framework for resolving failing banks and NBFI.

The ordinance outlines procedures for merging, restructuring or closing distressed institutions and sets out the hierarchy for repaying creditors after assets are sold.

Together, the nine institutions account for 52 percent, or Tk 25,089 crore, of total defaulted loans in the NBFI sector as of the end of 2024.

BB data show that as of September 2025, the country's 35 NBFI held Tk 29,408.66 crore in non-performing loans (NPLs), equivalent to 37.11 percent of their total disbursed loans of Tk 79,251.11 crore. The sector's NPL ratio was 35.52 percent a year earlier.

Industry insiders attribute the surge in defaults to large-scale irregularities and scams during the previous government.

For instance, according to a BB probe, PK Halder, former managing director of NRB Global Bank (later Global Islami Bank), allegedly embezzled at least Tk 3,500 crore from four NBFI – People's Leasing, International Leasing, FAS Finance, and BIFC.

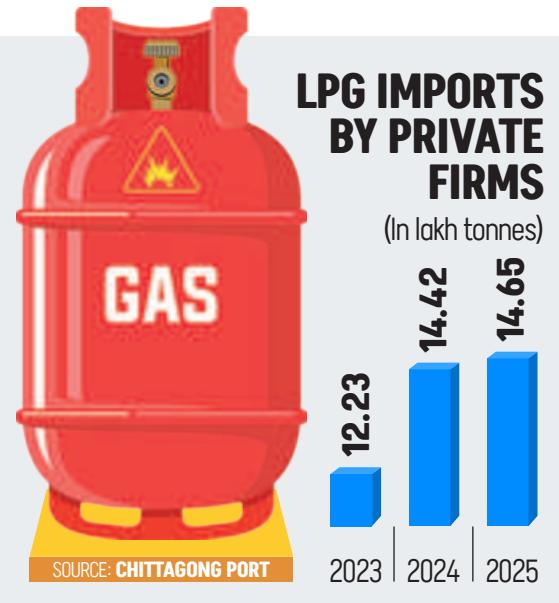
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LPG imports by BPC unlikely to ease crisis soon

BPC's first-time imports may be delayed by inexperience and zero vessels, as pvt operators control distribution

HIGHLIGHTS

- BPC will not supply directly to the local market
- Imports delayed due to lack of specialised vessels and jetties
- Prices of 12-kg cylinder LPG stay Tk 400 – Tk 750 higher than govt fixed rates
- Full import may take 2-3 months
- BPC must coordinate with private operators before imports
- BPC talks with suppliers in Indonesia, Qatar, and the UAE are ongoing



MOHAMMAD SUMAN, Ctg

The government has allowed the Bangladesh Petroleum Corporation (BPC) to import liquefied petroleum gas through government-to-government deals amid a nationwide shortage of cooking gas cylinders and a sharp rise in prices.

The situation is being attributed to supply shortages and the authorities believe this move by the government would ease the crisis.

But a number of BPC officials said this would unlikely to bring relief anytime soon. Because, the corporation currently lacks the specialised lighterage vessels and dedicated jetties needed to transport the liquefied petroleum gas (LPG).

Because of these logistical constraints, imports cannot begin immediately, according to a number of BPC officials.

Until now, LPG imports have been handled mainly by the private sector.

According to the current arrangement, BPC is allowed to import only bulk LPG gas brought in large tanks or vessels – which private operators later bottle at their own terminals before selling it in the market.

BPC will supply LPG only to approved private operators and will not be involved in bottling or retail sales.

Market insiders say weak market management and poor oversight have also contributed to the current gas cylinder crisis, but these issues are being overlooked as the authorities rush to boost supply.

"We have several infrastructural limitations, as we have never imported this type of LPG before," a BPC official said on condition of anonymity.

"Even if we import LPG, we will not sell it directly to consumers. The same private players who currently dominate the market

READ MORE ON B3

GP sole buyer in first 700 MHz allocation

STAR BUSINESS REPORT

Grameenphone has secured 10 megahertz of spectrum in the 700 MHz band, often called the "golden frequency" for its wide coverage and strong indoor reach, marking the first-ever allocation of the low-band frequency to a mobile operator in Bangladesh.

The spectrum was assigned at the base price, meaning the government will earn Tk 2,370 crore from the deal. The rate was set at Tk 237 crore per megahertz (MHz).

The allocation will run for 15 years, with payments spread over 10 instalments. If the allocation period ends earlier, the payable amount will be adjusted accordingly.

The approval came yesterday at a joint meeting of the Spectrum Auction Committee and the Spectrum Management Committee, said Major General (retd) Md Emdad ul Bari, Chairman of the Bangladesh Telecommunication Regulatory Commission (BTRC).

The BTRC had fixed January 21 as the auction date. With only one bidder in the race, the regulator proceeded under its single bidder allocation rules.

The move follows Robi Axiata's decision to withdraw from the auction, citing a "mismatch" between the auction timing and its network priorities. Banglalink and state-owned Teletalk stayed away.

Despite the thin turnout, the regulator went ahead, saying that preparations had been underway since 2024. It also said Robi had shown interest in spectrum from another band, which could be taken up later.

Earlier this month, anticipating a lone bidder, the BTRC revised its auction rules. It cut the maximum spectrum cap for a single operator to 10 megahertz from 15, out of a total 25 MHz on offer.

The regulator said the change was meant to protect competition and keep room for other operators in the future.

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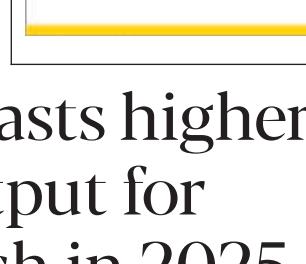


উইমেন'স
লাই

নারীর স্বীকৃত প্রযোগ যাত্রা আরো
সাজলসম্মত করাতে 'ইউরেল
উইমেন'স লাই'

মুক্তিপ্রাপ্তি:

- সর্বোচ্চ ২০ লক্ষ টাকা পর্যাপ্ত
জারান্তবিশীল লাই
- সর্বোচ্চ ৫০ মাস পর্যাপ্ত মাসিক
কিঞ্চিতে সর্বোচ্চ মাসিক
- যে কোর সুরু আশিক বা
সম্পূর্ণ লাই সর্বিশেষ সুযোগ
- আকর্ষণীয় ইন্টারেস্ট রেট



FAO forecasts higher paddy output for Bangladesh in 2025

STAR BUSINESS REPORT

Bangladesh is expected to bag 6.2 crore tonnes of paddy in 2025, a 2.4 percent rise from a year earlier, owing to higher plantings and bumper yields in the Boro and Aman seasons, according to the latest Food and Agriculture Organization (FAO) report.

Favourable weather conditions helped the crop through the growing period, the UN agency said.

The FAO has forecasted Bangladesh's paddy production to remain above average in 2025. Average national production during 2020 to 2024 stood at 5.83 crore tonnes.

In its country brief on Bangladesh released late last month, the UN agency said harvesting of the Aman crop, which makes up about 35 percent of annual output, is due to wrap up by the end of December 2025.

Production is forecast at an above-average level, due mainly to anticipated bumper yields and favourable weather conditions.

Rainfed Aman acreage rose 5.5 percent year on year to 59.23 lakh hectares in 2025, according to the Department of Agricultural Extension (DAE).

The FAO also pointed to last year's Boro crop, which accounts for around 55 percent of total output, and said production was estimated at a record 3.17 crore tonnes.

This reflects expanded plantings in response to high prices at sowing time and strong yields supported by favourable weather, it said.

DAE estimation showed that Boro acreage increased 3.35 percent year on year to 50.5 lakh hectares in 2025.

Aus production, however, fell after floods damaged crops between May and July 2025. Output of this smallest contributor to the rice basket was estimated at 45 lakh tonnes, about 9 percent below average, the FAO said.

The UN agency said maize production reached a record 53 lakh tonnes, due mostly to larger sowings amid firm domestic demand and high prices during planting.

"Favourable weather conditions and widespread use of high yielding seed varieties supported above average yields," it said.

In the case of wheat, the third-largest cereal crop, production in 2025 was 11 lakh tonnes, which the agency terms "a near-average level."

Overall, the country is expected to produce 6.84 crore tonnes of cereals in 2025, registering a 2.2 percent year-on-year increase.

Despite increased domestic production, the UN agency forecasted above-average cereal imports.

Import needs for rice in calendar year 2025 are forecast at an above-average level of 18 lakh tonnes, following the government's decision to reduce rice import duties from 63.2 percent to just a 2 percent service charge on August 10, 2025, in response to elevated domestic rice prices, it added.

The FAO said Bangladesh's cereal imports consist mostly of wheat, which covers 80 percent of the country's consumption needs, plus minor quantities of rice and maize.

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Govt issues fresh permits to import 2 lakh tonnes of rice

An agro economist questions timing of the approvals



A man buys rice from a shop at the Karwan Bazar kitchen market in the capital yesterday evening. The food ministry recently issued permits to allow 2 lakh tonnes of parboiled rice, aiming to rein in prices.

PHOTO: PRABIR DAS

Brokers' association seeks overhaul of outdated DSE classifications

STAR BUSINESS REPORT

Sector classification of listed companies needs to be realigned, as the existing system is not aligned with international standards, according to the DSE Brokers Association of Bangladesh (DBA).

In a letter sent to the chairman of the Bangladesh Securities and Exchange Commission, the association urged the commission to undertake reforms in line with international best practices.

Global capital markets now widely follow internationally recognised standards such as the Global Industry Classification Standard (GICS), jointly developed by MSCI and Standard & Poor's, or the Industry Classification Benchmark (ICB).

GICS, for instance, consists of 11 sectors, 25 industry groups, 74 industries, and 163 sub-industries, offering a more consistent, analytical, and globally comparable framework.

At present, the Dhaka Stock Exchange (DSE) follows a sector classification system comprising 22 sectors, including government bonds, corporate bonds, and mutual funds. This classification has remained essentially unchanged since its introduction.

To highlight the limitations of the existing classification, the DBA noted that the premier bourse has placed companies like Marico Bangladesh under the pharmaceuticals and chemicals sector, while British American Tobacco Bangladesh is categorised under the food and allied sector.

Under global standards, both companies would appropriately fall under the consumer staples sector.

Similarly, companies such as Walton, Singer, Bata, and Apex would be classified as consumer discretionary, reflecting their actual business exposure and sensitivity to consumer demand, it said.

"This mismatch creates analytical distortions for investors, researchers, policymakers, and international stakeholders."

Sectoral performance analysis is a critical tool for understanding economic cycles, consumer behaviour, and income trends.

Next govt must focus on digitisation, tax reforms

Experts say at revenue event

STAR BUSINESS REPORT

The next government should set a clear digitisation goal to help Bangladesh become a developed nation and promote modernisation and sustainable growth across all sectors, economic experts said yesterday.

They also recommended expanding the VAT base to include businesses currently outside its scope and creating an integrated system to simplify tax payments, adding that higher revenue collection would help reduce the country's revenue deficit.

The statements were made at an event on revenue challenges and solutions in Dhaka, jointly organised by Voice for Reform and the Bangladesh Research Analysis and Information Network.

Snehasish Barua, managing director of SMAC Advisory Services Limited, said the National Board of Revenue (NBR) recorded a 14 percent growth in revenue collection in the first half of the current fiscal year (FY) but still fell short of the target by a staggering Tk 46,000 crore, or nearly 10 percent.

"To overcome the revenue deficit, the government must adopt short-, medium-, and long-term plans," he said.

Barua also stressed the need to balance tax sources. "Like developed countries, direct taxes should make up half of total revenue and indirect taxes the other half. To increase revenue, reliance on customs and VAT must be reduced, and income tax should be increased," he said.

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While the proposed new pay structure suggests salary increases for government officials and employees, development spending has gone down, and operating expenses have risen

Masrur Reaz, chairman and chief executive officer of Policy Exchange Bangladesh, said, "Every country has foreign debt, so nothing is surprising about that. The problem arises when the debt grows excessively."

He added that since 2017-18, the foreign debt rate has been rising, causing problems for the economy.

"In March of the FY2024-25, foreign debt interest increased by 23 percent compared to the previous year," Reaz said. "Even more alarming, foreign debt interest in 2025 has risen 246 percent compared to 2021."

Rashed Al Mahmud Titumir, professor of Development Studies at the University of Dhaka, said

that often, some unrealistic figures are presented about the country's economy, but no clear strategy, policy, or roadmap is shown to achieve them.

He stressed the need for a culture of tax payment among citizens. "Simply increasing government spending without improving its quality does not strengthen the economy," he said. "Without increased economic capacity, incomes will not rise, and without higher income, collecting taxes from people is impossible."

Titumir also pointed out problems in the current system. "There is a lack of fairness in the revenue system, and people are losing trust in it. At the same time, employment and social security must be given priority," he said.

He suggested ways to boost employment, saying, "Investment in labour-intensive sectors, revival of small and medium industries, and development of rural infrastructure must be prioritised."

Masud Khan, chairman of Unilever Consumer Care Ltd, said, "It is essential to clearly show citizens the benefits they receive from paying taxes. When people see the direct benefits, they are more willing to pay."

Economist Jyoti Rahman, presenting the keynote paper, said that the development budget, infrastructure projects, and power purchase agreements need to be reviewed. This will cut unnecessary spending and make development activities more effective.

collect between Tk 30,000 crore and Tk 40,000 crore. The framework will cover not only banks but also non-bank financial institutions.

Emphasising the need for a cashless society, Mansur said cash is the main channel for revenue leakage.

"If a cashless system can be established, annual revenue collection could increase by Tk 1.5 lakh crore to Tk 2 lakh crore," he said, urging that every student be brought under formal banking services.

At the event, Jagannath University Vice-Chancellor Prof Rezaul Karim said the fragile condition of the banking sector has now become clear.

Jagannath University's Economics Department Chairman Prof Sharif Mosharraf Hossain said the reduced default loans have

hindered investment.

BB proposes

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"The sector has collapsed due to the absence of proper governance," he said, adding that reforms are urgently needed in all areas of banking.

Around Tk 3 lakh crore has flown out of the banking sector, a large portion of which was likely laundered abroad. Some \$20-\$25 billion was siphoned off through family control within banks, he said.

On non-performing loans, he said the default rate is expected to come down to 25 percent by March.

The governor stressed that personal or individual-centric decisions must not be allowed to influence the banking sector.

However, he warned that political interference could return to the banking sector if the amended Bangladesh Bank Order is not enacted.

He also said BB is working to establish a Bank Resolution Fund, which will

be approved around Tk 5,000 crore to repay non-bank depositors.

Central bank data show the nine NBFIs hold Tk 15,370 crore in deposits, of which Tk 3,525 crore belongs to individual depositors and Tk 11,845 crore to banks and corporate clients.

In May last year, BB warned 20 NBFIs with high levels of defaulted loans before Ramadan in February.

Officials said the government has verbally

BB begins

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These institutions are now severely distressed, with more than 90 percent of their loan portfolios non-performing.

BB Governor Ahsan H Mansur recently said individual depositors of the nine NBFIs slated for liquidation may get back their principal amounts before Ramadan in February.

Officials said the government has verbally

GP gets

FROM PAGE B1

The 700 MHz band is valued for its ability to cover large areas and penetrate buildings, making it well suited for rural connectivity and indoor coverage.

With the allocation, Bangladesh formally begins using the 700 MHz band for mobile broadband, a step long viewed as key to improving nationwide network reach and service quality.

Tanveer Mohammad, chief corporate affairs officer of Grameenphone, said, "We have received the acknowledgement letter from BTRC stating Grameenphone's eligibility for the acquisition of the 700 MHz spectrum, on completion of all applicable regulatory requirements. This reinforces our commitment to strengthening network quality and delivering a superior, reliable experience for our customers across Bangladesh."

He said, "We appreciate BTRC's continued support in enabling a future-ready telco ecosystem. This will allow us to further enhance coverage, particularly in underserved and indoor environments, while improving network efficiency and resilience."

"We look forward to responsibly utilising this spectrum to further elevate service quality and deliver secure, innovative digital services for our more than 85.6 million customers, reinforcing our role as a key enabler of Bangladesh's digital progress," he added.

On Tuesday, Energy Adviser Muhammad Fouzul Kabir Khan told The Daily Star that imports must be increased if the government wants to keep the country's LPG market under control.

Despite stable imports and lower costs, LPG prices remain high, raising concerns about artificial shortages.

Retail prices are still much higher than government-set rates. In January, the government raised the price of a 12kg LPG cylinder by Tk 53 to Tk 1,306, but in Dhaka and Chattogram, it is selling for Tk 1,750 to Tk 2,100 - Tk 400 to Tk 750 above the official rate.

In the last six months of 2025, imports rose 18 percent compared with the first half of the year, while average import costs fell 14 percent - from Tk 87 per kg to about Tk 75 per kg, according to National Board of Revenue data. Most of the 14.65 lakh tonnes imported in 2025 arrived during this period.

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The government's involvement in the sector would make market monitoring easier, as we would be able to regularly oversee sales and ensure fair pricing," he said.

He added that BPC officials are already reviewing potential sources for government-to-government imports and expressed hope that the crisis would be resolved soon.

Mani Lal Das, general manager (commercial and operations) at BPC, told The Daily Star that initial discussions would focus on suppliers in Indonesia, Qatar and the United Arab Emirates, countries from which Bangladesh already imports other petroleum products.

"We are preparing to send emails to these companies and will move ahead with those that can offer competitive prices, flexible terms and quick delivery," he said.

Acknowledging logistical challenges for BPC's first LPG imports, he said LPG cargoes usually arrive at the outer anchorage near Kutubdia and must be transferred to specialised lighterage vessels for unloading.

"However, we do not have such vessels or jetties," he added.

To address the issue, Das said BPC is considering importing LPG in smaller consignments of 5,000 to 7,000 tonnes or working with suppliers that can provide three specialised lighterage vessels.

"One vessel would serve the Khulna-Daulatdia route, while two

LPG imports

FROM PAGE B1

will handle distribution, meaning they can still influence supply and prices," he added.

PERMISSION GRANTED, BUT CONDITIONS APPLY

According to BPC sources, the corporation first sought permission to import LPG on January 10. The energy ministry gave verbal consent on January 18, followed by written approval on Tuesday.

The approval letter, addressed to BPC Chairman Md Amin Ul Ahsan and signed by Shahina Akhter, senior assistant secretary of the Energy and Mineral Resources Division, allows LPG imports under specific conditions.

These require BPC to consult the LPG Operators Association of Bangladesh (LOAB) to finalise operators, import volumes, payment arrangements, and plans for unloading and distribution, with the ministry granting final approval.

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"One vessel would serve the Khulna-Daulatdia route, while two

would be used in the Chattogram zone," he added.

He expressed hope, saying discussions with potential suppliers are ongoing and that a final decision is expected within days.

However, a member of BPC's procurement committee, speaking on condition of anonymity, said the entire process could take at least two months.

SUPPLY NOT THE MAIN ISSUE

Meanwhile, market data suggest that supply constraints are not caused by imports.

Over the past three years, LPG imports steadily increased: 12.23 lakh tonnes in 2023, 14.42 lakh tonnes in 2024, and 14.65 lakh tonnes in 2025, totaling 41.3 lakh tonnes.

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associated with a gradual shift in local diet preferences, it added.

"Consumption of wheat flour products has tripled since 2000, and currently accounts for about 10 percent of total average calorie intake," said the report.

The FAO, however, projects maize imports at 16 lakh tonnes, a near average level.

AHO, QMG's BRANCH DW & CE (ARMY) DHAKA CANTONMENT

INVITATION FOR TENDER

Dated : 14 January 2026

Notice No. 11 of 2025-2026/E-3

1. Ministry/Division

Bangladesh trails regional peers with 53% internet penetration

ADB report says mobile finance and health platforms show promise, but gaps remain in connectivity and system integration

MAHMUDUL HASAN

Bangladesh's current internet penetration stands at 53 percent, placing it behind regional leaders such as Bhutan at 88 percent and the Maldives at 85 percent, but broadly in line with several neighbouring countries, according to a recent Asian Development Bank (ADB) report.

Internet coverage stands at 57 percent in India and 56 percent in Nepal, while Sri Lanka has achieved near-universal 4G coverage but records relatively low active usage of 51 percent.

The ADB's *Digital Public Infrastructure: Landscape and Opportunities in South Asia* report released last month, identified affordability constraints and low digital literacy as the primary barriers to internet adoption in Bangladesh.

It said the most pressing challenges facing the country are a stagnating internet penetration rate and a widening digital gender gap.

Only 19 percent of women in Bangladesh access mobile data, compared with 36 percent of men, the report said.

Rural users are also 29 percent less likely to access mobile internet than their urban counterparts, a disparity compounded by a functional digital literacy rate of just 49 percent. As a result, large segments of the population remain excluded from the country's digital transformation despite high mobile phone ownership.

The report examined the above-mentioned six South Asian countries, assessing the state of digitalisation and the maturity of their digital public infrastructure (DPI).

It also identified institutional gaps and high-impact opportunities for reform and investment, with the aim of helping countries leapfrog legacy systems and improve public service delivery for underserved populations.

The report found that Bangladesh's foundational digital identity system also lags behind its neighbours. The Smart National ID currently covers around 40 percent of the population.

In contrast, India's Aadhaar system has achieved near-universal coverage of 99 percent. Even smaller countries such as Bhutan and the Maldives have recorded higher coverage, at 46 percent and 47 percent respectively.

Crucially, the report noted that Bangladesh's NID system lacks open APIs and a consent-based architecture, limiting its ability to function as a universal building block for the economy. These shortcomings limit its ability to function as a universal digital building block for public services and the broader economy.

Bangladesh also remains vulnerable in terms of physical connectivity.

The country relies on two international undersea cables that follow similar routes, increasing the risk of widespread outages, whereas Sri Lanka and the Maldives benefit from more resilient connectivity through multiple, geographically diverse submarine links.

At the operational level, many rural government offices in Bangladesh are forced to function under low-bandwidth conditions, sometimes as slow as 5 Mbps, constraining their capacity to deliver digital services effectively.

Institutional fragmentation is another major bottleneck for Bangladesh, the ADB notes.

Unlike India, which has established specialised and empowered bodies such as the Unique Identification Authority of India (UIDAI), Bangladesh's digital governance landscape is characterised by overlapping mandates among the ICT Division, the Bangladesh Computer Council and Aspire to Innovate (a2i).

Gold zooms past \$4,800

REUTERS

Gold prices surged to a record above \$4,800 per ounce on Wednesday, as investors sought the metal as a safe haven following a broad sell-off in US assets amid heightened tensions between the US and NATO over Greenland.

Spot gold climbed 2.1 percent to \$4,862.19 per ounce by 0837 GMT, after scaling a record \$4,887.82 earlier in the session. US gold futures for February delivery climbed 2.2 percent to \$4,869.40 per ounce.

"It's the loss of trust in the US caused by Trump's moves over the weekend to tariff European countries and increase coercion in trying to take Greenland. (The move in gold) reflects fears about global geopolitical tensions," said Kyle Rodda, a senior market analyst at Capital.com.

On Tuesday, Trump said there was "no going back" on his goal to control Greenland, refusing to rule out taking the Arctic island by force and lashing out at NATO allies.

He later said, "we will work something out where NATO is going to be very happy and where we're going to be very happy." Meanwhile, French President Emmanuel Macron said Europe would not give in to bullies or be intimidated, in a scathing criticism of Trump's threat of steep tariffs at Davos.

"I think crossing \$4,800 just reinforces that people don't want to sell gold before \$5,000. It's a combination of the traditional supporters for gold, which is rising debt, a weakening dollar and geopolitical uncertainty," said Nicholas Frappell, global head of institutional markets at ABC Refinery.

The dollar index languished at a near one month low after White House threats over Greenland triggered a broad sell-off in US assets, from the currency to Wall Street stocks and Treasury bonds.

A SNAPSHOT OF DIGITALISATION

Internet infrastructure



Bangladesh relies on two cables on similar routes



Rural offices struggle with low 5 Mbps bandwidth



India has resilient national fiber networks



Maldives & Sri Lanka benefit from multiple submarine links

Penetration & Adoption



Bangladesh's Internet penetration 53%, behind regional leaders



Digital gender gap leaves many women offline



Rural users less likely to access internet



Bhutan & Maldives show high access despite varied speeds

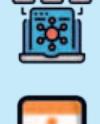
Digitalisation of services



Bangladesh sees 24 million daily mobile financial transactions



MyGov portal offers hundreds of services, but integration is limited



Interoperability platforms stalled for many retail digital deals



India leads regionally with large-scale digital government platforms

SOURCE: ADB REPORT, DEC 2025

The absence of a binding legal framework to mandate integration across digital systems has left core registries operating in silos.

In the agriculture sector, for example, soil, water and weather data are managed by different ministries with no common architecture to link them. Similar fragmentation is evident in digital payments.

While India's Unified Payments Interface (UPI) powers about 85 percent of retail transactions, Bangladesh's interoperability platform, Binimoy, is described in the report as "stalled", leaving more than half of retail transactions cash-based.

THE CROWN JEWEL AND THE 'PHYGITAL' BRIDGE

Despite these challenges, the ADB report noted that Bangladesh has developed global-

standard expertise in several niches. The mobile financial services (MFS) ecosystem has taken the spot of the crown jewel of the country's digital transition.

Platforms such as bKash and Nagad have emerged as regional powerhouses, facilitating nearly 24 million transactions a day. bKash alone has 75 million registered customers and accounts for about 75 percent of transaction market share.

Supported by a nationwide network of around 379,000 agents, MFS has become the primary driver of financial inclusion in Bangladesh.

Another notable success is the country's "phygital" bridge. Bangladesh has built a network of around 9,500 digital centres that serve six to seven million rural users each month.

The analysts' consensus forecast had been for inflation of 3.3 percent.

However, price pressures are widely expected to ease in 2026, with inflation set to move closer to the Bank of England's two-percent target.

The ONS attributed December's rise to higher tobacco prices, airfares and food costs.

Along with weak unemployment figures and some recent positivity on the economic growth front, the inflation numbers will be used by the BoE to determine its next moves on interest rates.

NOVOAIR increases flights on Dhaka-Ctg route

STAR BUSINESS REPORT

Private airline NOVOAIR has announced the launch of a second flight on the Dhaka-Chattogram route to meet rising passenger demand and improve travel flexibility.

Currently operating one daily flight between the two cities, NOVOAIR will introduce the new service from January 26. It will operate four days a week -- Monday through Thursday -- according to Mofizur Rahman, managing director of NOVOAIR.

"Chattogram is one of the country's most significant commercial and tourism destinations," Rahman said. "Given the rising demand from passengers and the need for more travel flexibility, we have decided to increase the number of flights on this route."

The existing flight departs from Dhaka at 1:15pm and returns from Chattogram at 2:40pm. The new flight will leave Dhaka at 4:15pm and return from Chattogram at 5:40pm.

UK annual inflation rises

AFP, London

Britain's annual inflation rate rose more than expected in December, official data showed Wednesday, reinforcing expectations that the Bank of England will hold off on cutting interest rates next month.

The Consumer Prices Index (CPI) rose to 3.4 percent in December, compared to 3.2 percent in November, the Office for National Statistics (ONS) said in a statement.

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A quiet warning from the Barind

MD TANJIL HOSSAIN

The northwestern region of Bangladesh has long been vulnerable to drought. Located within the Barind Tract, Rajshahi is characterised by low rainfall, high temperatures and a farming system heavily dependent on irrigation. What farmers have sensed for years that rainfall is declining has now been confirmed by long term data. The evidence suggests that rainfall in Rajshahi is not only falling but doing so steadily, posing serious risks to agriculture, water security and rural livelihoods.

An analysis of annual rainfall data from 1990 to 2023 shows a statistically significant downward trend in Rajshahi. On average, the region is losing about 10.8 millimetres of rainfall each year. While this annual reduction may seem small, its cumulative impact over more than three decades is considerable. The slow but persistent decline is turning drought in the Barind from an occasional climatic shock into a structural, long term challenge.

The first effects of declining rainfall appear as meteorological drought, marked by delayed, reduced or erratic rain. Over time, this develops into agricultural drought as soil moisture declines, sowing is delayed and crop growth is disrupted. In Rajshahi, where farming depends heavily on irrigation, particularly for Boro rice, lower rainfall directly increases pressure on groundwater resources.

This growing dependence on groundwater is already visible. In many areas, water must now be pumped from greater depths, raising irrigation costs through higher energy use and equipment expenses. For small and marginal farmers, these costs are becoming increasingly difficult to manage. If current trends continue, declining rainfall will not only reduce crop productivity but also undermine farm incomes and long term food security.

Of course, drought itself is not new to the Barind. What is new is its persistence. In the past, droughts were episodic, severe in some years and less so in others. The current evidence points instead to a consistent long term decline in rainfall. With high statistical confidence showing that the rate of change is clearly negative, this pattern can no longer be dismissed as random variability or a run of bad years. It is a clear warning of a changing climate.

This reality calls for a rethink of agricultural policy. Reactive measures, such as post-disaster relief and short-term compensation, are no longer enough. What is required is a proactive, forward-looking approach rooted in climate evidence.

First, crop planning must adjust to lower rainfall. Priority should be given to expanding drought-tolerant and short-duration crop varieties suited to Rajshahi agro-climatic conditions. Gradual diversification away from water-intensive systems, especially heavy reliance on irrigated rice, would reduce vulnerability and production risks.

Second, water management strategies must evolve. Reducing pressure on groundwater through rainwater harvesting, surface water storage and managed aquifer recharge is essential. Water-efficient irrigation practices, such as Alternate Wetting and Drying in rice cultivation, offer practical options that can cut water use without reducing yields.

Third, farmers need timely and reliable climate information. Stronger drought early warning systems and seasonal rainfall advisories can support better decisions on planting, irrigation and crop choice. Long-term rainfall trend analysis should be built into local agricultural planning and extension services.

Finally, climate-related risks must be addressed through social and financial protection. Crop insurance, adaptation grants and access to affordable credit can help farmers cope with rising uncertainty. Climate change may not be caused by farmers, but its impacts fall disproportionately on them.

The Barind region of Rajshahi is changing quietly. Rainfall is declining slowly, yet the consequences are building quickly. Decisions delayed today will mean higher costs tomorrow, in the form of lower yields, higher production expenses and growing livelihood insecurity.

The data sends a clear message. The question is whether policy responses will arrive in time.

The writer is an economics professor at Jatiya Kabi Kazi Nazrul Islam University

Global LNG supply set to jump in 2026

REUTERS, Singapore

Global liquefied natural gas (LNG) output is set to jump this year, easing constraints seen since the 2022 Ukraine war and dampening prices, which could spur demand including from top importers China and India, analysts say.

This year marks the start of a large wave of supply that analysts expect to last until 2029, depressing prices that could drive more demand from emerging economies.

"2026 is expected to be a transitional year for the LNG market," said Kpler. "The market is expected to move away from tightness toward ample availability, with sufficient supply even as winter demand and storage needs emerge, particularly in Europe."

Estimates from S&P Global Energy, Kpler and Rystad Energy forecast at least 35 million metric tons of new capacity coming online this year, primarily from the US and Qatar. This could lift global LNG supplies by up to 10 percent year-on-year, with 2026 supply forecasts from Kpler, Rystad, ICIS and Rabobank in a range of 460 million and 484 million metric tons.

Projects like Golden Pass LNG on the US Gulf Coast and Qatar's North Field expansion are expected to contribute sizable volumes, while output is set to ramp up from Corpus Christi and Plaquemines LNG in the US, LNG Canada and the Greater Tortue Ahmeyim projects at

offshore Senegal and Mauritania.

The additional supply will pressure global prices, with analysts from Rabobank, Rystad and Kpler predicting a range of averages for Asian spot LNG from \$9.50 to \$9.90 per million British thermal units (mmBtu) in 2026, down from an average of \$14.20 in 2025.

With Asia LNG and European gas prices easing, price spreads to US benchmark Henry Hub will narrow, squeezing US LNG export margins at a time when feedgas costs are rising, said analysts at Vortexa, Rabobank and S&P Global Energy.

CHINA, INDIA TO DRIVE DEMAND

Asia's LNG demand, which slipped in

2025 on price sensitivity and competition from alternative fuels, is forecast to recover to 7 percent this year led by China and India as lower prices spur additional spot purchasing. The writer is an economics professor at Jatiya Kabi Kazi Nazrul Islam University

2025 on price sensitivity and competition from alternative fuels, is forecast to recover to 7 percent this year led by China and India as lower prices spur additional spot purchasing, fuel switching and stockpiling, according to a range of outlooks from Rystad, Kpler and S&P Global Energy.

As winter grips northern China, 72-year-old farmer He Wenxiang runs his gas boiler only occasionally to warm the bedroom radiator.

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