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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 shariah-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.

READ MORE ON B3



BB begins liquidation hearings with nine NBFIs

STAR BUSINESS REPORT

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

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

At the hearings, NBFIs 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 NBFIs facing liquidation are FAS Finance, Bangladesh Industrial Finance Company (BIFC), Premier Leasing, Fareast 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 NBFIs.

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 NBFIs sector as of the end of 2024.

BB data show that as of September 2025, the country’s 35 NBFIs 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.

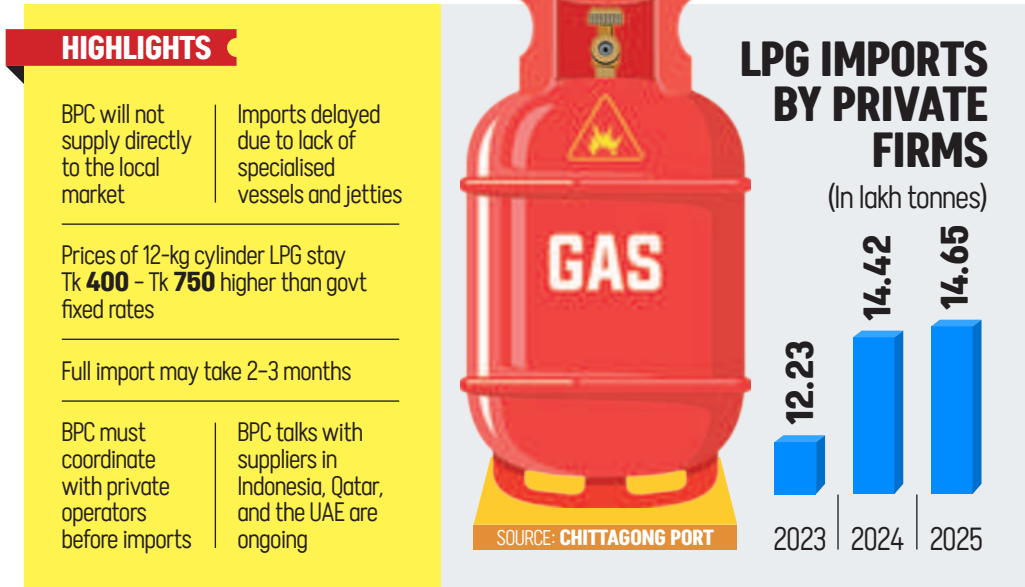
Industry insiders attribute the surge in defaults to large-scale irregularities and scams during the previous government.

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 NBFIs – People’s Leasing, International Leasing, FAS Finance, and BIFC.

READ MORE ON B3

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



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.

“The revenue board has failed to meet its annual target for at least a decade. In the July-December period of FY2025-26, NBR collected Tk 185,229 crore,” he added.

Barua pointed out that while the proposed new pay structure suggests salary increases for government officials and employees, development spending has gone down, and operating

expenses have risen.

“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.

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

M 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.

BB proposes

FROM PAGE B1

“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

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 rising default loans have reduced banks' capacity to disburse loans, which has, in turn, hindered investment.

BB begins

FROM PAGE B1

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 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 after they failed to repay depositors.

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.

Even so, a large part of the band remains out of reach. Twenty MHz is still locked in a long legal dispute between the BTRC and broadband service provider Always On Network.

Govt issues

FROM PAGE B1

As per the UN's Food and Agriculture Organisation (FAO), Aman production in 2025 was forecast at an above average level. Boro output was estimated at a record 31.7 million tonnes. Although Aus production was expected to fall below average, total paddy output in 2025 was projected at an above average 62 million tonnes.

Jahangir Alam Khan, an agricultural economist, said large-scale imports at this stage are unnecessary given the strong Aman harvest and healthy public stocks.

He said there is no risk of shortages or supply disruptions during the harvest season, and that small price swings are normal.

“Business syndicates are pushing for imports because they can buy paddy cheaply from farmers and sell rice to the government at higher prices, while also profiting from the gap between lower international prices and higher domestic market rates,” he said.

Khan added that a government serious about supporting farmers would expand domestic paddy procurement, rather than capping it at 50,000 tonnes at a reduced price.

He also said the interim government's move to fast-track imports ahead of elections weakens the role of the next political government, which should assess market conditions and decide whether imports are needed.

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.

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.

“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

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, totalling 41.3 lakh tonnes.

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.

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.

Nazer Hossain, vice-president of the Consumers Association of Bangladesh, said the issue is not the volume of imports but poor market management.

“Over the past six months, LPG imports have risen, and average import costs have fallen, yet prices have increased, creating an artificial shortage,” he said.

“If the government imports LPG only to hand it over to the same suppliers, the crisis will not end. Alongside imports, distribution and market monitoring must be strengthened,” he added.

BPC officials also said that 98-99 percent of the LPG market is controlled by the private sector, limiting the government's ability to intervene effectively. While 25 companies import LPG, just four dominate, accounting for 57 percent of total imports.

According to NBR data, Omera Petroleum Limited has the largest share at 17.96 percent, followed by Meghna Fresh LPG Ltd at 16.24 percent. Jamuna Spacetech Joint Venture and United Aygaz LPG Ltd control 12.38 percent and 9.11 percent, respectively.

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.

 AHQ. QMG'S BRANCH DW & CE (ARMY) DHAKA CANTONMENT INVITATION FOR TENDER						
Notice No. 11 of 2025-2026/E-3			Dated : 14 January 2026			
1.	Ministry/Division	:	Ministry of Defence			
2.	Agency	:	Military Engineer Services			
3.	Procuring Entity Name	:	DW & CE (Army) Dhaka Cantt			
4.	Procuring Entity District	:	Dhaka			
5.	Invitation for Tender No	:	11 of 2025-2026/E-3 Dated 14 January 2025			
6.	Procurement Method	:	Open Tendering Method (OTM)			
7.	Budget and source of funds	:	GOB			
8.	Development Partners (if applicable)	:	None			
9.	Title of Prject Plan (if applicable)	:	Manufacture & Supply of furniture & Cement			
10.	Tender Publication Date	:	25 January 2026			
11.	Selling of tender will commence from	:	26 January 2026 (During Office hour)			
12.	Selling of tender will Closed on	:	09 February 2026 (During Office hour)			
13.	Last date & time of Submission Tender	:	10 February 2026 at 1200 hours			
14.	Date & time of Opening of tender	:	10 February 2026 at 1230 hours			
15.	Name & Address of the offices	:	-			
Selling Tender Documents		:	a) AHQ, QMG's Branch, DW & CE (Army), Dhaka Cantt. b) Tender Selling & Information Centre of DW & CE (Army) at GE (Army) Central, Dhaka Cantt.			
Receiving (Dropping) Tender Document		:	Tender Selling & Information Centre of DW & CE (Army) at GE (Army) Central, Dhaka Cantt.			
Opening Tender Document		:	Tender Selling & Information Centre of DW & CE (Army) at GE (Army) Central, Dhaka Cantt.			
16.	Eligibility of Tenderer	:	FOR CEMENT a) Only MES approved cement manufacturer's organization/company subject to receipt of security clearance may apply for tender. FOR FURNITURE a) Contractor Enlisted in MES Class 'C' For SI No. 17 (b to k) & 'D' or 'E' For SI No. 17 (l & m). Having experience of similar works as mentioned in a single tender during last 05 (Five) years. FOR FURNITURE a) Contractor Enlisted in MES Class 'C' For SI No. 17 (b to k) & 'D' or 'E' For SI No. 17 (l & m). Having experience of similar works as mentioned in a single tender during last 05 (Five) years. b) Other Govt/Semi-Govt/Autonomous organization enlisted contractor in similar capacity having necessary security clearance from DGFI.			
17. Brief Description of works						
Lot No	Identification of lot		Location	Tender Price (Non-Refundable)	Tender Security in the form of Bank Draft, Pay Order, or BG in favour of AHQ, QMG's Br, DW & CE (Army), Dhaka Cantt (in Taka)	Completion Time (in months)
a.	Supply of 400.00 M/Ton Cement CEM-I in bag to use in Project works including loading, carrying, unloading & stacking at SDO F/S Store yard of GE (Army) Sylhet at Sylhet Cantt.		Sylhet Cantt	1,000.00	1,23,000.00	12 (Twelve) Months
b.	Supply of 300.00 M/Ton Cement CEM-I in bag to use in Project works including loading, carrying, unloading & stacking at SDO F/S Store yard of GE (Army) Sylhet at Sylhet Cantt.		Sylhet Cantt	1,000.00	92,500.00	12 (Twelve) Months
c.	Supply of 300.00 M/Ton Cement CEM-II-AM in bag to use in Project works including loading, carrying, unloading & stacking at SDO F/S Store yard of GE (Army) Sylhet at Sylhet Cantt.		Sylhet Cantt	1,000.00	90,000.00	12 (Twelve) Months
d.	Supply of 250.00 M/Ton Cement CEM-I in bag to use in Project works including loading, carrying, unloading & stacking at SDO F/S Store yard of GE (Army) Jashore at Jashore Cantt (GP-1)		Jashore Cantt	1,000.00	76,500.00	12 (Twelve) Months
e.	Supply of 250.00 M/Ton Cement CEM-I in bag to use in Project works including loading, carrying, unloading & stacking at SDO F/S Store yard of GE (Army) Jashore at Jashore Cantt (GP-2)		Jashore Cantt	1,000.00	76,500.00	12 (Twelve) Months
f.	Supply of 200.00 M/Ton Cement CEM-I in bag to use in Project works including loading, carrying, unloading & stacking at SDO F/S Store yard of GE (Army) Sylhet at Sylhet Cantt.		Sylhet Cantt	750.00	61,500.00	12 (Twelve) Months
g.	Supply of 200.00 M/Ton Cement CEM-II-AM in bag to use in Project works including loading, carrying, unloading & stacking at SDO F/S Store yard of GE (Army) Jashore at Jashore Cantt (GP-3)		Jashore Cantt	750.00	59,000.00	12 (Twelve) Months
h.	Manufacture & Supply of Furniture for Construction of 1 x 104 Mrd OR's Qtr (14 Storey with 14 Storied foundation 08 flat in each floor, other facilities in ground floor) with ancillary works for STA HQ at Bir Uttam Shaheed Mahub Cantt (Last Phase)		Bir Uttam Shaheed Mahub Cantt	3,000.00	4,92,000.00	09 (Nine) Months
i.	Manufacture & Supply of Furniture for Construction of 1 x Composite SM BK (5 Storey with 6 Storied foundation) including ancillary works for 2 Para CDO BN at Jalalabad Cantt (Last Phase)		Jalalabad Cantt	3,000.00	4,75,000.00	06 (Six) Months
j.	Manufacture & Supply of Furniture for Construction of 1 x Composite SM BK Complex (1 x Basement floor and 06 Storied bldg with 10 Storied foundation) including ancillary works for 17 ECB at Kalapani area of Mirpur Cantt (5th Phase)		Mirpur Cantt	3,000.00	3,62,500.00	06 (Six) Months
k.	Manufacture & Supply of Furniture for Construction of 2 x SM BK for 120 Sainik (06 Storey with 06 Storied foundation) and Cook House/Dining & Recreation room (02 Storey with 02 Storied foundation) including ancillary works for STC & S at Jashore Cantt (Last Phase)		Jashore Cantt	3,000.00	2,70,000.00	09 (Nine) Months
l.	Manufacture & Supply of Furniture for Construction of SM BK (06 Storied foundation) for 560 Men SNK including ancillary works for artillery BN-2 at Ramu Cantt (Last Phase)		Ramu Cantt	2,000.00	1,94,000.00	06 (Six) Months
m.	Manufacture & Supply of Furniture for Construction of 1 x SM BK for 120 Men Sainik (04 Storey with 06 Storied foundation) with CH/DH & Recreation romm (02 Storey with 02 Storied foundation) including ancillary works for 71 Mechanized Bde at Savar Cantt (Last Phase)		Savar Cantt	1,000.00	1,00,000.00	09 (Nine) Months
18. Name of Official Inviting Tender			DW & CE (Army), Dhaka Cantt.			
19. Designation of Official Inviting Tender			DW & CE (Army), Dhaka Cantt.			
20. Address of Official Inviting Tender			AHQ, QMG's Branch, DW & CE (Army), Dhaka Cantt			
21. Contact for detail		Tel No.	SO-III (F/S) 9832690.			
22. The procuring entity reserves the right to accept or reject any one or all tenders						
আই এস পি আর/সেনা/৫৮						
GD-161						
DW & CE (ARMY) Initialed SO-III (F/S).....						

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, in its 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.

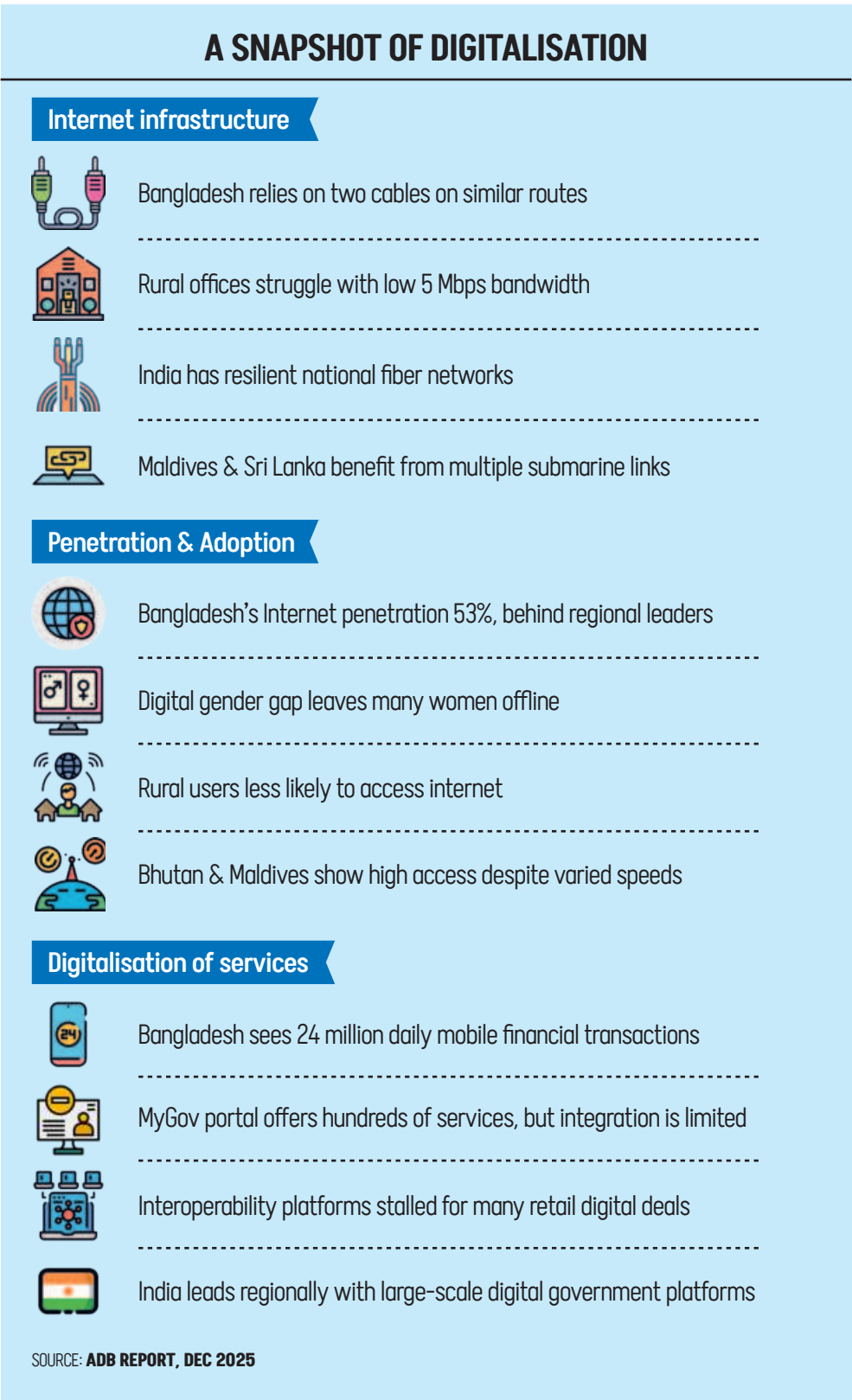
Bangladesh also remains vulnerable in terms of physical connectivity.

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).



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.

NOVOAIR increases flights on Dhaka-Ctg route

STAR BUSINESS REPORT

Private airline NOVOAIR has announced the launch of a second flight on the Dhaka-Chatto gram 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.

"Chatto gram 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 Chatto gram at 2:40pm. The new flight will leave Dhaka at 4:15pm and return from Chatto gram 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.

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.

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 Nazrul Islam University



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 selloff 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 selloff in US assets, from the currency to Wall Street stocks and Treasury bonds.

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."

SUPPLY

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

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 \$12.45 in 2025.

Rystad and Kpler gave forecasts for gas prices at the Title Transfer Facility in the Netherlands, the European benchmark,

to average in a range of \$9.50 to \$9.74 per mmbtu this year, 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



This aerial photograph shows the jetty of the Dhamra LNG Terminal Private Limited in India. Asia's LNG demand is forecast to recover this year thanks to China and India as lower prices spur additional spot purchasing.

PHOTO: AFP/FILE