

BB asks banks, payment firms to set up cashless units

STAR BUSINESS REPORT

Bangladesh Bank (BB) has instructed banks, mobile financial service providers, payment service providers and payment system operators to establish a dedicated "Cashless Bangladesh Unit" at their head offices by March 31 to accelerate digital transactions nationwide.

The central bank issued a circular in this regard on Monday, aiming to reduce dependence on cash and expand digital payment services to customers at the grassroots level under the broader Cashless Bangladesh initiative.

As per the directive, each bank must establish a full-fledged unit supervised by a deputy managing director or an equivalent official linked to payment system operations.

For mobile financial service providers, payment service providers and payment system operators, the unit will be supervised by an official directly below the managing director.

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Banks must assign at least four officials to the unit, while MFS, PSP and PSO operators must appoint at least two officials.

The central bank said Bangla QR and Bangladesh's digital payment ecosystem have expanded significantly in recent years through interoperable digital payment infrastructure, mobile financial services, internet banking, point-of-sale terminals and online payments.

According to the circular, the unit will prepare and implement institution-specific roadmaps for expanding digital payments, accelerate merchant onboarding through Bangla QR channels, and regularly monitor customer registration in institution-owned mobile applications.

The unit will also oversee staff training, awareness campaigns, seminars, customer protection measures, complaint resolution and risk mitigation related to digital transactions.

In addition, institutions have been asked to submit annual implementation reports to their boards and send copies to BB by the last working day of March each year.



Chattogram's handmade shoe factories have seen a marked decline in business since the 1990s. A surge in demand before Eid brings temporary relief to these small factories and the seasonal workers they employ.

PHOTO: STAR

Eid revives Ctg's fading handmade shoe industry

SIFAYET ULLAH, Ctg

A nearly tangible sense of urgency permeates the air as workers focus on a variety of tasks. A group of them are cutting leather pieces while others attach soles with glue. Some focus on decorative designs while another group packs finished shoes for delivery.

This scene has become common in Chattogram's handmade shoe factories as Eid-ul-Fitr approaches.

For most of the year, the industry remains slow. An uptick in demand before Eid brings momentary relief to small factories and the seasonal workers they employ, industry stakeholders say.

Most of these factories are located in the Madarbari, Nalapara, and Kamal Gate areas under the Sadarghat police station. Visiting them, this correspondent found workers rushing to complete orders.

A large portion of the orders—marketed towards Eid shoppers—has been delivered already, factory owners say. However, some people wait till the last few days of Ramadan to purchase footwear. The last of the orders made in these factories will be picked up to accommodate such

eleventh-hour shopping.

"Usually, we work eight to ten hours a day. But now we are working extra hours to deliver orders before Eid," said Mohammed Mizan, a shoemaker at a small factory in Madarbari.

His colleague, Jasim Uddin, said that workers do not get daily wages—they are paid based on production.

"Usually, we work eight to ten hours a day. But now we are working extra hours to deliver orders before Eid," said Mohammed Mizan, a shoemaker at a small factory in Madarbari

"If a team produces one dozen pairs of shoes, we may receive around Tk 2,000 as payment. We divide the money among ourselves," he said.

Unlike in other sectors, wages in this profession have not increased, Jasim said.

This traditional trade has been on the decline for years, owners and workers say.

"The golden age of the handmade shoe industry is over. We have not received the

expected number of orders this year," said Mohammed Sadek, owner of Tarik Shoe Factory.

Nowadays, the trade is kept alive by a loyal group of customers who continue to buy handmade shoes as part of tradition, he said.

According to the Chattogram Khudro Paduka Shilpo Malik Group, around 150 handmade shoe factories are currently operating in the port city, a sharp drop from the 400 factories active in the late 1990s.

Tarek Haider, general secretary of the group, said the market is now dominated by cheaper, machine-made shoes imported from China and India.

"Handmade shoe factories are struggling to compete. Although business remains slow throughout the year, sales increase before Eid. The profit we make during this time helps us cover losses from other months," he said.

He urged the government to impose proper duties on imported shoes and reduce VAT on raw materials, adding that local factories must adopt modern machinery alongside traditional craftsmanship to remain competitive.

Burimari port to stay shut for 11 days

S DHIP ROY

Import and export activities at Burimari Land Port in Patgram upazila of Lalmonirhat will remain suspended for 11 consecutive days starting from March 17.

The decision came after an emergency meeting between business leaders from Bangladesh and India to determine a mutual holiday schedule, according to a notification issued Monday.

During this period, the movement of all cargo trucks and commercial operations will remain halted. However, passenger movement through the immigration checkpoint will remain normal

Burimari port will remain closed on Tuesday, March 17, for Shab-e-Qadr, followed by the Eid-ul-Fitr holidays beginning March 19.

Traders also decided to add an additional holiday on March 18 to bridge the gap, with the port further observing a break on March 26 for Independence Day.

During this period, the movement of all cargo trucks and commercial operations will remain halted. However, passenger movement through the immigration checkpoint of the land port will remain normal.

Faruk Hossain, president of the Burimari C&F Agents Association, said, "Considering Eid and other public holidays, we decided on the 11-day suspension after discussions with traders from both sides."



All commercial activities will resume as usual from March 28, he added.

Sub-Inspector Saifur Rahman, officer-in-charge of the immigration unit at the Burimari Land Port Police Checkpost, confirmed they had been formally notified of the trade suspension but reiterated that the passage of travellers would not be affected.

Mahmudul Hasan, assistant director (traffic) of the Burimari Land Port Authority, said that since traders have opted not to operate during the festive period, port activities naturally come to a standstill.

Muhammad Mohi Uddin, deputy commissioner of the Burimari Land Customs Station, added that while export-import remains closed until March 27, internal customs office activities will continue on a limited scale, except on official government holidays.

Fed expected to keep rates steady as Iran war impact looms

AFP, Washington

The US Federal Reserve opened its two-day meeting on Tuesday with policymakers expected to keep interest rates unchanged as they digest weak economic data and gauge the economic effects of the Iran war.

The central bank's rate-setting Federal Open Market Committee (FOMC) began its gathering at 10:30 am Eastern time (14:30 GMT), a central bank spokesperson said.

The meeting comes as the Fed battles stubbornly high inflation and weak demand in the US labor market, with its dual mandates potentially at odds with one another.

The US-Israel war on Iran, launched on February 28, is also expected to have major economic implications, with oil prices surging and supply chains disrupted.

Rising oil prices are expected to



PHOTO: REUTERS/FILE

The Federal Reserve building is set against a blue sky in Washington. The Fed battles stubbornly high inflation and weak demand in the US labor market, with its dual mandates potentially at odds with one another.

have knock-on global inflationary effects, including in the United States, where price increases have remained above the Fed's long-term two-percent target for years.

US average gasoline prices have increased around 27 percent since the start of the war, according to the AAA motor club's gauge.

Analysts have also warned of the conflict causing supply chain disruptions and oil shortages that will drag down economic growth.

Central banks tend to ignore the inflation effects of short-term price shocks, but it is unclear how long the war in Iran will drag on.

US households have been battered by years of higher-than-expected inflation after the Covid pandemic.

In January, the Fed's preferred inflation gauge came in at 2.8 percent, with core inflation rising by 3.1 percent, its highest level since March 2024.

'Artificial shortage'

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Soybean oil prices also increased from Tk 7,100 to Tk 7,350 per maund at the wholesale level.

Anwar Hossain, a wholesale trader at Chattogram's Khatunganj market, said edible oil has seen the sharpest rise out of all kitchen market commodities. Supplies have declined, driving prices upward.

Unless supply improves, prices are unlikely to stabilise, he said.

As per National Board of Revenue (NBR) data, during the first six months of fiscal year 2025-26 (FY26), crude soybean oil imports fell to 3.03 lakh tonnes from 3.63 lakh tonnes, while palm oil imports rose to 8.23 lakh tonnes from 7.11 lakh tonnes.

Taslim Shahriar, deputy general manager of Meghna Group of Industries, which markets the Fresh brand of edible oil, said that recent price hikes in edible oils are largely driven by panic buying.

He also said that traders are reacting to sharp increases in global prices. Soybean oil rose to around

\$1,260 to \$1,270 per tonne, and palm oil climbed to \$1,230 to \$1,240 per tonne.

On average, soybean oil and palm oil prices have risen by about \$100 per tonne. Typically, their prices differ and do not align closely, but at present, they have nearly converged, Shahriar explained.

While import volumes had been sufficient during Ramadan, sudden shifts in consumer behaviour and global market volatility have disrupted the supply and demand balance, pushing prices upward, he added.

On Sunday, March 15, Commerce, Industries, Textiles and Jute Minister Khandaker Abdul Muktadir said at an event that attempts to create artificial shortages in some retail areas may occur, but this does not reflect the overall market situation.

He said that in the event of global conflict, supply pressure and price increases may occur. However, the government will take necessary measures to keep products within consumers' purchasing power.

Middle East tensions

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of the US-Iran conflict. A brief conflict may have only limited effects, whereas a prolonged regional crisis could significantly reduce remittance inflows and intensify pressure on the external sector of Bangladesh.

Remittance inflows grew 20 percent year-on-year to \$8.67 billion in the October-December period of FY26, reflecting growing confidence among the Bangladeshi diaspora in banking channels.

The BB said the surge also showed that policy measures contributed to higher remittance inflows.

The highest volume of remittances came from Saudi Arabia, accounting for 15 percent of total inflows, followed by the United Arab Emirates, which accounted for 13.54 percent.

During October-December of FY26, a total of 293,474 migrant workers, including 18,225 women,

migrated from Bangladesh. Of the total, Saudi Arabia accounted for 64 percent, followed by Qatar (9.21 percent), Singapore (6 percent), and Kuwait (3 percent).

The BB said remittance inflows play a crucial role in supporting foreign exchange reserves, strengthening macroeconomic stability, easing external sector pressure, and enhancing overall economic resilience.

It noted that the contribution of remittance to gross domestic product (GDP) has been increasing, reaching its peak in FY25.

This higher inflow of remittances led to an estimated remittance-to-nominal GDP ratio of 7.66 percent in the second quarter of FY26.

In addition, remittances' share relative to exports and imports showed significant improvement during the same period.

US trade deal boosts Wi-Fi

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"Most of the Asia Pacific countries, along with Bangladesh, have already adopted the upper 6 GHz band for licensed IMT spectrum, which will finally be approved at the World Radiocommunication Conference 2027 and will be included in the Radio Regulations of ITU. Accordingly, BTRC has already developed the roadmap for releasing the upper 6 GHz band," she said.

"Going against the flow of other countries within the Asia Pacific region will isolate Bangladesh in terms of using the 6 GHz band."

If both the upper and lower parts of the band are made licence-free, the government would also lose substantial revenue from future spectrum sales to mobile operators,

Anamika further said. "So, from the country's interest perspective, it will not be prudent at all to keep both the upper and lower parts of the 6 GHz band for licence-exempt," she added.

QUESTIONS OVER CONSULTATION

A BTRC official said current projections show that around 500 MHz in the lower portion is enough to support Wi-Fi, WLAN, low-power indoor and Internet of Things (IoT) services. Bangladesh has already agreed to open this part for unlicensed use.

Officials stress that keeping the upper band for licensed mobile services is vital, both to maintain network quality in a densely populated market and to protect a

major future source of government income.

According to Anamika, a huge amount of spectrum will be required in the near future for the mobile operators to support the digital economy of the country. There is scarcity in the IMT band. So, it will not be possible to support them without the upper 6 GHz band.

Asked about the deal, BTRC Chairman Major General (ret'd) Md Emdad Ul Bari said there are regional differences in how the 6 GHz band is used, and the regulator is still examining the implications of the agreement.

In Bangladesh, spectrum allocation has long been a significant source of revenue. Since 2005, Bangladesh has earned more than Tk

43,000 crore by assigning 396.6 MHz of spectrum to mobile operators. In January alone, the regulator sold spectrum in the 700 MHz band at Tk 237 crore per megahertz.

However, four BTRC officials told The Daily Star that the BTRC's views were not sought before the deal was finalised by the interim government.

Two officials said that the regulator has already drafted a letter to the government explaining why the upper part of the 6 GHz band should remain reserved for licensed use.

Telecom expert Abu Nazam M Tanveer Hossain said a decision of this scale should ideally be reviewed by a technical body, with input from the regulator. "We would like to know that such discussions did take place."