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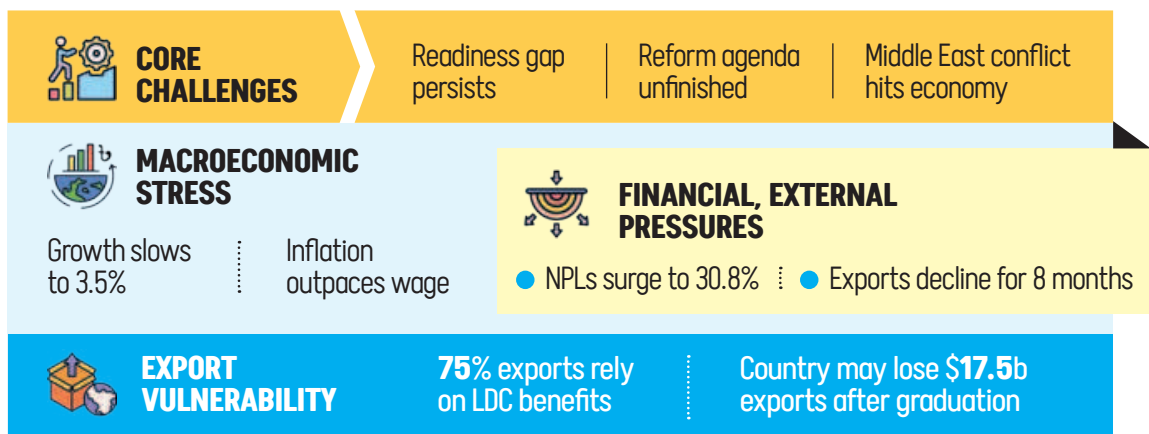
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To Know More 16201

Govt to cite three key challenges to defer LDC graduation



REFAYET ULLAH MIRDHA

Citing three major economic challenges, the government has prepared its position paper ahead of a United Nations hearing on Bangladesh's request to defer its graduation from the least developed country (LDC) category.

In a virtual meeting of the United Nations Committee for Development Policy (UNCDP) on April 29, Bangladesh will seek a three-year deferral of its scheduled graduation in November this year.

Dhaka plans to highlight a serious gap in preparedness, incomplete core reforms and the economic fallout from the US-Israel war on Iran as key reasons for postponement.

In addition, Bangladesh will raise concerns over vulnerabilities in the financial sector, weaknesses in the banking system, an export slowdown due to volatile global supply chains, high interest rates

and an uncertain business and investment climate, said Md Abdur Rahim Khan, additional secretary to the commerce ministry.

Khan told The Daily Star over the phone that Bangladesh's case for deferral has strengthened after Nepal, another South Asian LDC set to graduate, also applied to the UN for a three-year extension.

Bangladesh, Nepal and Lao PDR are scheduled to graduate from LDC status on November 24 this year. However, Bangladesh and Nepal have now sought to delay the transition until 2029, citing domestic and external economic pressures.

Earlier on February 19, the newly elected government sent a letter to Jose Antonio Ocampo, chair of the UNCDP, requesting that the preparatory period be extended until November 24, 2029, mentioning that more time is needed to ensure readiness.

Following Bangladesh's request,

the UNCDP discussed the issue at its annual meeting in February and agreed on a process to assess the proposal.

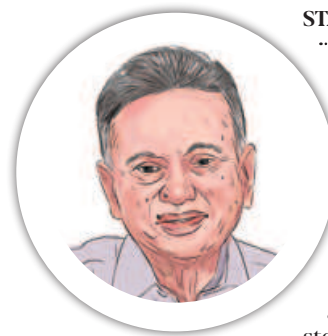
The UNCDP has now called a public hearing on Bangladesh's request on April 29. After the hearing, the committee will submit its recommendations to the United Nations Economic and Social Council (ECOSOC) in June.

ECOSOC will then forward its assessment to the United Nations General Assembly (UNGA), which is scheduled to meet in September. The final decision on the deferral will be taken through a vote at the UNGA.

A UN assessment report last month said Bangladesh still faces serious gaps in its readiness for graduation, as its economy continues to be affected by both domestic and international shocks, including the US-Israel war on Iran.

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Amir Khosru vows not to print money to fight inflation



STAR BUSINESS REPORT

Finance Minister Amir Khosru Mahmud Chowdhury has pledged to avoid printing money to fund the government's deficit and warned that creating "high-powered money" would trigger an inflationary spiral as the administration attempts to steer an economy battered by political cronyism and global shocks.

Speaking at a pre-budget discussion with representatives of the Economic Reporters' Forum (ERF) at the finance ministry yesterday, he said the government was "doing its utmost to maintain its course despite navigating incredibly difficult times."

"We are actively trying to prevent the 'crowding out' of the private sector. We must avoid creating an inflationary spiral by printing money," Chowdhury said, describing this fiscal restraint as one of the foundational principles of the government's economic policy.



The government strongly pushed back against recent media reports claiming that the central bank had printed Tk 20,000 crore.

During the discussion, Bangladesh Bank Governor Md Mostaqur Rahman dismissed the claims as "completely untrue," warning that such misleading news harms the country's sovereign rating and increases borrowing costs.

He clarified that fluctuations in the government's "Ways and Means" advance account

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Govt plans telecom overhaul Says PM's adviser

STAR BUSINESS REPORT

Bangladesh's mobile and broadband internet services rank among the worst in the world despite a large subscriber base, and a connectivity-led reform plan is being prepared to address the challenge, Rehan Asad, the prime minister's adviser on telecom and ICT, said yesterday.

Speaking at a seminar titled "New Telecom Policy: Expectations of Entrepreneurs", organised by the Telecom and Technology Reporters Network Bangladesh, he said the government sees better connectivity as the key to solving long-standing structural problems in the sector.

"Nothing is more important than connectivity for this government. And that connectivity means both mobile and broadband services. It is not either-or - it is both," he said.

Asad said Bangladesh is among the top 10 countries by mobile subscriptions, but service quality remains very poor.

"Even in South Asia, Nepal and Bhutan are ahead of us," he said.

He added that broadband services are also weak. "In broadband, we are in an equally bad or worse position - 141st out of 153 countries in terms of service quality," he said.

"These are not my findings. They come from global reports by GSMA and the International Telecommunication Union," he added.

He said the government plans to fix these problems by rapidly expanding mobile and broadband infrastructure.

"We want to connect 90 percent of the population with 5G and provide

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Bank Resolution Act effectively reinstates looters: experts

STAR BUSINESS REPORT

The Bank Resolution Act 2026, passed with new provisions added overnight, is effectively rehabilitating bank looters and putting the entire banking sector at risk, economic experts, academics, and activists said yesterday.

Clause 18(a) of the law could allow those who previously looted the sector in a planned manner to regain ownership, the speakers warned at a roundtable organised by Voice for Reform at the BDBL building in Karwan Bazar, Dhaka.

Badiul Alam Majumdar, secretary of Shushashoner Jonno Nagorik (Shujan), noted that many of those who looted the sector are yet to be brought to justice.

He said all masterminds behind the takeover of Islami Bank Bangladesh, including S Alam, should be held accountable.

He outlined three steps needed to put the banking sector on a firm footing. First, identifying and

ensuring exemplary punishment for perpetrators of banking fraud. Second, implementing systemic reforms such as cashless transactions to prevent recurrence. Lastly, completing institutional reforms, including making Bangladesh Bank an independent constitutional body.

AKM Waresul Karim, dean of the School of Business and Economics at North South University, said the government had resorted to "very low-grade tactics" over the proposed ordinance.

He criticised the Bank Resolution Act as one of its provisions allows shareholders who held ownership immediately before a bank was placed under resolution to apply for reinstatement.

He said the provision blocks the return of long-standing institutional owners like Kuwait Finance House while opening the door for those who acquired ownership by creating "pressure through the DGFT" or through other unethical means.

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Cost of customs upgrade project set for 40% hike Tk 1,700cr project spends only 1% of budget in 3 years

REJAUL KARIM BYRON

Three years after launch and with 99 percent of its budget unspent, a nearly Tk 1,700 crore customs modernisation project is set to be presented to the Executive Committee of the National Economic Council (Ecneec) today with a proposal to extend its deadline and raise costs by nearly 40 percent.

The Customs Modernisation and Infrastructure Development project was launched in April 2023 with World Bank (WB) financing to modernise key customs offices, including Chattogram, Benapole and Dhaka.

It was scheduled for completion by March 2026. As of June 2025,

only Tk 5.14 crore had been spent of the original Tk 1,686 crore budget, of which Tk 1,475 crore was a WB loan.

Although Tk 113 crore has been allocated in the current fiscal year, the government is now seeking to extend the project's duration and increase its cost.

A senior planning ministry official said a revised proposal has been listed for presentation at today's scheduled Ecneec meeting.

The proposal, seen by The Daily Star, recommends increasing the project cost by 39 percent to Tk 2,344 crore, with the WB loan increasing by 34 percent, or Tk 507 crore. It also proposes extending the deadline to June 30, 2028.

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