



What does high default loan mean for the economy?

AHSAN HABIB

At the end of 2024, one fifth of the total loans in the banking sector turned sour, mainly as the true extent of embezzlement by willful defaulters is now coming to light.

In actual terms, defaulted loans stood at Tk 345,765 crore -- the highest on record. Even more alarming is the fact that distressed assets -- including written-off loans, rescheduled loans, and loans tied up in the Money Loan Court -- are almost double the amount of bad loans.

## ANALYSIS

It is now evident who is responsible for draining funds from banks and pushing the sector into distress as Bangladesh Bank Governor Ahsan H Mansur has repeatedly said that some politically influential individuals took out funds and laundered them abroad.

In some cases, loans turned bad due to business struggles amid global economic pressure from the Russia-Ukraine war.

Bank could have absorbed such shocks through their own financial strength if it occurred naturally. However, it is difficult to withstand such a surge in bad loans caused by willful defaulters, especially when they operate under political protection.

### WHO PAYS THE PRICE?

Ultimately, innocent depositors, honest borrowers, and minority shareholders bear the brunt of bad loans.

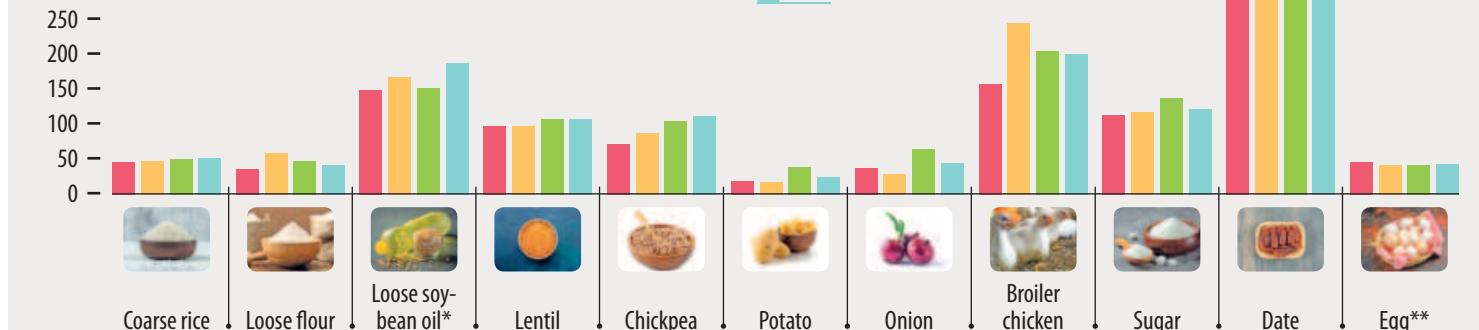
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## Ramadan price hike: A seasonal trend or market manipulation?

### 450 - RETAIL PRICES OF CERTAIN ITEMS A WEEK BEFORE RAMADAN

350 - In Tk per kg \*Tk/litre \*\*Tk/four pieces  
300 - SOURCE: TCB



### SUKANTA HALDER

It's a typical price pattern -- every year, as Ramadan approaches, the cost of essential commodities climbs, sometimes sharply. And 2025 is no exception.

From coarse rice to soybean oil, potato to chickpea and dates to egg, prices edged up.

And the spikes began to take place nearly a week before the start of the fasting month as consumers started to go to kitchen markets and neighbourhood shops to buy Ramadan-related stuff.

On February 22, just a week ago of this year's Ramadan, people in Dhaka city had to pay higher prices to get coarse rice, edible

oil, chickpea, dates and eggs than a year ago, which put a financial strain on low- and fixed-income families.

Respite for them was that they did not have to pay higher for sugar, potato, onion, chicken meat and non-brand flour.

Back in 2022, a week before the fasting month, most commodity prices shot up, according to data from the state run Trading Corporation of Bangladesh (TCB).

In 2023, the situation was mixed -- some items got more expensive, while others saw price drops. In 2024, the prices of most products went slightly down.

But in 2025?

Prices of five items, demand for which rises during the Ramadan, were higher year-on-year a week before the fasting month even though imports of soybean oil, chickpeas and dates, increased significantly.

But here's the question: Is this just a case of increased demand, or is there something more at play?

Experts say it's a bit of both. While market forces naturally push prices up during this time, a mix of supply chain manipulation, corporate dominance and weak government oversight makes the situation worse.

So, what's really behind this yearly price surge? It's a mix of factors -- some unavoidable, some questionable.

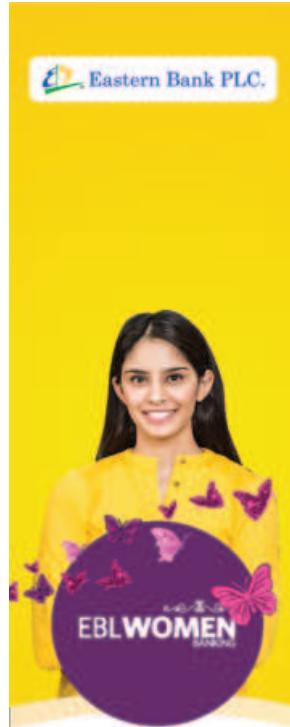
For one, Bangladesh's economy has been dealing with high inflation, and the local currency has lost more than 30 percent of its value against the dollar since 2022. That means imported goods like edible oil cost more.

Add rising prices of palm and soybean oil to the problems, and you already have the perfect recipe for price hikes. But that's not the full story.

Experts say there's also a lot of behind-the-scenes manipulation.

Khondaker Golam Moazzem, research director at the Centre for Policy Dialogue (CPD), calls it a "game"

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