

star **BUSINESS**



Is merger of Islamic banks a viable solution?

MD MEHEDI HASAN

While Islamic banking is expanding despite the governance problems of some lenders led by the controversial S Alam Group, Bangladesh Bank Governor Ahsan H Mansur recently signalled that the government may create two Islamic banks by merging all existing ones. He also stated that the country's Islamic banking sector would be completely restructured as most of the existing Islamic banks are currently in trouble. Mansur shared the plan as the interim government has already approved the Bank Resolution Ordinance, 2025, with weak banks likely to merge or have their problems resolved under the ordinance. Shariah-based banking has been gaining popularity in Bangladesh – even more so than conventional banking – but the sector faced an image crisis after S Alam Group took over several Islamic banks one after another. In recent years, Standard Bank and Global Islami Bank converted from conventional to Islamic banking due to its growing popularity. Many conventional banks remain interested in converting to Islamic banks even though they already offer Islamic banking services through dedicated branches or windows. Currently, there are 10 full-fledged Islamic banks in the country: Islami Bank Bangladesh, Al-Arafah Islami Bank, Social Islami Bank, Standard Bank, EXIM Bank, First Security Islami Bank, Shahjalal Islami Bank, Union Bank, Global Islami Bank, and ICB Islamic Bank. At the end of last year, the total deposits of these 10 banks stood at Tk 385,250 crore while their total investments stood at Tk 486,500 crore. Following the political changeover on August 5 last year, the central bank removed the family members of S Alam Group owner Mohammed Saiful Alam from six full-fledged Islamic banks that

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Delay in polls to hamper investment
Economist says

STAR BUSINESS REPORT

Bangladesh may face political uncertainty and sluggish private investment unless the parliamentary election takes place within the promised timeframe, a leading economist warned yesterday. Political stability is vital for attracting investment, said Prof Mustafizur Rahman, distinguished fellow of the Centre for Policy Dialogue (CPD). He was addressing a debate organised by Debate for Democracy (DFD) at Bangladesh Film Development Corporation in Dhaka on problems and prospects of foreign investment following the Bangladesh Investment Summit 2025, which took place earlier this month. The interim government, which took the oath of office in August 2024 following the ouster of Sheikh Hasina's government in a popular uprising, had earlier announced that the election would be held between December this year and June next year. There was not that much interest regarding making investments in Bangladesh even though the summit presented the prospects, said Rahman. It is not possible for Bangladesh to attain the level of development now

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NEW MOORING CONTAINER TERMINAL
Concerns grow over appointing foreign operator



Local private firm Saif Powertec has been operating two of the terminal's jetties on an ad hoc basis since May 2007.

PHOTO: STAR/FILE

DWAIPAYAN BARUA

Concerns are increasingly being voiced over the Chattogram port's largest terminal, New Mooring Container Terminal (NCT), being leased out to a foreign operator, as the interim government furthers the initiative undertaken by the previous Awami League government. Port workers and several political parties have been demonstrating against the move, raising concerns that handing over the profitable, fully operational terminal to a foreign company would not be economically viable. Costing Tk 2,000 crore, the 950-metre-long terminal was

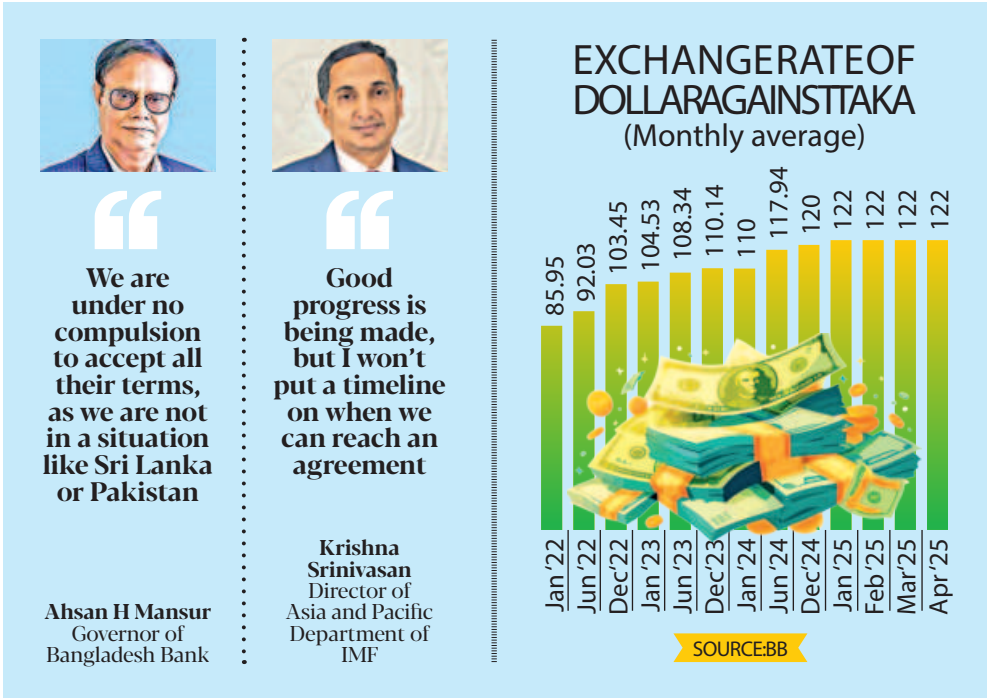
constructed by the Chittagong Port Authority (CPA) at the Chattogram port, some 256 kilometres south of the capital Dhaka. The work was completed in 2007. The NCT is equipped with five jetties – four for ocean-going container vessels and one for smaller container ships that ply inland routes to connect with the Pangaoon port in Dhaka. Of the port's 18 quayside gantry cranes, an important container-handling equipment, the NCT alone has 14. Local private firm Saif Powertec Ltd has been operating two of the terminal's jetties (numbered two and three) on an ad hoc basis since May 2007.

READ MORE ON B3

IMF talks end without deal on next loan tranches

STAR BUSINESS REPORT

Talks between the International Monetary Fund (IMF) and Bangladesh have ended in Washington, without any agreement over the release of the next fourth and fifth tranches of a \$4.7 billion loan package. "Good progress is being made, but I won't put a timeline on when we can reach agreement," said Krishna Srinivasan, director of the IMF's Asia and Pacific Department, during a press briefing held on the sidelines of the World Bank-IMF Spring Meetings. "We have not reached a consensus but we are not far away," Bangladesh Bank Governor Ahsan H Mansur told reporters after meeting IMF officials on April 25 regarding the loan programme. Led by Finance Adviser Salehuddin Ahmed, the Bangladesh delegation held a series of meetings with IMF representatives in Washington. Prior to the delegation's visit, an IMF team concluded a two-week mission to Dhaka on April 17 without a staff-level agreement. Disagreements persisted over the flexibility of the exchange rate and measures to improve the country's revenue-to-GDP ratio. During the mission, IMF team chief Chris Papageorgiou said discussions were ongoing with the objective of reaching a staff-level agreement in the near term, possibly during the Spring Meetings in Washington. An official of the Bangladesh delegation in the US said that, while progress had been made on measures to increase revenue collection, disagreements remained over the issue of exchange rate flexibility. Speaking at the press briefing, Srinivasan said that two key areas, exchange rate reform and greater flexibility, still require further discussions. "On exchange rate reform, the IMF has long called for greater flexibility as part of its supported programme in Bangladesh," he said. Srinivasan added that the IMF needed to see "more action and a clear timeframe" to ensure that policies were being properly implemented. He also highlighted revenue mobilisation, describing it as "on the lower side" for Bangladesh, and essential for funding development



priorities and investment. "In addition to these areas, there are some questions about the health of the financial sector," added the IMF official. Central bank Governor Mansur said, "We have reached consensus on the revenue issue. However, on the exchange rate issue, we think there is no problem. The market is stable. We have not sold a single dollar, nor have we intervened." He made the comments in a media briefing posted on Facebook by Golam Mortoza, press minister at Bangladesh embassy in the United States. "If we follow the IMF and the exchange rate becomes unstable, whether that is acceptable


is our question," Mansur said. "We will accept those conditions which are suitable for us. We are under no compulsion to accept all their terms, as we are not in a situation like Sri Lanka or Pakistan," he added. "Six months ago, perhaps we were closer to that, but today our circumstances are much improved," said the Bangladesh Bank governor. During the Washington meetings, the IMF proposed that Bangladesh maintain the crawling peg mechanism for Taka-dollar exchange rates, under which the central bank would intervene if the exchange rate fluctuated by more than 8 to 10 percent. However, the Bangladesh Bank argued it must retain tighter control over the exchange market, citing manipulation and stubbornly high inflation. Officials said they do not think the time is right to introduce greater exchange rate flexibility right now.

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Vehicle sales plunged in 2024

STAR BUSINESS REPORT

The vehicle market in Bangladesh contracted to a 10-year low in 2024 as imports and sales declined sharply due to rising costs, foreign exchange constraints, and people's falling purchasing power, according to industry people. Citing official statistics, the Bangladesh Reconditioned Vehicles Importers and Dealers Association (Barvida) said around 3.08 lakh units were registered last year. This marked the steepest decline since the Covid-19 pandemic, when roughly 3.8 lakh vehicles were registered with the Bangladesh Road Transport Authority (BRTA), it added. "Our business environment has become extremely challenging," said



REASONS BEHIND LOWER SALES

- ➔ Rising costs
- ➔ High dollar prices
- ➔ High inflation

BARVIDA SAYS

Registration costs of used cars often exceed those of new cars

Customs valuation is discriminatory

Duty should be lowered on hybrid cars and microbuses in next budget

Anational policy is needed to regulate electric and hybrid vehicles

Without reforms, Bangladesh will miss green goals

Barvida President Abdul Haque. "Reconditioned cars historically served the middle class. But with prices soaring and incomes stagnating, affordability has collapsed," he added while pointing out how vehicle imports have shrivelled compared to previous years. Haque was speaking at a press conference held at the FARS Hotel and Resorts in Paltan, Dhaka yesterday.

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Dhaka Bank, JP Morgan partner to improve Bangladesh’s inward remittance

STAR BUSINESS DESK

Dhaka Bank PLC has entered into a strategic partnership with JP Morgan Payments to enhance inward remittance services in Bangladesh, leveraging JP Morgan Payments’ Xpedite Select Receipt, a sophisticated cross-currency payment and receipt solution.

Christine Tan, managing director and head for the Asia-Pacific at JP Morgan, and Sheikh Mohammad Maroof, managing director of the bank, signed the agreement at the latter’s head office in Dhaka recently, according to a press release.

The solution is designed to streamline and secure cross-border receipts in 40 distinct currencies, enabling direct disbursement of funds to beneficiaries in Bangladesh.

In addition, Dhaka Bank has adopted JP Morgan Payments’ Wire 365, a service that facilitates the processing of US dollar payments even on US public holidays and weekends.

This initiative is poised to significantly enhance the efficiency of remittance processing, a critical element of Dhaka Bank’s contribution to the national economy.

In 2024 alone, Dhaka Bank facilitated



PHOTO: DHAKA BANK

Christine Tan, managing director and head for the Asia-Pacific at JP Morgan, and Sheikh Mohammad Maroof, managing director of Dhaka Bank, pose for group photographs after signing the agreement at the latter’s head office in Dhaka recently.

over \$756 million in remittance inflows, a figure expected to rise further with the implementation of the newly introduced services in collaboration with JP Morgan.

Further information regarding the Xpedite service is available on Dhaka

Bank’s official website for the convenience of remitters.

Among others, Akhlaqur Rahman, deputy managing director of the bank; Abu Jahid Ansary, executive vice-president and head of international

division; and Adebayo Osolake, global head of FI trade sales at JP Morgan Payments; Jing Zhang, trade and working capital FIG; and Sazzad Anam, head of Bangladesh representative office; were also present.

Prime Bank, BFDS to work on hassle-free banking for freelancers

STAR BUSINESS DESK

Prime Bank PLC has recently entered into a strategic partnership agreement with the Bangladesh Freelancer

Development Society (BFDS) to empower the burgeoning freelancer community in Bangladesh.

M Nazeem A Choudhury, deputy managing director of the bank, and

Tanjiba Rahman, chairman of BFDS, executed the agreement at the bank’s corporate office in the capital’s Gulshan, according to a press release.

Under this partnership, Prime Bank

will introduce the Prime Freelancer ERQ Account, offering a complimentary USD international debit card for the first year, zero account maintenance fees, and free internet banking facilities exclusively for freelancers across the country.

The bank further extends an attractive interest rate, a complimentary first cheque book and debit card, along with life insurance coverage bundled with its local currency account offering.

Dedicated support services will be available to BFDS members at selected Prime Bank branches, including IBB Dilkusha, Mirpur-1, Uttara, Rajshahi, IBB OR Nizam Road, Agrabad, and Sylhet branches, where exclusive service desks will ensure prompt and priority banking assistance.

Additionally, a dedicated IVR line has been established within Prime Bank’s contact centre to efficiently manage all banking and product-related enquiries specifically from BFDS members.

Ahmed Masudul Goni, senior vice-president of the bank, and Jashim Uddin Joy, senior vice-chairman of BFDS, alongside other senior officials from both organisations, were also present.



PHOTO: PRIME BANK

Tanjiba Rahman, chairman of Bangladesh Freelancer Development Society, and M Nazeem A Choudhury, deputy managing director of Prime Bank PLC, pose for photographs after signing the agreement at the bank’s corporate office in the capital’s Gulshan recently.

Prime Bank logs 59% profit growth in Q1

STAR BUSINESS DESK

Prime Bank PLC has reported a 59 percent year-on-year growth in net profit after tax (NPAT) for the first quarter (Q1) of the financial year 2025.

same period last year.

Net asset value (NAV) per share and net operating cash flow per share (NOCFPS) were recorded at Tk 34.44 and Tk 13.43, respectively, in Q1 2025, compared to Tk 30.72 and Tk 1.19 in the negative in



According to a press release, the NPAT rose to Tk 209 crore, compared to Tk 132 crore during the corresponding period of the previous year. The bank’s board of directors adopted the unaudited Q1 financial statements at a board meeting held at the bank’s headquarters in the capital recently.

Earnings per share (EPS) stood at Tk 1.85, up from Tk 1.16 in the

the corresponding period of the previous year.

On a consolidated basis, the bank’s total assets stood at Tk 57,633 crore at the end of March 2025, while loans and advances amounted to Tk 33,623 crore.

As of the end of Q1 2025, Prime Bank’s capital to risk-weighted assets ratio (CRAR) stood at 17.02 percent.

STAR BUSINESS DESK

NRB Bank PLC yesterday organised the “Year-to-Date Business Conference 2025 (Q1)” at the bank’s corporate head office in Gulshan, Dhaka, with the slogan “Not Just Banking, But Promise”.

Iqbal Ahmed, founder chairman and present chairman of the bank, inaugurated the conference as the chief guest, the bank stated in a press release.

AKM Mizanur Rahman, Shaikh Md Salim, Md Quamrul Islam Chowdhury, Sk Matiur Rahman, and Prof Sharif Nurul Ahkam, independent directors of the bank, and Tarek Reaz Khan, managing director and CEO, were present.

Md Shaheen Howlader, Md Ali Akbar Faraji, and Anwar Uddin, deputy managing directors of the bank, along with the senior management team, and division or department heads and branch managers from Dhaka, Khulna, and Rajshahi zones, were also present.

NRB Bank holds business conference for Q1



PHOTO: NRB BANK

Iqbal Ahmed, founding and present chairman of NRB Bank PLC, poses for group photographs with participants of the “Business Conference 2025 (Q1)” at the bank’s corporate head office in Gulshan, Dhaka yesterday.

STAR BUSINESS DESK

ONE Bank PLC has recently opened a new branch in Chandpur, marking the 113th branch of the bank, according to a press release.

KH Rashed Akhtar Zaman, senior executive vice-president and head of branch distribution at the bank, inaugurated the branch as the chief guest.

On this occasion, Zaman expressed his confidence that ONE Bank possesses the capability to meet the expectations of its valued clients, providing the services they seek from a modern, technology-

driven, and progressive institution.

He further stated, “We believe that we are fully capable of meeting your banking needs and satisfying you through our progressive banking services.”

He also noted that the residents of the area may now place complete trust in the skilled and experienced personnel of ONE Bank for the execution of all types of financial transactions.

Md Mosharaf Hossain, a local businessman; Monira Akter, president of the Women Chamber & Commerce of Chandpur; and Muhammad Taiyb Ali, president of

Chandpur Jewellery Samity, were present.

Among others, Md Zahidul Islam, executive vice-president and in-charge of operations division of the bank; Mohammad Shahid UI Haque, executive vice-president and head of retail banking division; Abdus Salam, senior vice-president and head of SME business; Md Sabbir Shawkat Hayat, senior vice-president and senior manager of human resources division; and Kazi Md Forkan, vice president and in-charge of establishment and central support division, were also president.

BRAC Bank appoints two new AMDs, DMDs



Tareq Refat Ullah Khan Syed Abdul Momen

STAR BUSINESS DESK

BRAC Bank has promoted four senior leadership team members to the post of additional managing directors (AMDs) and deputy managing directors (DMDs), effective from 1 April this year.

Of them, Tareq Refat Ullah Khan, DMD and head of corporate and institutional banking, and Syed Abdul Momen, DMD and head of SME banking, have been elevated to AMDs.

He joined BRAC Bank in 2017 and subsequently worked for Eastern Bank, AB Bank, and IFIC Bank.

With over two decades of multifaceted experience in the banking sector, Momen has demonstrated leadership across technology, operations, and business verticals, with a particular emphasis on SME banking.

Prior to joining BRAC Bank, he worked at Standard Chartered Bank, ANZ Grindlays Bank, and BRAC Afghanistan Bank.

Meanwhile, Nazmur Rahim, head of alternate banking channels, and Md Muniruzzaman Molla, head of operations, have been promoted to DMDs.

Rahim brings more than 27 years of corporate experience across leading banks. He worked for AB Bank, Standard Chartered Bank, and ANZ Grindlays, where he served in various capacities.

He joined BRAC Bank in 2016 and, prior to his current role as head of alternate banking channels, served as head of retail banking.

Muniruzzaman Molla brings a wealth of experience in banking operations, having held significant leadership positions in both local and international institutions.

Before joining BRAC Bank, Molla served at Habib Bank Limited.

He began his banking career at ANZ Grindlays Bank in 1993, and subsequently joined Citibank NA in 2000.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (APR 26, 2025)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 74-Tk 85	1.27 ↑	13.57 ↑
Coarse rice (kg)	Tk 50-Tk 55	0	0.96 ↑
Loose flour (kg)	Tk 40-Tk 43	-2.35 ↓	-2.35 ↓
Lentil (kg)	Tk 100-Tk 110	-2.33 ↓	-2.33 ↓
Soybean (litre)	Tk 165-Tk 172	4.66 ↑	11.59 ↑
Potato (kg)	Tk 20-Tk 25	0	-53.13 ↓
Onion (kg)	Tk 400-Tk 65	40.00 ↑	-11.02 ↓
Egg (4 pcs)	Tk 40-Tk 45	4.94 ↑	1.19 ↑

SOURCE: TCB



PHOTO: ONE BANK

KH Rashed Akhtar Zaman, senior executive vice-president and head of branch distribution at ONE Bank PLC, inaugurates the new branch in Chandpur recently.



Lighter vessels wait in the Pasur river near Mongla port in Khulna to unload imported goods brought by foreign ships. As mother vessels cannot dock at the port, cargo is offloaded onto lighters, which then wait for their turn to enter the jetty. The photo was taken from the Mongla-Pasur river area in Bagerhat recently. PHOTO: HABIBUR RAHMAN

Dollar set for first weekly gain since March

REUTERS, New York

The dollar headed for its first weekly gain since mid-March on Friday after China granted some tariff exemptions for US imports, raising hopes that the trade war between the world's two largest economies may be closer to abating.

The US currency has been whipsawed this week by conflicting signs for a thaw in the fraught relations between Washington and Beijing.

On Tuesday, US President Donald Trump suggested a de-escalation of their tit-for-tat tariff battle, saying direct talks were already underway.

By Friday, a number of businesses that had been notified of the changes said China had granted some exemptions from its 125 percent tariffs on US imports and was asking companies to identify the goods that could be eligible.

Trump, in an interview with Time magazine published on Friday, said his administration was talking with China to strike a tariff deal and that Chinese President Xi Jinping has called him. Beijing, however, continues to dispute the US characterization of the talks.

The dollar rose against a basket of currencies , up around 0.07 percent on the day and set for a modest weekly gain, its first since the middle of March.

Small traders seek easier VAT process for smooth business

STAR BUSINESS REPORT

Small traders have urged the government to ease value-added tax (VAT) management, stop harassment, and improve the law-and-order situation to ensure a congenial business climate.

They made the demands at a view-exchanging meeting organised by the Dhaka Chamber of Commerce and Industry (DCCI) in Dhaka yesterday, according to a press release.

Speaking at the event, DCCI President Taskeen Ahmed said the complex VAT and tax system, delays in export-import activities, weak law enforcement, and high bank interest rates are putting pressure on the economy, especially for small and medium enterprises (SME).

He called for full automation of

revenue management, a single-digit VAT rate, and easier credit access to boost industrialisation.

"Businessmen want to pay tax and VAT, but without harassment," he said, adding that rule of law is critical for smooth business operations.

Mohammad Mostafizur Rahman, additional director (SME and Special Programs Department) at the Bangladesh Bank, said the central bank has extended the term loan period to seven years and formed a Tk 25,000 crore fund to support SMEs at lower interest rates.

The programme took place at Tokyo Square Convention Centre in the capital's Mohammadpur.

While speaking at the event, Md Milon Sheikh, additional commissioner of Customs, Excise and VAT Commissionerate (Dhaka

West), said VAT collection has grown by 15-20 percent in Mohammadpur and nearby areas, and 98 percent of small businesses are now VAT-registered.

He welcomed proposals for a VAT return app to reduce human contact and simplify collection procedures.

Md Alamgir Kabir, additional deputy commissioner of police (Tejgaon zone), said the law-and-order situation has improved, citing recent arrests of many extortionists.

Tania Sultana, additional deputy commissioner of police (traffic, Tejgaon zone), stressed the need for greater public awareness to ease traffic congestion.

DCCI senior leaders and representatives of several market associations also spoke, calling for better business conditions for traders.

Weekly decline drags DSEX below 5,000

STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) suffered another week of losses as its benchmark index sank below the 5,000 point threshold, closing at a six-month low.

The DSEX, the key index of the premier bourse, lost 124.73 points, or 2.45 percent, to settle at 4,972.60 last week, DSE data showed.

Market analysts attributed the prolonged slump to subdued corporate performance, the absence of quality new listings, and growing investor pessimism.

The DS30, which represents blue-chip stocks, fell 30.38 points to 1,845.01, while the DSES index, tracking Shariah-compliant companies, dropped 39.01 points to 1,104.70.

Despite the decline, total turnover rose 7 percent to Tk 1,718.18 crore compared to the previous week. However, the average daily turnover slipped 14 percent to Tk 344 crore.

Investors showed most interest in banking stocks, which accounted for 14 percent of total weekly turnover, followed by food (12 percent) and power (11 percent) sectors.

Among major sectors, non-bank financial institutions fell the most at 4.3 percent. Engineering, banking, pharmaceuticals, and telecom also ended in the red.

Of the 396 issues traded, 324 declined, 57 advanced, and 15 remained unchanged.

Shahjibazar Power Co was the top gainer this week, surging 15.93 percent to Tk 44.40. On the other hand, Beach Hatchery posted the sharpest drop, plunging 39.71 percent to Tk 58.30.

The Chittagong Stock Exchange also closed lower, with the CSE All Share Price Index losing 294 points to 13,957.

Xi says China must 'overcome' AI chip challenges

AFP, Beijing

President Xi Jinping said China must "overcome" the challenges of developing core AI technologies including high-end chips, state media reported Saturday, as Beijing seeks to become a world leader in the rapidly developing industry.

China aims to dominate the artificial intelligence sector, a goal complicated by the trade standoff with Washington that could further deprive Chinese industry of certain key technologies.

The world's two leading economies are locked in an escalating tit-for-tat trade battle triggered by US President Donald Trump's new levies on Chinese goods, which have reached 145 percent on many products. Beijing has responded with new 125 percent duties on imports from the United States.

In this context, Xi called for "continuing to strengthen basic research, focusing our efforts on overcoming challenges in key technologies such as advanced chips and core software, and building an autonomous AI system," according to Xinhua news agency.

IMF talks end without deal

FROM PAGE 1

However, after the Dhaka mission, Papageorgiou said, "This is, in fact, the right time to move towards greater flexibility."

"From the IMF's perspective, and based on the history of the reform process, we have been discussing this crawling peg for at least one or two years," he said. A crawling peg allows a currency to fluctuate within a predetermined band, offering gradual adjustments rather than sudden shifts.

Referring to the implementation of the greater flexibility now, BB Governor Mansur said, "If the exchange rate rises to Tk 135 or beyond, what would happen to our macroeconomic stability, to the prices of oil and gas?"

Mansur, who worked at the IMF in his early career, commented that Bangladesh would compromise only where it found it acceptable.

"If we do not receive the IMF's loan, it will not derail us. We will continue with a tight monetary policy and tight fiscal policy, with or without IMF support."

He insisted Bangladesh's economy is not fragile and that reforms, especially in the banking sector, must continue to stabilise the exchange rate through broader macroeconomic stability.

"The IMF can play a supportive role, but if some of its recommendations are not suitable for us, we will not accept them," he said.

"Discussions are ongoing. If we get the funds, it will be good, but if not, it is not critical. Our main focus remains on implementing reforms, while financing is secondary."

"We know what is happening within the country," said the governor, pointing to a surge in exports, with apparel exporters reportedly booked through to next Christmas.

"We are optimistic about our export earnings, although the IMF appears to fear a slowdown similar to other economies," he said.

"Frankly, we have no problem if we do not get the IMF's financial support, which was meant to cover the balance of payments deficit."

Describing the IMF loan as merely a "sweetener", he said its absence would not impact the country significantly.

"Our reserves are stable, we are not selling dollars, and exports are rising. We are hopeful of achieving double-digit export growth, so there is no crisis in the balance of payments."

He said that discussions with the IMF are largely centred on reforms in the financial and revenue sectors, and that Bangladesh values the IMF's attention to these areas.

Concerns grow

FROM PAGE 1

In 2015, the CPA appointed Saif Powertec Ltd as the operator for these two jetties and its joint venture with A&J Traders and M/SMH Chowdhury Ltd as the operator for jetties number four and five.

In 2024, Saif Powertec handled around 12.61 lakh TEUs (twenty-foot equivalent units) of containers, representing about 44 percent of what was handled by the port in total.

Of the port's two other terminals, Chittagong Container Terminal (CCT) handled 19 percent, and General Cargo Berth (GCB) handled 37 percent of the port's containers.

The port has a fourth terminal, the newly built Patenga Container Terminal (PCT). It is yet to become fully operational, as its Saudi operator, Red Sea Gateway Terminal (RSGT), is in the process of acquiring handling equipment.

In March 2023, the Awami League government engaged in nepotism by appointing Saif Powertec Ltd through a tender bearing conditions that only Saif could meet.

"A new operator can be appointed through open tender, and it can operate the terminal as per the current system where the port authority collects all the charges and pays handling charges to the operator," he said.

Kabir further said if the NCT was leased out to a foreign operator, it would collect and take away most of the revenue, paying only a meagre handling charge despite operating a fully equipped terminal.

The CPA's records state that it earned Tk 1,216 crore as revenue from the NCT during fiscal year 2022-23, with a net income of Tk 574 crore after expenditures.

Saif Powertec was paid Tk 79.13 crore in handling contractor charges.

At a press conference on April 20, the Chattogram city unit of Bangladesh Jamaat-e-Islami also opposed the move.

"Handing over the NCT, a self-sufficient terminal, to foreign hands would be a direct blow to the national economy," said Jamaat city unit Ameer Shahjahan Chowdhury.

Claiming that local operators had efficiently managed the terminal for the past 17 years, he said, "Handing over a profit-making terminal to a global operator is illogical... such a move would put the country's sovereignty at stake."

"Now those types of banks will have to survive, then the government can merge them under the Bank Resolution Ordinance," he added.

economist of Bangladesh Bank.

Is merger of Islamic banks

FROM PAGE 1

were under the control of the Chattogram-based business tycoon.

Most of these six banks, which suffered from massive irregularities, are now recovering financially. Among them, Islami Bank Bangladesh and Social Islami Bank are seeing a quick recovery from their liquidity crises.

In the Islamic banking sector, Shahjalal Islami Bank is in good financial health while the condition of Al-Arafah Islami Bank and Standard Bank is not bad either despite some lingering governance issues.

However, the chief executives of at least three Islamic banks told The Daily Star that merging all 10 Islamic banks to create two large institutions is not considered realistic.

They said two or three Islamic

banks could be merged considering their financial health, and that the central bank governor's remarks caused concern among depositors.

Mustafa K Mujeri, executive director of the Institute for Inclusive Finance and Development (InM), said that bringing good governance and improving financial health are more important than reducing the number of banks.

He said that if the number of banks comes down without ensuring good governance, then the outcome will amount to nothing.

"The interim government and central bank should take initiatives to remove the existing problems of the banking sector and run it in the right direction, but we have not seen any visible improvement till now," said Mujeri, also the former chief

EU, US
should
negotiate
trade deal
IMF official says

AFP, Washington

The United States and European Union need to “de-escalate” and “negotiate a deal” to help boost lackluster growth on the continent, the International Monetary Fund’s Europe director said Friday.

“In our discussions with European leaders, I don’t sense any difference of views with regard to the importance of that relationship,” IMF Europe Director Alfred Kammer told reporters in Washington.

“An effort needs to be made to de-escalate and to negotiate a deal,” he said, adding he hoped the negotiations would be successful.

Kammer’s comments came during a press briefing as part of the World Bank and IMF’s Spring Meetings in Washington which has brought the world’s finance ministers and central bankers together at the same time as many countries look to rapidly renegotiate their trading relationship with the United States.

Earlier this month, US President Donald Trump slapped steep tariffs on many countries – including

“An effort needs to be made to de-escalate and to negotiate a deal,” IMF Europe Director Alfred Kammer says

a new 20 percent rate on the European Union – only to then temporarily roll back most tariffs to a “baseline” 10 percent rate a few days later.

Alongside these measures, the administration has also introduced sector-specific levies in areas including automobiles, steel and aluminum.

The White House has given those countries and blocs facing higher tariffs a 90-day period ending in July to negotiate a deal and bring down trade barriers with the United States.

It is the EU, and not member states, who have been tasked with negotiating the deal, but European finance ministers in Washington have still weighed in with their views of the state of negotiations.

“We’re not going to hide the fact that we’re still a long way from an agreement,” French economy minister Eric Lombard said in an interview on Thursday.

IMF reaches
agreement with Sri
Lanka on \$344m

AFP, Washington

The International Monetary Fund announced Friday it had reached agreement on a loan program review with Sri Lanka which will make around \$344 million available to support the country’s economic reforms.

Sri Lanka defaulted on its foreign debt of \$46 billion in April 2022 after running out of foreign exchange to finance imports such as food, fuel and medicines.

The last government reached a roughly \$3 billion, four-year bailout loan from the IMF, and embarked on a reform process which involved cutting subsidies, and raising taxes to stabilize the economy. That painful reform program has continued under the new leftist administration of President Anura Kumara Dissanayake.

“Sri Lanka’s ambitious reform agenda continues to deliver commendable outcomes,” IMF Sri Lanka mission chief Evan Papageorgiou said in a statement following discussions in Washington, confirming the fourth review of the program.

“The post-crisis growth rebound of five percent in 2024 is remarkable,” he continued, commending the country’s “substantial” fiscal reforms and adding that revenues had improved, official reserves had reached \$6.5 billion, and the country’s debt restructuring process was “nearly complete.”

Once approved by the IMF’s executive board, the agreement announced Friday will make around \$344 million in much-needed funds to support the Sri Lankan economy.

That would bring the total disbursed under the current program to around \$1.7 billion, the IMF said.

HBL focuses on boosting
Bangladesh’s regional
trade facilitation

TAKEAWAYS FROM INTERVIEW

STRATEGIC POSITIONING AND VISION

- HBL aims to position itself as a trade facilitator, not a traditional competitor
- Its strategic priorities include economic impact and regional leverage
- CEO Muhammad Nassir Salim emphasises collaboration and shared growth with local ecosystem



HBL President and CEO Muhammad Nassir Salim

REGIONAL NETWORK AND OPERATIONAL STRENGTH

HBL has a strong regional footprint with operations in 11 countries

It supports trade with Pakistan, where it has 1,650 branches

SUPPORT FOR BANGLADESH

Its network offers Bangladeshi businesses access to key trading partners

It operates a China Desk in Bangladesh for smoother business communication

Local businesses can rely on HBL for background checks and due diligence on foreign counterparts

It conducts preliminary research on new trading sectors and opportunities

COLLABORATION WITH LOCAL BANKS

It partners with local banks to process international transactions

HBL steps in when local banks lack int'l presence, such as confirming letters of credit

AHSAN HABIB

In a rapidly evolving South Asian trade landscape, HBL Bangladesh (Habib Bank) is carving out a bold and purposeful role for itself – not as a competitor in traditional banking, but as a connector of economies and an enabler of regional trade.

During a recent visit to Dhaka, HBL President and Chief Executive Officer Muhammad Nassir Salim outlined his strategy to move the bank forward in facilitating regional trade networks spanning Asia, the Middle East, and beyond.

HBL’s vision for the next three to five years hinges on three strategic priorities: benefiting communities and the economy, leveraging regional presence, and adopting strong governance rooted in environmental, social, and governance (ESG) principles.

For Bangladesh, the bank’s focus is on regional trade facilitation.

Based in Pakistan, HBL has operations in 10 other locations, including China, Singapore, Bangladesh, the Maldives, Sri Lanka, Dubai, and Bahrain. Its network also extends to the UK and Turkey, giving it a broad regional footprint.

A majority of HBL is owned by the Aga Khan Fund for Economic Development, a part of the Aga Khan Development Network, which promotes inclusive economic growth in the markets where it operates.

HBL offers something few banks can: a cohesive network that facilitates cross-border trade and financial flows. For Bangladeshi businesses, this means direct access to HBL’s on-ground operations in key trading partner nations – especially China.

HBL’s dual presence enables enhanced due diligence, greater confidence in counterpart credibility, and innovative trade structuring, Salim explained. “We’re not looking to compete with high-street banks here,” he said. “Instead, we offer what many local banks cannot – regional connectivity.”

For instance, Bangladesh conducts

significant trade with China, mostly in terms of imports. “HBL has a branch in China, and we have a branch here in Bangladesh. So, Bangladeshi entrepreneurs can connect with exporters through HBL,” he added.

“This gives them confidence, as we can also provide background checks on these clients,” said Salim, who has 36 years of banking experience across several countries.

HBL now has a China desk within Bangladesh and employs a dedicated Chinese national to support it. Chinese customers feel more comfortable dealing with someone who speaks their language and understands their business culture.

HBL also offers preliminary research on potential trading sectors. Its team in Bangladesh coordinates with their counterparts to conduct groundwork before local entrepreneurs make business visits

Regarding increased trade between Pakistan and Bangladesh, Salim noted that HBL has 1,650 branches in Pakistan and is a leading bank in the country across nearly every indicator – financing, investment banking, agri-finance, SME finance, card services, and retail banking.

“We can support Bangladeshi businesses in exploring opportunities,” he said.

HBL also offers preliminary research on potential trading sectors. Its team in Bangladesh coordinates with their counterparts to conduct groundwork before local entrepreneurs make business visits.

“We’re happy to facilitate – that’s exactly the kind of regional relevance we bring,” Salim added.

HBL’s inclusive approach has also opened doors for collaboration with local financial

institutions, rather than competition. The bank supports local banks in confirming trade documents and facilitating transactions when the local counterpart lacks an international presence.

“The goal is shared growth. We see ourselves as partners to local banks, extending their reach – not replacing them,” Salim said.

“There’s a genuine desire here to build, grow, and connect. And we’re ready to be part of that journey.”

Accordingly, HBL is collaborating with financial institutions to support trade and payments that local players may wish to process internationally.

“It will be helpful for local banks because we have the capability to facilitate,” Salim said.

For example, if a local bank does not have a branch in Sri Lanka and a letter of credit confirmation is needed for a trade transaction, HBL can act as a facilitator.

“We’ve met with many banking sector representatives and are exploring how we can further collaborate. We already work with them, and they are interested,” he added.

Salim acknowledged that there are already many banks in Bangladesh.

“Our core strength in this market will be facilitating trade. We’re not trying to be a retail bank,” he said.

“There are some very good banks that are in healthy competition in the country, so I don’t think another foreign bank is needed to offer the same services,” he added.

Against this backdrop, Salim said HBL is looking to position itself as a trade facilitator and support the local financial sector.

For instance, HBL could confirm trade documents, especially when documents issued by local banks are not accepted by overseas counterparts.

“They may want a confirmation. If the transaction is within our network, we can confirm it because we might be serving both the customer abroad and the customer here,” he added.

Rescuing the
banking sector

MAMUN RASHID

The World Bank recently urged Bangladesh to implement a comprehensive set of reforms to restore confidence in our financial system, which has been weakened by poor governance, political interference and related lending.

The multilateral lender outlined a 10-point action plan to address long-standing structural weaknesses in the banking system, with the restructuring of state-owned commercial banks (SOCB) on top of the list.

Besides, establishing a strong framework to manage non-performing loans (NPLs) and enacting a comprehensive bankruptcy law were given high priority.

It also suggested improving the bank resolution framework, deposit insurance system and corporate governance alongside enforcing banking regulations, adopting international monitoring standards, implementing an emergency liquidity assistance scheme and ensuring the central bank’s full independence.

We already know the dismal picture of our banking sector and there are reasons for the prevailing pessimism. But if we look at banking sector reforms in neighbouring countries like India, China, South Korea, Indonesia, or Europe, we have reason to believe that with the right structuring and seriousness, our banking sector could be improved to an acceptable level.

Hence, the banking sector policies and regulations by the central bank need to be fully transparent to avoid ambiguity among banks and facilitate appropriate implementation. Easy and fast access to all relevant regulatory and policy documents should be ensured, and the sub-optimal enforcement of existing regulations must be addressed.

The banking industry as a business is inherently risky. The main focus of risk management practices is to manage an institution’s exposure to losses and protect the value of its assets. Senior bankers must ask themselves: what kinds of events/factors can damage my business and by how much? What actions can I take to mitigate such risks?

In Bangladesh, the answers to these questions will vary significantly compared to banks operating in developed economies, where firm regulatory and legal support exists. Here, bankers struggle with external nuisances, such as undue and often ruthless political pressure to forgive bad debts, greedy and selfish motivations of board members, rampant corruption, fear of becoming unemployed, and a lack of financial instruments to hedge risks.

Therefore, in a developing environment like Bangladesh, risk management becomes more complicated and therefore, needs to be taken into account when designing the necessary reforms.

The board of directors within banks dominates the executive branch. In Bangladesh, this is often the root of many problems due to major conflicts of interest. The board of directors are often motivated by personal goals of wealth accumulation. While some members may appear independent, their conflicts of interest become visible upon scrutiny. Regulatory forbearance, where the central bank permits other banks to operate by relaxing standard norms, has led to the rescheduling of large, defaulted loans and the continuous piling up of NPLs.

Therefore, the boards of commercial banks should mostly consist of independent directors and legal systems should be enhanced to support banks in recovering NPLs, particularly from wilful defaulters.

Whenever people are involved, “human failure” may occur and incorrect decisions will be made. Therefore, automating the banking system will be beneficial as it will equip bankers with the necessary tools to mitigate the risks of loans going bad, and also improve the bank’s asset versus liability management ratios.

Digital and alternative banking options will also benefit customers by providing faster services and reducing the need for bank visits.

More importantly, the role of SOCBs should be reassessed, and some transformed into developmental institutions with a clear public mandate and necessary budget support. The rest should either be converted into banks operating on commercial principles or closed. Additionally, the central bank needs to strengthen its regulation and supervision of SOCBs, which depends on its own independence and autonomy.

The author is chairman of Financial Excellence Ltd

Developing countries should fast-track
US trade deals: WB president

AFP, Washington

Developing countries should strike swift trade deals with the United States at the “earliest possible” opportunity, the president of the World Bank told AFP Friday, after a busy week with global financial leaders in Washington.

Ajay Banga was interviewed by AFP at the World Bank and International Monetary Fund’s Spring Meetings, which have been held this year under a cloud of uncertainty about President Donald Trump’s stop-start tariff rollout.

The Bank has been advising developing countries to get a deal done quickly with the United States, and to then focus attention on cutting trade barriers and boosting regional flows of goods, Banga said.

“You need to negotiate trade systems with the US at the earliest possible (opportunity),” he said. “If you delay, it hurts everyone.”

Trump’s tariffs have roiled financial markets, sent volatility surging and spooked investors and consumers.

Since returning to office in January, the US leader has imposed a “baseline” 10 percent tariff on most countries, with much higher duties on China, and 25 percent sector-specific levies on

areas including steel, aluminum, and automobiles not manufactured in the United States.

He also introduced much higher tariffs on dozens of countries – which have since been temporarily paused – accusing them

of having an unfair trade balance with the United States.

Banga also addressed the criticism leveled by US Treasury Secretary Scott Bessent at the Bank earlier this week.

Bessent criticized China’s “absurd”



People buy vegetables at a market in Shenyang, in northeastern China's Liaoning province. The World Bank has been advising developing countries to get a deal done quickly with the US, and then focus on cutting trade barriers.

PHOTO: AFP/FILE

developing country status and called on Banga and IMF Managing Director Kristalina Georgieva to “earn the confidence of the administration.”

“I don’t think he’s wrong,” Banga said of Bessent’s comments on China.

“A country that is the size of China and the capability of China, at some point, should no longer be taking money from IBRD,” he said, referring to the International Bank for Reconstruction and Development – an arm of the World Bank that lends largely to middle-income countries.

Such a move would require the support of the World Bank’s executive board, which is made up by member states.

China, Banga said, borrowed around \$750 million from the IBRD last year, while paying billions of dollars to the institution in repayments and donations.

“My view is, I’ve brought it down to 750 (million), and I’m trying to figure out a way to deal with China to bring it down further,” he said. “I want to get it done. And that’s what I’m talking to the Chinese about.”

Banga said the Trump administration’s criticisms of the World Bank, which included “expansive policy overreach,” were not unusual, citing newly elected governments in countries including France, Japan and Korea.