

# star BUSINESS



## 21 banks bucked rising bad loan trend in 2024

Effective risk checks helped them keep bad debt below 5% despite turmoil

### Part 4 INSIDE BANKING

AHSAN HABIB

Twenty-one banks managed to keep their bad loan ratios under 5 percent of their total lending, even amid turbulence last year that rattled the sector and eventually pushed up the industry average of bad loans to 16.8 percent.

Banking experts say this outcome was due mainly to sound governance, effective risk controls, early warning systems, and a strong focus on loan recovery. Multinational banks and several local lenders have been following these practices.

Excluding newer banks, Citibank NA, State Bank of India, and Commercial Bank of Ceylon kept their bad loan ratios below 1 percent in 2024, although their lending volumes remain small.

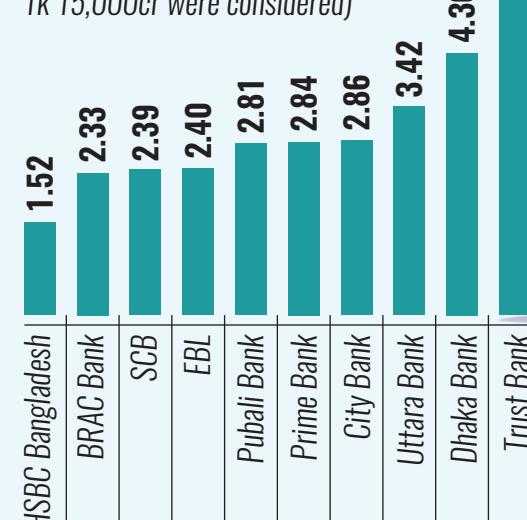
HSBC Bangladesh and Bank Al-Falah both recorded bad loan ratios under 2 percent.

Among banks with a loan portfolio over Tk 20,000 crore, the top performers were BRAC Bank, Standard Chartered Bank, Eastern Bank, Pubali Bank, Prime Bank, and City Bank, each maintaining bad loans below 3 percent of their total disbursements.

"Good governance is the key to keeping bad loan ratios low," said Mashrur Arefin, chairman of the Association of Bankers Bangladesh (ABB), a platform of the managing directors and CEOs of banks.

#### BAD LOANS IN % OF TOTAL LOANS

(Banks with loans over Tk 15,000cr were considered)



SOURCE: THE DAILY STAR'S CALCULATION

#### BANKS WITH HIGHEST BAD LOAN RATIO (In % of loans)



He said that in a well-managed bank, the management team must work independently, and board members should not interfere with or push for loan approvals.

Arefin added that the credit risk department should also work independently from the business team to assess loans objectively.

"If the credit risk team can work freely, it reduces the risk of a loan turning sour," said Arefin, who is also the managing director and CEO of City Bank.

Woori Bank, Uttara Bank, and Dhaka Bank each reported bad loans between 3 and 5 percent of their total lending.

Trust Bank, Dutch-Bangla Bank, Jamuna Bank, Mutual Trust Bank, Habib Bank, Shahjalal Islami Bank, NCC Bank, and Bank Asia all reported ratios

under 10 percent, well below the industry average of 16.8 percent in 2024.

Referring to his experience at Eastern Bank PLC (EBL), where the bad loan ratio stayed under 3 percent, EBL Managing Director and CEO Ali Reza Iftekhar said, "We always prioritise recovery by building an efficient and dedicated recovery team."

"Facing a difficult year like 2024, we tightened client screening and strengthened our recovery setup by bringing in capable people," he said.

EBL has focused equally on expanding its business and reducing bad loans, the CEO said, adding that many successful strategies have been applied to cut non-performing assets.

"When we take on new clients, we follow a professional approach. Most bad loans come from reference clients," added Iftekhar, a former ABB chairman.

Among the newer banks, Shimanto Bank, Community Bank, Modhumoti Bank, Midland Bank, Meghna Bank,

Bengal Commercial Bank, and Citizens Bank reported bad debt ratios between 0 and 5 percent.

Of the 50 banks that have released financial reports for 2024, nine reported bad loan ratios between 10 and 20 percent, while 11 fell into the 20 to 40 percent range.

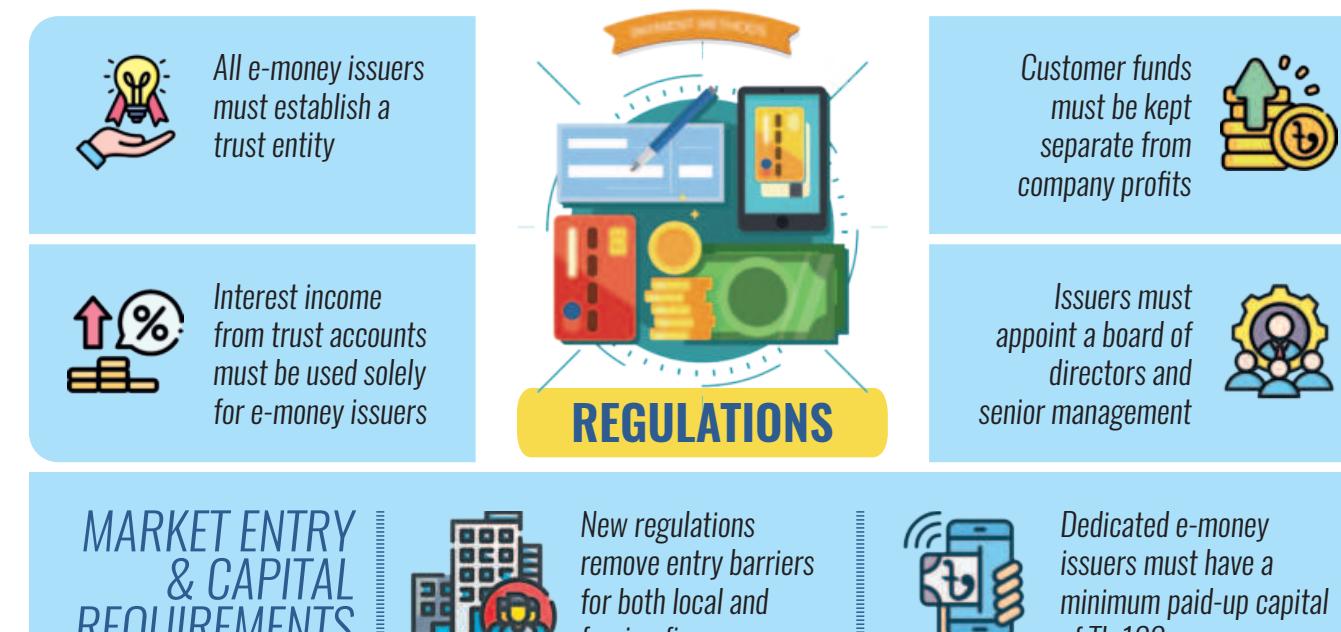
Mamun Rashid, former CEO of Citibank NA Bangladesh, said foreign banks maintained a structured approach to credit risk, including protocols for early warnings, portfolio monitoring, and distressed asset management.

"Foreign banks follow rigorous early alert systems and continuous loan reviews," said Rashid, who also worked with Standard Chartered Bank and ANZ Grindlays Bank.

He commented that special committees meet regularly to identify emerging risks before loans fall overdue. These reviews often lead to quick measures to limit exposure.

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## New regulations in the offing to tackle e-money fraud



MD MEHEDI HASAN

The banking regulator is expected to soon introduce new regulations to ensure transparency and discipline in the issuance of e-money and tackle fraud using virtual money, according to officials familiar with the matter.

Titled 'Regulation for E-Money Issuers in Bangladesh 2025', the new rules are set to come in the backdrop of reports of embezzlement by mobile financial services (MFS) provider Nagad through the fraudulent issuance of Tk 645 crore in e-money without maintaining the required currency reserve.

Currently, banks, MFS providers, and payment service providers (PSPs) are allowed to issue e-money, provided it is backed by adequate cash funds.

Under the new regulations, an e-money issuer must establish a trust entity under the Trusts Act, 1882, according to a draft seen by The Daily Star, prepared by a committee of the Payment Systems Department. The trust entity will be the custodian of trust and settlement accounts, which hold

the balances against which e-money is created.

At present, e-money issuers like MFSs and PSPs maintain trust and settlement accounts with different banks but do not have a trust entity.

Under the proposed regulations, such accounts will hold only the money paid for e-money by e-money account holders and will not be blended with the capital, working capital, or operating funds of the issuer, a senior official of Bangladesh Bank explained to The Daily Star.

"The funds held in the trust settlement account may earn interest or be invested in government securities at a certain percentage."

"This would generate interest income, and at least 80 percent of this interest income must be spent on the operations of the e-money system, with the aim of reducing operational costs," the official, speaking on condition of anonymity, said.

This money cannot be used for bonuses, marketing campaigns, or any similar expenses, they added.

Currently, only banks and government

enterprises are able to set up e-money issuers, such as bKash, Nagad, and Rocket.

But in the new regulations, barriers to entry into the e-money business have been removed from the previous bank-led or government enterprise model.

Any local or international firm, subject to compliance with the criteria in the guideline, can apply to the central bank for an e-money issuer licence, as per the draft regulations.

The BB official said the new regulations would encourage the integration of innovation by fintech firms in the e-money business to pave the way for a cashless Bangladesh.

"This is expected to increase competition, expand e-money services to all possible use cases, and reduce costs through expansion of the ecosystem. It will also help tackle fraud," they added.

Furthermore, under the new regulations, e-money issuers can operate in three modes. First, PSP (Payment Service Provider), which presently provides e-wallet services except for cash-in and cash-out services.

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## Banks allowed to use offshore deposits as collateral

STAR BUSINESS REPORT

Domestic banks can now use foreign currency deposits held in offshore banking units as collateral for lending to resident companies, firms, and individuals.

In a notice issued Thursday, Bangladesh Bank said that offshore banking units, or OBUs, may accept foreign currency deposits from non-resident Bangladeshi nationals, persons of Bangladeshi origin, foreign nationals, overseas companies and institutions, and foreign investors.

From now on, banks can offer loans in local currency against these deposits.

In doing so, commercial lenders must verify a legitimate link between the account holder and the borrower.

This could include, for example, non-resident Bangladeshi and their relatives or beneficiaries, or foreign investors and their Bangladeshi ventures.

According to the circular, non-resident Bangladeshi may also get loans by pledging their foreign currency deposits.

Banks may use these deposits to provide short-term working capital loans in local currency Taka and will not be allowed to charge any fees for the use of such collateral.

However, they may maintain a margin, if required, to cover potential exchange rate risks.

In the event of a default, banks may liquidate the collateral, provided they follow due procedure, according to the notification.

The central bank also said that balances held in private foreign currency accounts and non-resident foreign currency deposit accounts are eligible for use as collateral. However, funds kept in international banking accounts maintained with OBUs cannot be used for this purpose.

Industry insiders said foreign-owned firms often struggle to secure collateral locally when seeking credit from Bangladeshi banks.

The new policy will support these companies to avail Taka loans against the collateral of foreign currency deposits maintained in Bangladesh by their shareholders or parent companies.

They said this will encourage foreign investment in Bangladesh.

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## Smuggled cosmetics threaten local industry

Say manufacturers

STAR BUSINESS REPORT

Local cosmetics makers have warned that the industry faces an uncertain future unless stricter controls are introduced to stop smuggling and misdeclared imports.

Despite growing production capacity, they said the steady influx of grey market goods is undermining progress, deterring investment, and damaging domestic productivity. If left unchecked, this could push the sector back into import dependence.

At a seminar in Dhaka yesterday, Jamal Uddin, secretary of the Association of Skin Care and Beauty Products Manufacturers and Exporters of Bangladesh, said, "Tax evasion and consumer deception are now open secrets. Consumers are being cheated with these counterfeit products and facing serious health risks."

The association hosted the event, titled "Export Potential of the Cosmetics and Skincare Industry: No More Fake and Substandard Products", at the office of the Directorate of National Consumers Right Protection (DNCRP).

Speakers said some dishonest cosmetics and skincare item traders are resisting the National Board of Revenue's new customs policies, which aim to intensify measures against false declarations, under-invoicing, tax evasion, and the sale of expired or substandard goods.

At the programme, Uddin called for policy support to help local producers grow and offer quality products at affordable prices.

He also urged the government to encourage global brands to manufacture in Bangladesh by improving access to raw materials and raising tariffs on finished imported cosmetics.

Official figures from the NBR show that colour cosmetics imports were worth around Tk 500 crore in the last fiscal year.

But the association estimates the true figure is closer to Tk 1,600 crore when under-invoicing and weight manipulation are excluded.

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## PGCB, Railway allowed to expand optical fibre networks

MAHMUDUL HASAN

The telecom regulator has decided to permit the Power Grid Company of Bangladesh (PGCB) and Bangladesh Railway to extend their optical fibre networks beyond their respective grid lines and railway tracks in a bid to improve internet connectivity across the country.

The Bangladesh Telecommunication Regulatory Commission (BTRC) made the decision recently, according to relevant documents seen by The Daily Star.

The move marks a reversal of a decade-old restrictive policy by the regulator, which in 2014 prohibited the two state-owned transmission infrastructure providers from connecting telecom operators' towers using their existing fibre optic cables laid along power grids and railway tracks.

The directive had effectively restricted their ability to expand, paving the way for other Nationwide Telecommunication Transmission Network (NTTN) licence holders to get additional benefits and dominate the market.

Abu Nazam M Tanveer Hossain, a telecom expert, said such restrictions seemed more focused on facilitating other NTTN licensees than the access network operators.

"On top of that, this restriction also slows down the whole process of connectivity by making it more complex and expensive. Every licensee in the transmission sector should be given equal opportunity to compete in the market," he added.

Shahid Alam, chief corporate and regulatory officer at Robi Axiata PLC, echoed a similar sentiment.

"We believe that all licensees operating under a specific category should be treated equally and fairly to ensure a level playing field. It is therefore deeply concerning that Bangladesh Railway

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# NCC Bank declares 13% cash dividend

## STAR BUSINESS DESK

National Credit and Commerce Bank PLC (NCC Bank) has declared a 13 percent cash dividend for the financial year that ended on December 31, 2024.

The announcement was made during the bank's 40th annual general meeting (AGM), which was held virtually on Wednesday, according to a press release.

Md Nurun Newaz, chairman of the bank, presided over the meeting as the chief guest.

In his address, Newaz highlighted NCC Bank's consistent business progress, noting that both shareholders' equity and total assets continue to grow steadily—reflected positively in the bank's credit ratings and CAMELS rating.

He emphasised that instead of pursuing aggressive expansion, the bank is focusing on maintaining asset quality, increasing low- and no-cost deposits, reducing the cost of funds, and boosting income from commission-based services.

He added that the bank's sustained positive performance is underpinned by its commitment to transparency and accountability, adoption of advanced technologies, and focus on delivering exceptional customer service, a strategy that will remain central to the bank's future

direction.

Abdus Salam, vice-chairman; Amjadul Ferdous Chowdhury, Syed Asif Nizamuddin, Khairul Alam Chaklader, Md Moinuddin and Mohammed Sazzad Un Newaz, directors; Meer Sajed-Ul-Basher, independent director and chairman of the audit committee; and Md Amirul Islam, independent director; joined the meeting.

A large number of shareholders from across the country also participated in the AGM virtually.

The audited financial statements, together with the auditors' report and the directors' report, were approved by the shareholders.

M Shamsul Arefin, managing director, remarked that the bank has earned recognition as a sound and trustworthy financial institution, valued by both stakeholders and clients for its strong financial performance.

He also underscored the importance of digital microfinance as a means to reach marginalised communities, thereby promoting financial inclusion and ensuring that no one is left behind.

Among others, M Khurshed Alam, additional managing director; Md Mahbub Alam, Md Zakir Anam and Mohammed Mizanur Rahman, deputy managing directors; and Md Monirul Alam, company secretary; were also present.



**Md Nurun Newaz, chairman of the National Credit and Commerce Bank PLC (NCC Bank), presides over the bank's 40th annual general meeting, which was held virtually on Wednesday. At the meeting, a 13 percent cash dividend was declared for 2024.**

PHOTO: NCC BANK

# BRAC Bank signs cash management deal with Walton Digi-Tech Industries



**Md Liakat Ali, additional managing director of Walton Digi-Tech Industries Limited, and AKM Faisal Halim, head of transaction banking of BRAC Bank PLC, pose for photographs after signing the agreement at the company's corporate office in Dhaka recently.**

PHOTO: BRAC BANK

## STAR BUSINESS DESK

BRAC Bank PLC has entered into a strategic partnership agreement with Walton Digi-Tech Industries Limited, a domestic manufacturer of electrical and electronic products, to deliver advanced cash management solutions.

According to a press release issued by the bank, the collaboration is designed to streamline Walton's working capital management and enhance the efficiency of its financial operations.

AKM Faisal Halim, head of transaction banking of the bank, and Md Liakat Ali, additional managing director of the electrical and electronics manufacturer, signed the agreement at the company's corporate office in Dhaka recently.

As part of the arrangement, BRAC Bank will provide a bespoke digital payment solution that enables Walton to initiate transactions directly via its corporate internet banking platform, CORPNet.

# shurjoMukhi offers no-interest EMI for Prime Bank cardholders



**Fida Haq, managing director and chief executive officer of shurjoMukhi Limited, and Md Nazeem A Choudhury, deputy managing director of Prime Bank PLC, pose for photographs after signing the agreement at the bank's corporate office in Gulshan, Dhaka recently.**

PHOTO: PRIME BANK

## STAR BUSINESS DESK

Prime Bank PLC has entered into a strategic partnership agreement with shurjoMukhi Limited, a Dhaka-based IT and fintech company, to offer zero percent EMI benefits for the bank's credit cardholders on e-commerce purchases.

Md Nazeem A Choudhury, deputy managing director of the Bank, and Fida Haq, managing director and chief executive officer of the fintech company, signed the agreement at the bank's corporate office in the capital's Gulshan yesterday, according to a press release.

Under this collaboration, Prime Bank's

credit cardholders will be able to avail zero percent EMI facilities when shopping online through approximately 1,400 merchants integrated with shurjoPay, the digital payment gateway operated by shurjoMukhi.

The initiative aims to enhance digital retail convenience and provide cardholders with greater financial flexibility in their e-commerce transactions.

Joarder Tanvir Faisal, executive vice-president and head of cards and retail asset at the bank, and Md Shahidul Islam Khan, deputy manager of the fintech company, along with other senior officials from both organisations, were also present.

# Concord Entertainment offers 25% discount for Midland Bank cardholders

## STAR BUSINESS DESK

Midland Bank PLC has signed a memorandum of understanding (MoU) with Fantasy Kingdom of Concord Entertainment Company Limited, a subsidiary of Concord Group, to offer discount benefits at its amusement parks and entertainment venues nationwide.

Uzzal Kumer Basak, deputy general manager of marketing at Concord Entertainment Company Limited, and Md Rashed Akter, head of retail distribution division at the bank, signed the MoU at the bank's head office in the capital's Gulshan recently, according to a press release.

Under this partnership, all the Midland Bank Visa debit, credit, and prepaid cardholders will now enjoy a flat 25 percent discount on regular packages at Fantasy Kingdom, Water Kingdom, Foy's Lake Resort, Atlantis Resorts, and other Concord amusement and entertainment destinations.



**Md Rashed Akter, head of retail distribution division at Midland Bank, and Uzzal Kumer Basak, deputy general manager of marketing at Concord Entertainment Company Limited, pose for photographs after signing the memorandum of understanding at the bank's head office in Gulshan, Dhaka recently.**

PHOTO: MIDLAND BANK

# Smuggled cosmetics threaten local industry

## FROM PAGE B1

This suggests that about Tk 1,100 crore is being dodged in taxes.

Revenue data also show that in the fiscal year 2024-25, all cosmetics importers together paid only Tk 17 crore in revenue.

By contrast, one domestic manufacturer alone contributed more than Tk 100 crore in taxes, the association said.

MS Siddiqui, former vice-president of the International Business Forum of Bangladesh, said reducing import duties on essential raw materials for cosmetics would help expand local production. Around 90 percent of these materials must be imported at high cost.

He argued that Bangladesh could turn its cosmetics sector into a leading export earner with the right government support, including lower tariffs on raw materials, higher duties on finished

imports, stronger enforcement against illegal consignments, and efforts to stop counterfeits.

Ishaqul Hossain Sweet, a former director of the Federation of Bangladesh Chambers of Commerce and Industry, echoed similar views.

He said making it easier to import essential ingredients while raising duties on finished foreign cosmetics would boost domestic production and entrepreneurship.

Mohammed Alim Akther Khan, director general of the DNCRP, said consumers are regularly misled about product quality in sectors such as cosmetics, edible oil, and food.

The same businessman who is fined today is seen violating the law again tomorrow. Unless this reality changes, fines alone will not be enough to bring about meaningful reform," he said.

## গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

নির্বাচী প্রকৌশলীর কার্যালয়, সওজ

সড়ক বিভাগ, বরিশাল

ফোনঃ ০২-৯৮৮৩১২৫৪

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স্মারক নং-৩৫.০১.০৬৫১.৮০৩.০৭.০২৩.২৫-২৩৬৯

তারিখঃ ০২/০৭/২০২৫

## সীমিত দরপত্র পদ্ধতিতে (LTM) ঠিকাদার তালিকাভুক্তি/লাইসেন্স নথায়ন বিজ্ঞপ্তি

এতদ্বারা সংশ্লিষ্ট সকলের অবগতির জন্য জানানো যাচ্ছে, সড়ক বিভাগ, বরিশাল কর্তৃক পার্সিলেক প্রক্রিয়ামেট বিদ্যুতি-২০০৮ এর আলোকে সড়ক ও জনপথের পরিচালন (রাজপথ) বাজারের আওতায় সীমিত দরপত্র পদ্ধতি প্রয়োগের মাধ্যমে অভ্যর্তীণ ত্রয়োকার্য (NCT-Works) সম্পাদনের লক্ষ্যে ২০২৫-২০২৬ অর্থ বছরের জন্য ঠিকাদার তালিকাভুক্তি/নথায়ন করা হচ্ছে। তাইকার্যক্রমের জন্য সিপিআইউ (বর্তমান BPPA) কর্তৃক নির্ধারিত আবেদন ফর্ম নির্বাচী প্রকৌশলীর কার্যালয়, সওজ, সড়ক বিভাগ, বরিশাল হতে অফিস ক্লাবেলিন সময়ে সরবারাহ করা হবে। আয়োজী ব্যক্তি/প্রতিষ্ঠান মানি বিসিটের মাধ্যমে টাকা ১০০০.০০ (এক হাজার টাকা) নির্বাচী প্রকৌশলী, সওজ, সড়ক বিভাগ, বরিশাল এবং অন্যন্য জমা প্রদানকর্তাগ (অফেরতেমাগ্য) নির্ধারিত আবেদনপত্র (ডেন্ডেন্ট) সহজে করতে পারবেন। নির্ধারিত আবেদনপত্র (ডেন্ডেন্ট) সঠিকভাবে পূরণযোগ্য কাগজগতসহ আগামী ০১/০৭/২০২৫ তারিখ বিকেল ৫:০০ ঘটিকার মধ্যে অফিসে জমা প্রদান করার জন্য অনুরোধ করা হলো।

এতদ্বারা পদ্ধতি পর্যবেক্ষণে পার্সিলেক প্রক্রিয়ামেট বিদ্যুতি-২০০৮ এর বিধি ৬৩ ও ৬৪ অনুসরণযোগ্য এবং এ তালিকাভুক্তির দরপত্র আহবান/কাজ প্রদানের নিয়মানুসৰি বিধান করা হবে।

এছাড়া, ২০২৪-২০২৫ অর্থ বছরে অতি সন্তুষ্যাধীন তালিকাভুক্তি/লাইসেন্স নথায়নক্রম ঠিকাদারগণকে নিয়ের "হক-০২" অনুযায়ী নির্ধারিত সময়ের মধ্যে ২০২৫-২০২৬ অর্থ বছরের লাইসেন্স নথায়ন ফি অতি সন্তুষ্যের জমা প্রদানপূর্বক লাইসেন্স নথায়ন করার জন্য অনুরোধ করা হলো।

"ছক-০১"

বিবরণ	তালিকাভুক্তির ফরমের মূল্য	তালিকাভুক্তির ফরমের সংজ্ঞা
ঠিকাদার তালিকাভুক্তি	টাকা ১০০০.০০ (এক হাজার টাকা)	১০/০৮/২০২৫ তারিখে বিকেল ৫:০০ ঘটিকা পর্যন্ত

"ছক-০২"

বিবরণ	নথায়ন ফি	বিনা জরিমানায় নথায়নের সময়সীমা	৫০% জরিমানায় নথায়নের সময়সীমা	১০০% জরিমানায় নথায়নের সময়সীমা
ঠিকাদারী লাইসেন্স নথায়ন	টাকা ২,০০০.০০ + ১৫% ভ্যাট = টাকা ২,৩০০.০০ (দুই হাজার তিনশত টাকা)	০৩/০৭/২০২৫ পর্যন্ত	১১/০৮/২০২৫ পর্যন্ত	০১/০৯/২০২৫ পর্যন্ত

"পর্যন্ত"

বিবরণ	নথায়ন ফি	বিনা জরিমানায় নথায়নের সময়সীমা	৫০% জরিমানায় নথায়নের সময়সীমা	১০০% জরিমানায় নথায়নের সময়সীমা
ঠিকাদারী লাইসেন্স নথায়ন	টাকা ২,০০০.০০ + ১৫% ভ্যাট = টাকা ২,৩০০.০০ (দুই হাজার তিনশত টাকা)	০৩/০৭/২০২৫ পর্যন্ত	১০/০৮/২০২৫ পর্যন্ত	৩১/০৯/

# Taskforce unveils roadmap for semiconductor growth

## STAR BUSINESS REPORT

The national semiconductor taskforce has charted a roadmap to unlock the country's potential in semiconductors, focusing on three priority areas — skills development, business environment and policy support, and global linkages.

As per the roadmap, the plan includes training programmes, virtual certification portals, and high-tech labs to build a skilled workforce in chip design and testing.

Ashik Chowdhury, executive chairman of the Bangladesh Investment Development Authority (Bida) and the Bangladesh Economic Zones Authority, shared the vision at a press conference held yesterday at the Foreign Service Academy.

He said the taskforce has recommended fiscal incentives, streamlined customs processes, and dedicated zones in high-tech parks to attract investors and startups.

"Globally, Bangladesh aims to forge partnerships, pursue joint ventures, and leverage its diaspora network to tap into talent, technology, and markets," he added.

He also said that with this roadmap, Bangladesh aspires to emerge as a major player in the global semiconductor ecosystem, transforming its economy and technological future.

However, he acknowledged that Bangladesh is not yet prepared for the massive investments required to establish semiconductor fabrication plants.

He highlighted significant opportunities in design services, chip testing, and packaging.

"Design and packaging offer us the fastest route to entry," the taskforce's report notes, citing local professionals who are already working with Silicon Valley firms and the country's large cohort of science and engineering graduates.

In the medium term, the taskforce proposes expanding advanced training, fostering research collaborations, and exploring prospects in semiconductor fabrication through global partnerships.

Countries like Malaysia, which currently face shortages of skilled chip designers, represent potential partners and markets for Bangladeshi talent, the report adds.

If realised, the taskforce expects that these recommendations will transform Bangladesh from a marginal player into a serious contender in the global semiconductor value chain.

"Bangladesh's advantage lies in its young, tech savvy workforce eager to gain advanced skills," Bida chief Chowdhury said. Stating that clear timelines have been proposed to ensure accountability, he said, "The ball is now in the court of the Chief Adviser's Office."

Chowdhury believes the sector could attract hundreds of millions — or even billions — of dollars in investment if Bangladesh can build an investor-friendly environment. "Systematic implementation and political continuity are crucial for success."

Taskforce member ABM Harun-Ur-Rashid, professor at the Bangladesh University of Engineering and Technology (Buet), echoed the optimism.

"Our graduates from engineering universities are globally competitive. If we can create good opportunities here, they won't need to go abroad to work in places like Silicon Valley," he said.

Bangladesh, however, faces significant challenges in building a domestic semiconductor industry, he noted.

"Competing with established global semiconductor hubs will require strong international partnerships and rigorous adherence to quality standards," the Buet professor said.

Another taskforce member, Syed Mahfuzul Aziz, former pro-vice-chancellor of BRAC University, said Bangladesh aims to train 4,000-5,000 engineers annually by 2030 to bridge the semiconductor talent gap.

Short-term strategies include online learning, industry-led programmes, and university partnerships to accelerate skills in chip design, verification, and testing, he noted.

"This is a high-skill, high-paying sector. Our young population is our biggest asset, but we must ensure proper training and industry exposure," said Aziz.

He also revealed that Bangladesh is pursuing collaborations with semiconductor powerhouses like Taiwan, South Korea, Malaysia, and the US to integrate into global supply chains.

governance and trust in the system.

The e-money issuers will make it explicit in their memorandum of association that the e-money balances kept in the trust and settlement accounts will be unencumbered.

The regulations are also set to introduce comprehensive standards regarding technology management, agent management, outsourcing arrangements, etc.

All e-money operations, including prepaid cards, travel cards, etc., in domestic or foreign currency, will come under the supervision of these regulations, it states.

The paid-up capital of a dedicated e-money issuer will be Tk100 crore to get a central bank licence, it adds.

The draft further states that the board of directors, senior management, and risk management have been introduced for the first time to promote good

## 21 banks

## FROM PAGE B1

The former top banker said there is a stark contrast in standards as foreign banks maintain risk-based accountability systems, while many local banks suffer from lax lending practices, political pressure, and weak recovery efforts.

Last year, eight banks saw over half their loans turn bad, with political misuse and fraud playing a central role. In contrast, 21 banks kept their bad loans under 5 percent by applying strong governance practices.

Among the worst performers, BASIC Bank and Bangladesh Commerce Bank have long struggled with very high bad loan ratios. In 2024, that group grew to include First Security Islami Bank, Social Islami Bank, Janata Bank, AB Bank, IFIC Bank, and National Bank.

Union Bank has yet to publish its financial report for 2024. However, central bank data shows its bad loans reached Tk 25,303 crore at the end of March 2025, nearly 90 percent of its outstanding loans.

First Security Islami Bank ended 2024 with the highest bad loan ratio in the sector, at 87.5 percent.

Mohammad Abdul Mannan, chairman of the commercial lender, said the bank's loans had been misclassified, recorded as performing assets, which inflated the bank's profits and allowed it to pay dividends.

## Oil retreats

## REUTERS, Singapore

Oil prices fell on Thursday after gaining 3 percent in the previous session as investors are wary higher US tariffs may be reinstated, which could cause lower fuel demand, and as major producers are expected to announce an output hike.

Brent crude futures fell 45 cents, or 0.65 percent, to \$68.66 a barrel by 0645 GMT. US West Texas Intermediate crude declined 44 cents, or 0.66 percent, to \$67.01 a barrel.

Both contracts rose to their highest in one week on Wednesday as Iran suspended cooperation with the UN nuclear watchdog, raising concerns the lingering dispute over the Middle East producer's nuclear program may again devolve into armed conflict, and the US and Vietnam reached a preliminary trade deal.

Still, there is increasing uncertainty around US trade policy as the 90-day pause on the implementation of higher tariffs will end on July 9 without any new trade deals with several large trading partners such as the European Union and Japan.

Additionally, the Organization of the Petroleum Exporting Countries (Opec) and its allies such as Russia, known as Opec+, will likely agree to raise their output by 411,000 barrels per day (bpd) at their meeting this weekend.

and the PGCB are currently restricted from providing connectivity beyond their respective railway tracks and power grid lines," he told The Daily Star.

"These restrictions are causing serious hindrances in establishing interconnections with mobile operators' networks, thereby limiting the effective utilisation of national infrastructure," he noted.

He went on to point out that such limitations not only contradict the principles of fair competition and infrastructure sharing but also undermine the very purpose of granting licences to these entities. "If left unaddressed, they risk

discouraging investment in critical infrastructure and obstructing efforts to improve nationwide digital connectivity."

## PGCB, Railway allowed

"We would welcome any move by the authorities to review and cancel these restrictive directives in the interest of fairness, innovation, and the accelerated digital development of Bangladesh," Alam added.

The NTTNs are licensed providers of the optical fibre backbone infrastructure that supports high-capacity data transmission for mobile operators, internet service providers (ISPs), and international gateways.

Currently, Bangladesh has six NTTN operators—

kilometres, and the PGCB approximately 8,500 kilometres.

In addition, the government has laid about 35,000 kilometres of optical fibre through projects such as Info Sarker Phase 3 and Connected Bangladesh.

Mobile operators themselves maintain around 8,200 kilometres of fibre infrastructure.

Summit Communications follows closely with around 40,000 kilometres, while Bahon Limited maintains 7,817 kilometres.

Among state-owned operators, Bangladesh Telecommunications Company Limited (BTCL) oversees 40,000 kilometres, Bangladesh Railway 3,800

## Government of the People's Republic of Bangladesh

Office of the Reporting Officer  
Bangladesh BTR1/NC4: Enabling Activities" Global Reporting Project

Department of Environment (DoE)

E/16 Agargaon, Sher-E-Bangla Nagar, Dhaka-1207

Date: 02/07/2025

No: 22.02.0000.065.14.034.25-144

## Request for Expression of Interest (EoI) for Selection of Consulting Firm (National)

1. Ministry/Division	Ministry of Environment, Forest and Climate Change
2. Agency	Department of Environment (DoE)
3. Procuring Entity Name	Project Director, "Formulation and Advancement of Third Nationally Determined Contribution (NDC 3.0) and Long-Term Low Emission Development Strategies (LT-LEDS) of Bangladesh" Project.
4. Procuring Entity Code	Not used at present
5. Procuring Entity District	Dhaka
6. Expression of Interest for Selection of	Consulting Firm (National) (lump-sum)
7. Title of Service	Formulation of Third Nationally Determined Contribution (NDC 3.0)
8. EoI Ref No and Date	22.02.0000.065.14.034.25-144; Date: 02/07/2025

## Key Information

9. Procurement Method	Quality and Cost Based Selection (QCBS)
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## Funding Information

10. Source of Funds	BCCT (GoB)
11. Development Partners (if applicable)	N/A

## Particular Information

12. Project Code	N/A
13. Project Name	"Formulation and Advancement of Third Nationally Determined Contribution (NDC 3.0) and Long-Term Low Emission Development Strategies (LT-LEDS) of Bangladesh"

## 14. EoI Closing Date and Time

Date: 16/07/2025 Time: before 03:00 pm

## Information for Applicants

15. Brief Description of Assignment:	The Paris Agreement recognizes that the long-term goals specified in its Articles 2 and Articles 4.1 will be achieved through time and, therefore, builds on a ratcheting up of aggregate and individual ambition over time. The Paris Agreement (Article 4, paragraph 2) requires each Party to prepare, communicate and maintain successive nationally determined contributions (NDCs). The Department of Environment under the Ministry of Environment, Forest and Climate Change has taken the project for the formulation of Third Nationally Determined Contribution (NDC 3.0) of Bangladesh as per the requirement of the Paris Agreement on Climate Change. The main purpose of this assignment is to formulate the Third Nationally Determined Contribution (NDC 3.0) of Bangladesh as per the requirements of the Paris Agreement incorporating just transition strategies.
16. Experience, Resources & Delivery Capacity Required:	As per ToR
17. Other Details (if applicable):	The Terms of References (ToR) for the services including the scope of works, responsibilities, deliverables, educational qualifications, and experiences are available on the DoE official website ( <a href="http://www.doe.gov.bd">www.doe.gov.bd</a> ). Applicants are advised to provide all the necessary information and proven documents with a cover letter. One original and two copies of the EoI must be submitted in a sealed envelope and be clearly marked the title of service for the EoI.

## 18. Association with Foreign Firm: N/A

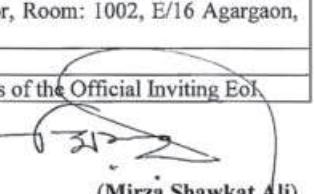
19. Name of Official Inviting EoI	Mirza Shawkat Ali
20. Designation of Official Inviting EoI	Project Director, "Formulation and Advancement of Third Nationally Determined Contribution (NDC 3.0) and Long-Term Low Emission Development Strategies (LT-LEDS) of Bangladesh", DoE

21. Address of Official Inviting EoI	Office of the Project Director, "Formulation and Advancement of Third Nationally Determined Contribution (NDC 3.0) and Long-Term Low Emission Development Strategies (LT-LEDS) of Bangladesh" Project, Department of Environment, 9th Floor, Room: 1002, E/16 Agargaon, Sher-E-Bangla Nagar, Dhaka-1207
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22. Contact details of Official Inviting EoI	Phone: 222218368, Email: <a href="mailto:dirce@doe.gov.bd">dirce@doe.gov.bd</a>
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23. Place of Submission of EoI	Office of the Project Director, "Formulation and Advancement of Third Nationally Determined Contribution (NDC 3.0) and Long-Term Low Emission Development Strategies (LT-LEDS) of Bangladesh" Project, Department of Environment, 9th Floor, Room: 1002, E/16 Agargaon, Sher-E-Bangla Nagar, Dhaka-1207
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24. The Procuring Entity reserves the right to accept or reject all EoIs	
25. For further information and clarification, the intending applicant contact the address of the Official Inviting EoI	

  
(Mirza Shawkat Ali)  
Project Director

Further information and guidelines are available in the National e-GP system portal and from e-GP help desk ([www.helpdesk.eprocure.gov.bd](http://www.helpdesk.eprocure.gov.bd))

CCC/PRD-02/25-26(8"X4)

Md. Farhadul Alam  
Superintending Engineer  
Chattogram City Corporation  
Tigerpass, Chattogram

GD-1527



Abdul Hai Sarker

MD MEHEDI HASAN

Dhaka Bank has weathered many highs and lows since its inception, and its founding Chairman Abdul Hai Sarker credits the lender's resilience to a foundation built on good intentions.

In an interview with The Daily Star ahead of the bank's 30th anniversary tomorrow, Sarker said the focus is now firmly on digital transformation and reducing reliance on paper.

"We have endured many ups and downs over the past 30 years, and it is because our intentions were good that we have managed to survive well," he said, reflecting on the journey.

Dhaka Bank launched its banking operations on July 5, 1995. However, the path to that milestone was long.

The chairman recalled that the initial application to set up the bank was submitted in 1984, along with around 40 others. The proposal did not receive approval at the time. It was eventually greenlit in 1991.

In addition to leading Dhaka Bank, Sarker is also the chairman and CEO of Purbani Group—one of the country's oldest textile conglomerates—and heads the Bangladesh Association of Banks (BAB), an industry trade body of private banks.

The seasoned banker and businessman described Dhaka Bank as a fully service-oriented bank for customers. "The bank always tries to serve the customer."

However, he admitted past missteps. "Like many banks, we were overly enthusiastic about lending to some Chattogram-based parties," he said. "We are now suffering the consequences of that craziness."

"Around 10 Chattogram-based borrowers, including Habib Group and SA Oil, are now fugitives who defaulted on loans from our bank worth around Tk 2,000 crore," Sarker informed.

#### Aiming for complete digitalisation

As it steps into its 31st year, Dhaka Bank is focusing on digitalisation and paperless operations. "Many of our



#### TAKEAWAYS FROM INTERVIEW

##### CHALLENGES

Around Tk 2,000cr of Dhaka Bank loans were defaulted by about 10 Chattogram-based businesses

80% of defaulters are able but unwilling to repay

##### SYSTEMIC ISSUES & REFORMS

- ② Restoring depositor confidence is more crucial than funding weak banks
- ② Dividend restrictions discourage shareholders and erode trust in banking system
- ② Fugitive defaulters should not enjoy legal protection—they must face trial

##### VISION & STRATEGY

Dhaka Bank is moving towards full digitalisation, with 25-30% of operations already digital

neighbouring countries have already achieved this. India, Dubai, Abu Dhabi, Thailand, Finland, and Malaysia have all been mentioned significantly," said Sarker.

He noted that around 25-30 percent of the bank's operations are currently digitised.

Beyond lending, Sarker believes banks should guide customers in growing their businesses. "A bank's job is not just to give loans—it's also to guide customers in the right direction."

"A bank's job is not just to give loans—it's also to guide customers in the right direction," said the Dhaka

Bank chairman, adding, "Banks should also advise on how to improve a business. That's the direction we want to move in."

##### Merger good, but customer confidence the key

Turning to the broader state of the banking sector, Sarker emphasised that depositor confidence is key. "It is very difficult to restore confidence once it is lost," he said.

He opined that Bangladesh Bank is on the right track to merge some weak banks—a significant move taken by the interim government to reform the

banking sector.

However, he expressed concerns about the feasibility of these mergers.

"Funding weak banks would not bring any positive outcomes unless depositor confidence is restored," he stated, adding, "Depositors' confidence comes first; otherwise, you cannot survive."

Sarker also criticised the central bank's restrictive dividend policy, stating that it discourages shareholders and prompts them to sell shares. "Shareholders need some form of return," he said. "If the banking regulator continues with the policy, then both depositors and shareholders will lose trust in banks," he warned.

##### 80% of defaulters not willing to repay

On the issue of non-performing loans (NPLs), Sarker pointed to an alarming trend. As of March 2025, NPLs in Bangladesh hit a record Tk 420,335 crore—representing 24.13 percent of total loans in the sector, which stood at Tk 17,41,992 crore.

Sarker opined that about 80 percent of defaulters are not willing to repay despite having the ability to clear the loans.

"When the banks go to auction their mortgaged assets, these defaulters send their representatives to the court, and the High Court also takes their words into consideration. We can't recover the money when the court imposes a stay order on the default status of the client," he said.

"But fugitive defaulters should not be allowed to enjoy such legal rights," he added.

Calling for an immediate stop to such practices, he demanded that the defaulters return to the country and attend court hearings to protect their property.

"The authorities will have to establish more money loan courts (Artho Rin Adalat) and strengthen them to clear the logjam of cases in the financial sector and recover the money from the defaulters," he said.

## Eyes that lead

MAHTAB UDDIN AHMED

A classic and familiar office tale: Meet VP (Vice President) Mojnu. Mojnu bhai, known for his "strict leadership," has one peculiar habit: never making eye contact. During meetings, his gaze is always fixed on the projector, the ceiling, or his own fingers. His team jokes that he's either camera shy or spiritually connected to office furniture. One day, a new recruit thought Mojnu bhai was angry at him just because he never looked his way. HR had to intervene and explain, "No, young boy, he's not angry. He just suffers from 'Eye Contact Avoidance Syndrome.'" Meanwhile, Mojnu bhai wonders why his team lacks enthusiasm, consistently misses deadlines, and often fails to follow instructions with genuine commitment. The answer? He never truly saw them.

In real life, I discovered I had this "eye contact allergy" during a senior leadership course at Four Acres in London, while I was at Unilever. The 360° feedback hit like a hard slap; apparently, my global colleagues found my habit of not making eye contact with people downright insulting. I was shocked. Back home, it was just my shy, introverted self in action. But in that room full of leaders, I realised that what felt normal to me came across as arrogance to everyone else.

We often believe leadership is about what you say, how loudly you say it, or how senior you are. But research by Simon Liegl and his team, "Eyes That Lead", shows that even something as simple as eye contact can make a big difference. Their findings suggest that when leaders look at their team members directly and with purpose, it builds approval, trust, and extra effort. In other words, eye contact isn't just polite, it's powerful.

In Bangladesh, where office culture still leans heavily on formality and hierarchy, this insight matters even more. Many employees hesitate to speak up unless spoken to. In such workplaces, a manager's eye contact during a meeting or even a passing compliment can make someone feel recognised. It creates a connection.

But when managers always look at screens, documents, or somewhere far away while talking, they send the message: you don't matter enough to look at.

This small act of eye contact builds psychological safety. It tells people, You're seen. You're heard. You're included. Employees who feel seen are far more likely to be engaged, committed, and willing to put in the extra effort. No motivational speech can replace the power of simply being acknowledged with a look.

According to Liegl's study and similar leadership research by Harvard and McKinsey, leaders should consciously use eye contact to connect, especially during feedback, recognition, and moments of team communication. Look at people when they speak. Make sure everyone, not just your favourites, gets attention. When appreciating someone's work, do so while looking at them, not at your laptop. Eye contact, combined with a smile or nod, works as a silent high-five.

However, remember that it's not about staring blankly or making people uncomfortable. One hard stare from an angry boss is enough to send shivers down a person's spine. It's about looking at others with respect and intention, being present in the moment. Presence is the new power. In leadership, the strongest messages are not always spoken. Sometimes, the most effective way to lead is to simply look someone in the eye and say, without words: I see you, I believe in you, and I'm with you. That single moment can inspire more loyalty, effort, and connection than a hundred memos. So, lift your eyes from the screen. Your team is waiting to be seen.

Not every eye contact is love story; sometimes it's just poor eyesight. But in leadership, seeing your people clearly is where true connection begins.

The writer is the president of the Institute of Cost and Management Accountants of Bangladesh and founder of BuildCon Consultancies Ltd

## Stocks rise for second session

STAR BUSINESS REPORT

Indices of the Dhaka Stock Exchange (DSE) closed higher yesterday, extending their gains for the second consecutive day.

The DSEX, the benchmark index of the premier bourse, gained 28.73 points, or 0.59 percent, to close at 4,894.06.

The Shariah-compliant DSES index declined slightly by 0.03 percent to 1,065.39, while the DS30, which represents blue chip stocks, gained 1.01 percent to 1,836.11.

Turnover, a key indicator of market activity, hit Tk 506.18 crore, up from Tk 479.52 crore in the previous session.

A total of 159,410 trades were executed during the session, with block transactions amounting to Tk 16.78 crore across 33 scrips. Market breadth was mixed, with 154 issues advancing, 181 declining, and 62 remaining unchanged.

Among A category shares, 93 advanced, 103 declined, and 21 remained unchanged. In the B category, 32 scrips gained and 39 declined, while the N category had no trading activity.

Performance across other segments was mixed. In mutual funds, 22 issues advanced and 5 declined. In corporate bonds, two issues declined.

Government securities saw one issue decline.

Rupali Bank posted the highest gain of the day, surging 9 percent, while Islamic Finance & Investment was the worst performer, shedding 9 percent.

## Gold steadies

REUTERS

Gold prices were little changed on Thursday as investors held back from making significant bets, awaiting US payroll data later in the day for insight into the Federal Reserve's policy direction.

Spot gold held steady at \$3,357.96 per ounce as of 0601 GMT, while US gold futures edged up 0.2 percent to \$3,369.10.

Gold appears to be consolidating at present within the \$3,320 to \$3,360 range, with the market adopting a wait-and-see approach rather than taking significant positions ahead of US non-farm payroll and ISM Services PMI data, OANDA senior market analyst Kelvin Wong said.

Data released by ADP showed US private payrolls dropped by 33,000 jobs in June, marking the first decline in more than two years, as economic uncertainty hampered hiring, but low layoffs continued to anchor the labor market.

## US-Vietnam trade deal sows new China standoff

AFP, Hanoi

Vietnam's trade deal with the United States averts the most punishing of Donald Trump's "reciprocal" levies but has provoked new friction between Washington and Beijing.

Vietnam has the third-biggest trade surplus with the United States of any country after China and Mexico, and was targeted with one of the highest rates in the US president's "Liberation Day" tariff blitz on April 2.

The deal announced Wednesday is the first full pact Trump has sealed with an Asian nation, and analysts say it may give a glimpse of the template Washington will use with other countries still scrambling for accords.

The 46 percent rate due to take effect next week has been averted, with Vietnam set to face a minimum 20 percent tariff in return for opening its market to US products including cars. But a 40 percent tariff will hit goods passing through the country to circumvent steeper trade barriers—a practice called "transshipping".

Washington has accused Hanoi of relabelling Chinese goods to skirt its tariffs, but raw materials from the world's number two economy are the lifeblood of Vietnam's manufacturing industries.

"From a global perspective, perhaps the most interesting point is that this deal again seems in large part to be about China," said Capital Economics.

It said the terms on transshipping will be seen as a provocation in Beijing, particularly if similar conditions are included in any other deals agreed over coming days.

Beijing's foreign ministry spokeswoman Mao Ning said on Thursday "negotiations and agreements should not target or harm the interests of third parties".

Shares in clothing companies and sport equipment manufacturers—which have a large footprint in Vietnam—rose on news of the deal in New York.

But they later declined sharply as details were released. "This is a much better outcome than a flat 46 percent tariff, but I wouldn't celebrate just yet,"



Workers stitch apparel at a garment factory in Vietnam's Thai Nguyen province on July 2. Vietnam has the third-biggest trade surplus with the United States of any country after China and Mexico.

PHOTO: AFP

The answers to these questions can be the difference between celebrating or crying. Bloomberg Economics forecast Vietnam could lose a quarter of its exports to the United States in the medium term, endangering more than two percent of its gross domestic product as a result of the agreement.

The Vietnamese government will now find itself under pressure to ensure that country-of-origin rules are enforced, explained Jack Sheehan, head of regional tax at Asian legal and tax firm DFDL.

But uncertainty over how transshipping will be "defined or enforced" is likely to have diplomatic repercussions, said Bloomberg Economics expert Rana Sajedi.

"The looming question now is how China will respond," she said. "Beijing has made clear that it would respond to deals that came at the expense of Chinese interests."

"The decision to agree to a higher tariff on goods deemed to be 'transshipped' through Vietnam may fall in that category," added Sajedi.

"Any retaliatory steps could have an outsized impact on Vietnam's economy."

## S Korea 'doing utmost' for trade deal with US

AFP, Seoul

South Korea's President Lee Jae Myung said Thursday his administration was doing its "utmost" to secure a trade deal with the United States ahead of President Donald Trump's deadline next week for imposing fresh country specific levies.

"It's certainly not easy, that much is clear. And to be honest, I can't say with confidence that we'll be able to wrap everything up by July 8," Lee said at a press conference marking his first month in office.

"We're doing our best, and the goal is to reach a genuinely mutually beneficial outcome, but at this stage, both sides still haven't clearly defined what exactly they want," he said, adding: "All I can say for now is that we're doing our utmost."

Already hit by sector levies on steel and car exports, Seoul is laser-focused on negotiations over a 25 percent country-specific tariff that has been suspended until next week. Without an agreement, it will come into effect just after midnight Washington time on July 9.

Seoul's ministry of industry and trade confirmed this week it is seeking an extension.

"With the US tariff suspension deadline fast approaching, the direction of Washington's future actions remains highly uncertain and volatile, including whether the suspension will be extended," trade minister Yeo Han-koo said Thursday.

Yeo said the reimposition of US tariffs would be a "grave situation" requiring an all-out, government-wide effort to minimise the negative impact on Asia's fourth largest economy.

Lee assumed office facing a daunting array of challenges, from a deepening economic slump and intensifying global trade tensions to rising alarm over growing military cooperation between nuclear-armed North Korea and Russia.

He inherited a nation deeply fractured by the political crisis triggered by his predecessor, Yoon Suk Yeol, whose attempted imposition of martial law in December sent shockwaves through South Korean democracy.