



Solid trust, fair treatment key to private investment

Premier Cement MD tells The Daily Star

Mohammed Amirul Haque

JAGARAN CHAKMA

The country's private sector remains hamstrung by red tape, political uncertainty, and rising costs, all of which pose a serious threat to economic progress, according to Mohammed Amirul Haque, founding managing director and chief executive officer of Premier Cement Mills Limited.

In an interview with The Daily Star, Haque praised the government for its efforts to promote investment and improve the business climate, but he questioned the genuineness of those efforts.

He congratulated the Bangladesh Investment Development Authority (Bida) for hosting an international summit and events, and for drawing global interest in the country's economy.

Even so, he questioned the balance of focus, saying that local entrepreneurs are often sidelined in favour of foreign investors.

"Other than big names like Elon Musk and a few companies, no one significant has entered the market yet,"

Haque praised the government for its efforts to promote investment and improve business climate, but he questioned the genuineness of the efforts

said the cement maker. "There were foreign investment commitments of over Tk 3,000 crore, but they have not materialised fully."

Speaking on the hurdles faced by local investors, the businessman shared his own long wait for permission to use land bought in Munshiganj for industrial purposes. Haque said the lack of political connections had "stalled" the process.

"Unless you have connections, you cannot get things done," he said.

"In other districts like Khulna or Mongla, I faced no problems getting land for industrial use. But in Munshiganj, there are obstacles because I do not have the political link. Either the government should allocate land for industry directly or make the process genuinely transparent so people without political links can proceed."

Turning to the broader investment climate, the Premier Cement Mills CEO said political instability and uncertainty continue to hold back large-scale



INVESTMENT HURDLES

Fragile trust among investors	Political uncertainty	Semi-functional one-stop service	Govt obsession with foreign investments
Regulatory harassment	Port access barriers	Slow govt spending	Inflation, high borrowing costs

RECOMMENDATIONS

- Enforce rules consistently
- Fix Bida one-stop service
- Treat local, foreign investors equally
- Cap interest rate spread
- Fast-track ADP spending

projects. "In my view, there has been no significant new investment recently. Investors need political stability, and until we have that, no large-scale new investment will come."

He also pointed to a history of "selective crackdowns" on businesses and individuals, which he believes have shaken confidence in the system.

"Even when the government takes action against individuals or businesses, one must ask: Why only now? Why were actions delayed for years? If the government has rules and norms, they should enforce them consistently, not selectively."

The businessman was critical of the role of regulatory bodies such as the Registrar of Joint Stock Companies and Firms (RJSC).

"There are allegations of harassment against RJSC by corporate houses and businessmen while renewing licences."

Haque alleged that the RJSC runs with little oversight. "Though it is under the Ministry of Commerce, they do not listen to anyone and run their own way. This lack of accountability is problematic."

He also criticised access restrictions at trade-related offices like the Chittagong Port Authority, which he said should be far more open to businesspeople.

"It is supposed to be a commercial office, but you need special permission to enter, as if it is the secretariat, or

the President's House, or the Prime Minister's Office. That is not how a commercial office should run."

On a separate note, Haque said that the government should do more to revive struggling factories instead of focusing only on new investments.

"Many factories already have infrastructure like power and utilities. Revitalising those would be much easier than building new factories from scratch, especially since there is often no fresh gas or basic service lines available for new industrial setups."

According to the cement manufacturer, the sluggish implementation of the Annual Development Programme (ADP) last year had a direct impact on key construction input sectors.

On top of that, high inflation for around three years has reduced construction demand.

Haque said although incomes have risen in some areas, the lower middle-income group is under intense inflationary pressure.

"Daily essentials are indeed getting expensive. But the lower middle-income groups with fixed salaries are suffering because their incomes are not rising to match expenses."

Amid this lacklustre demand for construction materials, he said high interest rates are making industrial growth more difficult.

"The central bank adopted a

contractionary monetary policy to control inflation, but it ended up benefiting banks while hurting industries. Banks are making good profits, but industries are suffering because borrowing costs are too high."

To ease the burden on businesses, he urged the Bangladesh Bank to limit the interest rate spread.

"The spread between lending and deposit rates should not cross 3 percent in any case. That is the only way to keep the cost of doing business manageable," Haque added.

Above all, restoring trust and ensuring a conducive business climate are essential for attracting both local and foreign investment.

"It all comes down to trust. Without trust, the private sector will not invest. Businesspeople do not live under a monarchy—they have choices. They can take their investments and ideas anywhere in the world."

He commented that younger entrepreneurs, who are globally connected and mobile, will not hesitate to move their capital elsewhere if the environment does not improve.

"And unless the government genuinely respects the private sector and listens to its concerns, the business environment will not improve."

"We can keep calling for investment," he concluded, "but without building trust and ensuring fair treatment, progress will be in jeopardy."

Default loans: How do we reverse the trend?

MAMUN RASHID

The stability of Bangladesh's banking sector is under serious threat, and it's no longer an abstract issue confined to industry insiders or economists. The numbers speak for themselves: as of March 2025, defaulted loans have reached a staggering Tk 420,335 crore, accounting for more than 24 percent of all outstanding loans.

To put that in perspective, nearly one in every four taka lent by banks has not been repaid on time. This isn't just a statistic but a warning bell for the country's economy.

State-owned banks are by far the worst affected. Almost half — 46 percent or Tk 146,407 crore — of their total loan portfolios have turned into bad loans.

Bad loans at private commercial banks stand at Tk 264,195 crore, making up over 20 percent of their portfolios. Even foreign and specialised banks have accumulated bad debts amounting to several thousand crores.

In addition, banks are facing a massive provisioning shortfall — over Tk 170,000 crore. This erodes the system's ability to withstand shocks, be they domestic or international.



The sudden spike in bad loans is partially owed to regulatory issues. In April 2025, the Bangladesh Bank shortened the window for loan classification to 90 days from the previous redline of 270 days. While this move aligned banking standards with international best practices, it also revealed the extent of the rot more clearly.

There are also cases of businesses struggling due to global headwinds: the prolonged aftershocks of the Covid-19 pandemic and the Russia-Ukraine war, a sharp increase in energy costs, and severe depreciation of the taka against the US dollar. Add to that the recent high interest rates and frequent power outages in industrial zones like Savar and Narayanganj, and you get a cocktail of stress that has made it difficult for even sincere borrowers to stay afloat.

This crisis didn't build overnight. When the former ruling party, the Awami League, came to power in 2009, the total volume of defaulted loans was around Tk 22,481 crore. Since then, it has only grown bigger.

Economists and watchdogs have pointed fingers at successive governments for turning a blind eye to politically connected borrowers. High-profile individuals reportedly took out hundreds of crores in loans from public banks without proper collateral, only to divert the funds into unrelated ventures or park them abroad. In some cases, the money never entered the economy at all.

Yet, not all borrowers are at fault. Many businesses, from garment exporters in Gazipur to pharmaceutical companies in Tongi, have tried their best to maintain repayment schedules. These are the entities that must be protected and encouraged. In addition to taking tough action against habitual defaulters, the government must also ensure that genuinely productive sectors continue to get access to credit.

To address this crisis, we need more than short-term fixes. The first step would be the political will to go after big defaulters, regardless of their affiliations. This needs to be followed by deeper reforms to strengthen governance, transparency, risk management, and professionalism in the banking sector. Regulatory bodies need to be allowed more autonomy and capacity to act without fear. The central bank must function as a neutral referee, rather than a passive observer or occasional crisis manager.

The volume of default loans is not just an economic problem; it is a reflection of deeper institutional weaknesses. Unless those are addressed, no amount of rescheduling or provisioning will bring lasting stability. What's at stake is not just the health of our banks, but the future growth and trust in our economy.

The writer is a banking and economic analyst having worked at three international banks at home and abroad

Stocks end week on positive note

STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) ended last week on a positive note as turnover also increased, reflecting strong investor activity.

The DSEX, the benchmark index of the DSE, rose 61 points, or 1.27 percent, to close at 4,894.

The DS30, which tracks blue-chip stocks, advanced 16 points to 1,836, while the DSES Index, comprising 51 companies, gained 6 points to finish at 1,065, according to DSE data.

Despite a shortened trading week of four sessions due to the bank holiday on July 1, the DSE witnessed a surge in total turnover, indicating increased investor engagement.

Total turnover reached Tk 1,944 crore, up from Tk 1,813 crore recorded in the previous five-day trading week. As a result, the average daily turnover jumped 34 percent to Tk 486 crore from Tk 363 crore the week before.

Banking led the turnover table, contributing over 16 percent of total weekly trades, followed by food and allied (13 percent), pharmaceuticals (12 percent), and textiles (11 percent). Mutual funds and IT also saw increased activity.

Trump says 'probably 12' tariff letters being sent out tomorrow

AFP, Morristown

US President Donald Trump said Friday that he had signed 12 trade letters to be sent out next week ahead of an impending deadline for his tariffs to take effect.

"I signed some letters and they'll go out on Monday, probably 12," Trump told reporters aboard Air Force One, adding that the countries that the letters would be sent to will be announced on the same day.

His comments come days before steeper duties — which the president said Thursday would range between 10 and 70 percent — are set to take effect on dozens of economies, from Taiwan to the European Union.

So far, the US has unveiled deals with the UK and Vietnam, while Washington and Beijing agreed to lower high levies on each other's products

The tariffs were part of a broader announcement in April where Trump imposed a 10 percent duty on goods from almost all trading partners, with a plan to step up these rates for a select group within days.

But he swiftly paused the hikes until July 9, allowing for trade talks to take place.

Countries have been pushing to strike deals that would help them avoid these elevated duties.

So far, the Trump administration has unveiled deals with the United Kingdom and Vietnam, while Washington and Beijing agreed to temporarily lower staggeringly high levies on each other's products.

As his July 9 deadline approaches, Trump has repeatedly said he plans to inform countries of US tariff rates by sending them letters. Aboard Air Force One on Friday, Trump said sending notices would be much easier than "sitting down and working 15 different things."

What is the state of play with Trump's tariffs?

AFP, Washington

With sweeping tariffs on friend and foe, US President Donald Trump has roiled financial markets and sparked a surge in economic uncertainty — and tensions are mounting days before a fresh volley of higher duties are due to kick in.

Here is a rundown of what Trump has implemented in his second presidency, with levies on dozens of economies set to bounce from 10 percent to a range between 11 percent and 50 percent on Wednesday.

GLOBAL TARIFFS

While Trump imposed a 10 percent tariff on most US trading partners in April, the rate is set to rise for dozens of economies including the European Union and Japan come Wednesday.

To avoid higher levies, countries have been rushing to strike deals with Washington.

So far, the UK and Vietnam have struck pacts with the United States, while China has managed to temporarily lower tit-for-tat duties.

There are notable exceptions to the duty. Immediate US neighbors Canada and Mexico, which were separately targeted over illegal immigration and fentanyl, are not affected by the 10 percent global tariff.

Also off the hook are copper, pharmaceuticals, semiconductors and lumber — although these are sectors that Trump is mulling levies on. Gold and silver, as well as energy commodities, are excluded too.

CHINA FOCUS

China has borne the brunt of Trump's levies. The world's two biggest economies engaged in an escalating tariffs war this year



US President Donald Trump gestures as he steps on stage to deliver remarks at the Salute to America Celebration at the Iowa State Fairgrounds in Des Moines on July 3. PHOTO: AFP

before a temporary pullback.

Both sides imposed triple-digit tariffs on each other's goods at one point, a level effectively described as a trade embargo.

After high level talks, Washington agreed to lower its levies on Chinese goods to 30 percent and Beijing slashed its own to 10 percent.

The US level is higher as it includes a 20 percent tariff imposed over China's alleged role in the global fentanyl trade.

AUTOS, METAL

Trump has also targeted individual business sectors in his second term. In March, he imposed a 25 percent levy on

steel and aluminum imports and last month doubled them to 50 percent.

He has also rolled out a 25 percent tariff on imported autos, although those imported under the US-Mexico-Canada Agreement (USMCA) can qualify for a lower levy.

Trump's auto tariffs impact vehicle parts too, while the president has issued rules to ensure automakers paying vehicle tariffs will not also be charged for certain other duties.

CANADA, MEXICO

Canadian and Mexican products were initially hard hit by 25 percent US tariffs, with a lower rate for Canadian energy.

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