



BB allows loan rescheduling for 250 firms up to 15 years

Down payments start at 1% with grace periods reaching 3 years

MD MEHEDI HASAN

The central bank has approved a mega loan rescheduling facility for some 250 companies, including some of the country's biggest corporate defaulters, in an attempt to boost business activity amid slowing economic growth.

The Bangladesh Bank (BB) will allow these firms to extend loan repayment over 5 to 15 years, with down payments as low as 1 percent and grace periods of up to 3 years, officials familiar with the matter told The Daily Star, adding that the terms will, however, vary case by case.

The approved list includes conglomerates such as Abdul Monem Group, Orion Group, Deshbandhu Group, and Tanaka Group, all of which have hundreds of crores of taka in defaulted loans across multiple lenders.

Others represent sectors from steel and textiles to agro-processing and footwear

Highlights

A 5-member panel was formed in January to assess loan applications	Around 1,250 companies have applied for support	Panel prioritises firms affected by factors beyond their control
Borrowers will get 5-15 yrs to repay, with a down payment of just 1-5%	Banks are facing trouble as many applicants have stopped repaying their loans	Defaulted loans hit a record Tk 4.20 lakh cr in Mar 2025

manufacturing.

Contacted, Areif Hossain Khan, executive director and spokesperson of the central bank, said, "Around 1,250 businesses applied for special policy support, of which some 250 were selected."

He added the scheme is meant for aiding companies hit by foreign-exchange losses, energy shortages, and those that suffered under political retaliation during the previous government.

Khan said that willful defaulters will be excluded.

The initiative comes eight months after the central bank formed a five-member committee to assess corporate borrowers whose loan defaults were deemed beyond their control.

Of the selected businesses for the scheme, Abdul Monem Ltd has non-performing loans of Tk 698 crore at 24 banks and non-bank financial institutions, including Agrani Bank, IFIC Bank, United Commercial Bank, and Dutch-Bangla Bank, according to central bank data as of March 2025.

"Due to various factors, including the Russia-Ukraine war and Covid, our work volume has dropped sharply. Previously, we used to get 50 projects a month, but now it is only one or two," ASM

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Govt launches 'Moheshkhali Integrated Development Authority'

STAR BUSINESS REPORT

The government has brought the "Moheshkhali Integrated Development Authority (MIDA) Ordinance, 2025" into effect, marking the start of a new chapter in Moheshkhali Island's planned transformation into a major energy and industrial hub.

The ordinance came into force on August 1, 2025, according to a notification issued by the Chief Adviser's Office last week.

The move follows months of policy groundwork aimed at integrating infrastructure, industrial, and socio-economic development projects on Moheshkhali Island under a single administrative framework.

Sources at the Bangladesh Economic Zones Authority (Beza) said the MIDA will oversee large-scale projects in energy, transport, port expansion, tourism and environmental management.

Located in Cox's Bazar, a south-eastern coastal district of the country, Moheshkhali has already attracted substantial investment interest for liquefied natural gas (LNG) terminals and power plants. Already a 1,200-megawatt coal-fired power plant has been established on the island.

Under MIDA, seven economic zones, as well as township, logistics,

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Garment exports drop 12% in Q4
US trade measures and the NBR strike weighed on shipments

STAR BUSINESS REPORT

Bangladesh's garment exports fell 11.92 percent from the previous quarter to \$9.11 billion in the April-June period of the current fiscal year, according to the latest quarterly data from the central bank.

Still, the figure was 3.15 percent higher than a year earlier. Bangladesh Bank said the readymade garment sector faced multiple headwinds during the quarter.

The most significant was the United States' announcement of a 35 percent countervailing duty on Bangladeshi apparel.

Though not yet in effect, the measure created uncertainty and prompted some buyers to defer orders.

Indian restrictions on garment imports from Bangladesh via land routes also disrupted logistics, limiting access to a key regional market, the regulator noted.

Meanwhile, a two-month agitation beginning May 14 by officials of the National Board of Revenue slowed customs clearance, delayed shipments, and hampered timely deliveries.

Broader global economic headwinds, coupled with rising domestic production costs and limited diversification of export markets, added to the volatility in export trends, the report said.

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The United States, Germany, the United Kingdom, Spain, France, the Netherlands, Italy, Canada, and Belgium remained the top destinations for Bangladeshi garments during the quarter, accounting for \$6.55 billion, or 71.89 percent, of total earnings.

In net terms—after subtracting raw material import costs from export earnings—the sector brought in \$5.18 billion, or 56.78 percent of gross garment exports, in the April-June quarter.

Despite the quarterly dip, the industry maintained its position as the backbone of Bangladesh's economy.

Total garment exports in FY25 reached \$39.35 billion, up 8.9 percent from the previous fiscal year, driven by growth in both knitwear and woven shipments, the central bank said.



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More aid planned for fishing ban periods

The proposal aims to boost monthly allocation of rice

STAR BUSINESS REPORT

The interim government has taken initiatives to increase vulnerable group feeding assistance for the country's fishermen, aiming to support their livelihoods during fishing bans.

Currently, during the 22-day fishing ban imposed to protect mother hilsa, each family receives 25 kilogrammes (kgs) of rice on a monthly basis, said Abdur Rouf, director general of the Department of Fisheries.

Additionally, during the 58-day ban on all types of fishing in the Bay of Bengal—enforced to ensure fish breeding, growth, and sustainable harvesting—each family is provided with 40 kgs of rice per month, he mentioned.

Considering the overall situation, a proposal has been made to increase the amount to 50 kgs, he told The Daily Star yesterday.

For the 22-day closure, the amount will be calculated proportionally based on the number of days, he said.

The director general spoke as the chief guest at a discussion titled "Voluntary removal of illegal trawl boat equipment and protection of marine fisheries resources," held at the Fish Landing Centre of the Bangladesh Fisheries Development Corporation in Mohipur.

He also mentioned that initiatives are being taken to align India's fishing schedule at the international level.

He said: "Through coordinated efforts, diplomatic initiatives, and legal processes, we

No good news in job creation



AHSAN HABIB

Before it turned into a full-fledged mass uprising that ousted the Awami League-led regime and ultimately ushered in the interim government last year in August, the protest was driven by demand for employment at its core. Yet, a year on, the promise of better job prospects remains unfulfilled.

Public job circulars have been few and far between, forcing thousands of university graduates into fierce competition for government posts, as in previous years.

Over the past year, many industries have struggled to keep production lines running, let alone expand or open new units, according to bank lending and capital machinery import data. This meant fewer job vacancy notices on



factory gates.

Meanwhile, the number of Bangladeshis going abroad for work has fallen by nearly a quarter compared with the previous year.

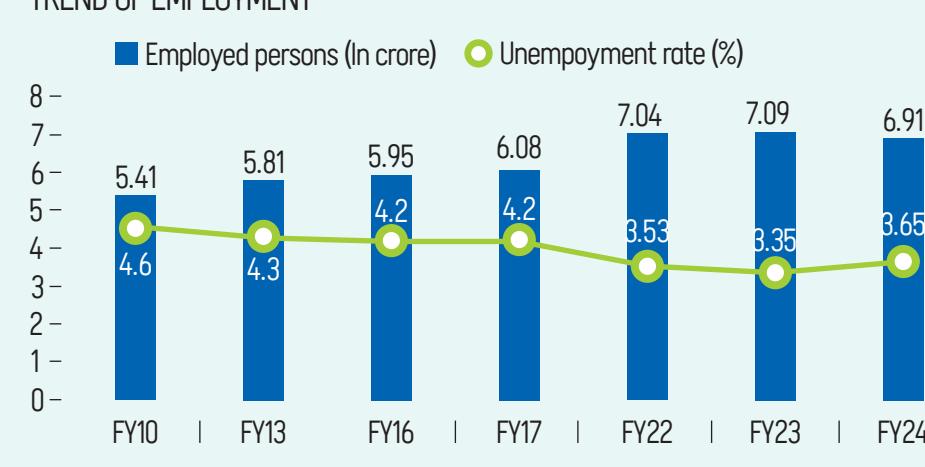
On the entrepreneurship front, small manufacturers, already constrained by limited financing, have also seen costs rise and sales stall amid persistently high inflation.

Since the interim government took charge in August 2024, the focus has mostly centred around recovering the frail economy. The central bank has kept monetary policy tight to blunt the inflationary curve hovering around a double digit level.

This tightening made bank loans costlier for private sector borrowers, impacted investment and, in turn, job creation.

Besides, a deteriorating law and order

TREND OF EMPLOYMENT



situation and political uncertainty in the early months following the uprising are also to blame for preventing many entrepreneurs from expanding their investments.

Over the months, the fight to cool off spiralling prices grabbed the main focus of the authorities, with low private investment and slower job creation becoming the opportunity cost.

Government initiatives to reduce the skills gap through a need-based education system would have been a necessary step that required no such sacrifice, but the plan remained out of sight.

The only positive development was that Labour and Employment Adviser Brigadier General (Retired) M Sakhawat Hussain recently said they would open a new employment wing in the labour ministry for job creation.

His announcement came amid the unemployment gloom hovering over the private sector, which provides the bulk of jobs in the country.

In the past decade, the number of factory workers continued to decline. The number of workers in industries fell to 1.2 crore in 2024 from 1.21 crore in 2013, according to the Bangladesh Bureau of Statistics (BBS) data.

With the decline in industrial employment, total employment fell by nearly 3 percent to 6.91 crore in 2024 from 7.09 crore a year ago, according to the BBS, which is yet to release recent data.

In 2024, overseas employment, which has helped ease domestic unemployment for years, also fell by 22 percent to 10 lakh. By May last year, more than 4 lakh people had gone

abroad for work, according to the Bureau of Manpower, Employment and Training (BMET).

"On job creation, young people remain deeply concerned," said Prof Selim Raihan, executive director of the South Asian Network on Economic Modeling (Sanem).

They have seen no change in the situation, with more than 50 percent of applicants failing to get even an interview call in the past year, he said, citing a recent Sanem survey.

Raihan, also an economics professor at Dhaka University, said the biggest challenge is stagnation in the private sector. "Many businesses are not expanding, only maintaining current operations, making it difficult to create new jobs."

Low growth in private investment is reflected in sluggish credit growth by banks, which is now among the lowest in several years. Imports of capital machinery and raw materials have also declined.

According to Raihan, political stability has not truly returned. Incidents of mob violence and the government's failure to properly mitigate law and order concerns through strong administrative measures have deterred both domestic and foreign investors.

"Job creation was a central issue in the July uprising. But the government has not been able to show any significant success in this area," said the economist. "None of their steps over the last one year have stimulated private investment."

He said skills mismatch is a major issue, with a wide gap between what students learn and what the job market demands. No significant moves towards education sector reform have been seen over the past year.

"I believe this was a major missed opportunity. Had we made progress in these

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