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BUSINESS



Foreign debt repayment surges 16% in July

STAR BUSINESS REPORT

Bangladesh's external debt servicing surged 16 percent year-on-year in the first month of the current fiscal year (FY) 2025-26, while inflows from bilateral and multilateral lenders fell sharply.

The country repaid \$446.68 million in July, up from \$385.67 million in the same month a year earlier, according to provisional data from the Economic Relations Division (ERD) released yesterday.

The rise was driven by higher principal repayments, which jumped 24 percent to \$327.72 million from \$264.88 million in July 2024. Interest payments, however, eased slightly to \$118.96 million from \$120.79 million.

On the disbursement

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side, Bangladesh received \$202.75 million in project assistance in July 2025, 43 percent lower than \$358.32 million in the same month last year.

Of the total disbursement, \$77.5 million came from the Asian Development Bank (ADB), followed by \$59.07 million from the World Bank's concessional lending arm, the International Development Association (IDA), \$17.24 million from Japan, and \$13.62 million from India.

New foreign assistance commitments remained modest, with the ERD reporting \$83.46 million in fresh pledges, mostly loans—significantly up from \$16.40 million in July 2024, but still lower than previous years.

Major lenders such as ADB, Asian Infrastructure Investment Bank,

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AC demand cools off amid rain, mild temperatures

Sales fell to about 4 lakh units this year from 6 lakh in 2024

JAGARAN CHAKMA

Air conditioner (AC) sales slumped this summer, as milder temperatures compared to previous years and frequent rains meant fewer households felt the need to invest in cooling appliances.

Retailers and distributors say sales fell by about 30 percent compared with last year. Their estimate suggests units sold dropped to 4-4.5 lakh this year from 6 lakh last year.

This downturn contrasts sharply with 2023 and 2024, when long spells of sweltering heat drove demand so high that buyers often had to wait days for installation slots. In Dhaka, AC technicians were so overstretched in the summer last year that new purchases had to wait for four to five days for installation.

Then, the mercury regularly touched 36°C in April.

This year, however, the temperature stayed between 32°C and 33°C in April and May, the hottest months of the year, according to the Bangladesh Meteorological Department.

In July, rainfall reached 564 millimetres, 23.5 percent above the historical monthly average.

For the local AC market, the weather pattern was a heavy blow. Already battling

inflation and cautious consumer spending, the sector faced a sudden fall in demand.

"No prolonged hot spell and continuous rain spells in July meant that consumers felt less urgency to invest in cooling appliances," said Nurul Afser, deputy managing director of Electromart Ltd, which markets the Gree brand AC.

"AC demand has taken a noticeable hit this year," he added.

Electromart depends on the AC segment

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for most of its revenue, and Afser said the slowdown has left a "substantial impact" on business. Bulk orders from corporate clients and public institutions have also fallen.

In the AC segment, Singer Bangladesh has also seen similar pressure this summer.

"The AC industry saw more than a 10 percent decline this year due to cooler weather and unusually high rainfall," said Syed Sabbir Zaman, head of product. "This has affected the entire sector, including leading brands like Gree, Walton and Singer."

He said even aggressive price cuts have

failed to revive the market. "Most companies have not matched last November's sales even by August this year -- which is a clear sign of slowdown."

Tanvir Rahman, chief business officer of Walton Air Conditioner, said demand had grown in double digits for a decade, thanks to local production that made ACs more affordable for the middle class.

This year, though, sales fell. "This is largely due to a decline in public and private investment, which directly affects the demand for bulk AC purchases," he said.

Domestic home appliance maker Jamuna Electronics, which invested Tk 18 crore in a fully local AC production line, has also been hit.

"We built a complete in-house production line, but the market has not responded as expected," said Salim Ullah Salim, director of marketing at Jamuna Electronics.

Despite weaker demand, AC prices, however, have climbed. A 1-tonne unit now costs Tk 60,000-Tk 65,000, up from Tk 50,000-Tk 55,000 a year ago, while premium brands reach Tk 1.2 lakh.

Salim blamed higher dollar rates, surging raw material costs and freight charges.

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UN agency asks Rooppur to improve safety before opening

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The International Atomic Energy Agency (IAEA) has recommended improvements in fire prevention and response, operational supervision, and equipment preservation at the Rooppur Nuclear Power Plant (RNPP) ahead of its commercial launch of the first unit.

The recommendations followed a Pre-Operational Safety Review Team (Pre-OSART) mission from August 10 to 27, conducted at the request of the Bangladesh government to assess safety at Unit-1.

In a statement yesterday, the IAEA said: "The team identified areas of good practice to be shared with the nuclear industry globally, notably the Rooppur Training Centre's integration of a state-of-the-art simulator to train refuelling machine operations."

The mission advised further strengthening fire safety measures to ensure effective prevention and response, improving supervision and operational standards, and reinforcing equipment preservation during commissioning to protect systems and components.

The Pre-OSART team noted that the plant staff



members are knowledgeable, professional, and committed to enhancing operational safety and reliability.

It said that technical exchanges were described as fruitful, with experience and knowledge shared on achieving excellence in operational safety.

"The transition from commissioning to operations is one of the most important stages for the safe operation of a nuclear power plant," said Simon Morgan, senior nuclear safety officer at the IAEA.

"The team observed a commitment from plant management to ensure all prerequisites are in place for this transition, in accordance with national and IAEA standards," said the IAEA official.

The 14-member IAEA team, comprising experts from Europe, Asia, and the United States, observed commissioning activities, held discussions with staff, and reviewed technical documents.

Md Kabir Hossain, project director of the RNPP, said Bangladesh remains committed to maintaining the highest safety standards and values IAEA peer reviews as an important tool for self-assessment.

Located in Pabna on the banks of the Padma River, the RNPP is the country's first nuclear power facility. Owned by the Bangladesh Atomic Energy

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Bangladesh to boost grain imports in 2025-26: USDA

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Bangladesh is expected to import larger volumes of rice and wheat in the marketing year (MY) 2025-26 owing to rising domestic rice prices, according to a report by the US Department of Agriculture (USDA).

Private importers are also likely to bring in increased quantities of maize to meet the growing demand from the poultry, cattle, and aquaculture feed sectors, the agency said in its Grain and Feed Update on Bangladesh released on August 27.

The USDA forecasts that rice imports by both the public and private sectors may rise 8 percent year-on-year to 12 lakh tonnes in MY26, which begins in May.

"Domestic rice prices have reached an all-time high," the USDA noted, adding that the government is stepping up imports to ease market prices.

In mid-July, the government announced plans to purchase 400,000 tonnes of rice through international tenders for public granaries. On August 10, the food ministry authorised 242 firms to import 500,000 tonnes in order to increase supply and curb price hikes of the staple grain.

The USDA report, citing its sources, said Bangladesh imported around 200,000 tonnes of rice in the first three months of MY26 since May. Prices of all rice varieties in Bangladesh have continued to climb, reaching the highest levels ever recorded in July 2025.

The average retail price of coarse rice in July 2025 stood at Tk 57.5 per kilogramme, up 12.3 percent from the same period the previous year, the report said, citing market data from the Trading Corporation of Bangladesh (TCB).

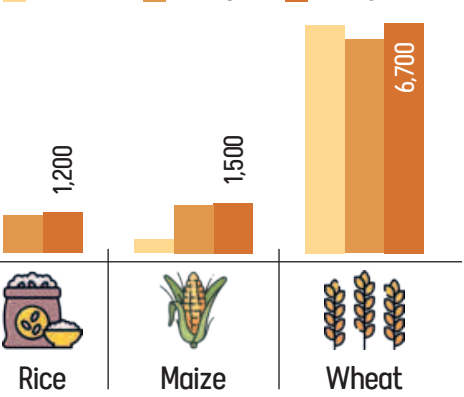
That same month, the average retail price



Bangladesh's grain imports

(In tonnes)

MY24 MY25 MY26



SOURCE: USDA

Political, energy crises stifle investment Business leaders, experts say

STAR BUSINESS REPORT

Persisting political uncertainty and energy crisis are holding back investment growth in Bangladesh, business leaders and policy experts said yesterday.

Investment has remained largely stagnant or declined slightly in the last fiscal year, they also said, calling for structural reform to address the existing bottlenecks.

The slowdown in investment raises concerns over the country's growth trajectory and job creation prospects, the Policy Research Institute (PRI) said during a presentation at the institute's Monthly Macroeconomic Insights event in Dhaka.

PRI pointed to a 20-25 percent fall in capital goods imports in the last fiscal year and a sharp slowdown in construction as evidence that investment momentum has stalled.

"The challenging investment climate has been one of the most serious impediments to economic growth in recent years," Ashikur Rahman, principal economist at PRI, said during the keynote presentation.

He said that constraints in energy supply, logistics and political uncertainty require urgent attention to unlock new investment opportunities.

"It is neither accurate nor sufficient to blame slower growth solely on a tight monetary stance," he added.

He stressed that unless structural bottlenecks in the real economy are tackled alongside financial policies, Bangladesh will not be able to stimulate investment and sustain growth.

Also speaking at the event, Anwar-ul Alam Chowdhury Parvez, president of the Bangladesh Chamber of

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KEY POINTS

Imports of capital goods fell 20-25% last fiscal year

Construction slowdown signals weak momentum Public, private investment projected to fall

Businesses seek LDC graduation deferral Calls for reforms, lowering business costs