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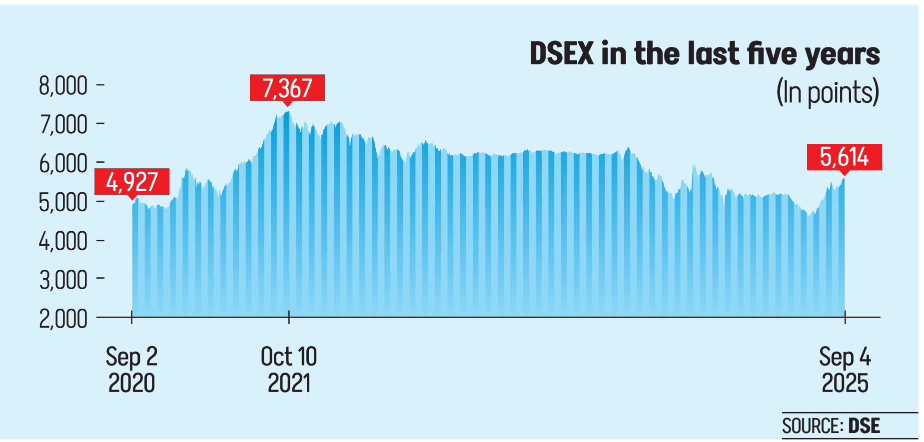
Star BUSINESS

Govt to revive stock market with multiple schemes



REJAUL KARIM BYRON *and* AHSAN HABIB

The interim government has taken a series of steps to restore confidence among investors and reinvigorate the stock market, which has been hovering between 4,000 points and 5,500 points for the last several years.

Fresh capital is being channelled into the state-run Investment Corporation of Bangladesh (ICB) to help stabilise the market and protect small investors.

The government has also extended a Tk 900 crore special fund for the market by five years till 2032. It was formed after the 2010 market crash to support retail investors.

Four state-run firms -- Pashchimanchal Gas Company, North-West Power Generation, Sylhet Gas Fields and Karnaphuli Gas Distribution -- have been shortlisted, according to a list sent by ICB Capital Management, a state-owned merchant bank, to the finance ministry.

General and institutional investors, who have long been demanding an increase in the supply of good scrips in the stock market, are now feeling optimistic.

Dhaka Stock Exchange (DSE), the main bourse, has 360 listed companies. Three years ago, the number of listed companies was 350.

Over the past 13 years, 127 companies

Alongside this, the finance ministry is going to provide Tk 2,000 crore to ICB, which got a sovereign guarantee against Tk 3,000 crore in loans last year.

To increase the supply of quality shares to the market, the government agencies have shortlisted ten firms, including six multinationals, namely Unilever, Nestlé, Novartis, Syngenta, Synovia (formerly Sanofi Bangladesh) and Karnaphuli Fertilizer Company.

Since the government holds roughly 40 percent stakes in most of the multinationals, officials say they are looking to offload at least five percent of their shares to the public.

have been listed on the stock exchanges through the issuance of initial public offerings. And over half of those are categorised as poor performing companies giving no or low dividends, according to the DSE.

DSEX, the benchmark index at the DSE, closed at 5614.27 yesterday, shedding 17.33 points or 0.30 percent from the previous day.

The DSE launched DSEX in 2013. The value of the index was 4,055 points, three years after the bursting of the previous bubble. It never rebounded to the previous highs of 8,900 points, with stakeholders blaming the absence of adequate quality stocks.

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Owners, rights activists debate over proposed trade union threshold

REFAYET ULLAH MIRDHA

Major trade bodies and private employers have voiced concern over proposed changes to labour law that would allow a trade union to form with a minimum of 20 workers, instead of the current requirement of 20 percent of the factory workforce.

In a statement yesterday, the Bangladesh Employers' Federation (BEF) said the move to allow just 20 individuals to form an enterprise-level union, regardless of factory size, "poses serious risks".

Key trade bodies such as the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), Bangladesh Textile Mills Association (BTMA) and Bangladesh Tea Association have expressed support for the employers.

However, the government has described the criticism as a misunderstanding. It argues that numbers are not the main issue, as union leaders would still need to secure 51 percent of votes in a factory election to take charge.

Meanwhile, labour rights activists point to international

other countries.

Amid advocacies by the European Union (EU) and the United States, the government has begun amending the labour law to comply with International Labour Organisation (ILO) standards. Officials expect the process to be completed by October this year.

In late August, the draft amendments were discussed at a meeting of the tripartite consultative council, which was attended by representatives of government, industry and workers. The meeting agreed to ease the process of labour union formation.

Soon after, employers' federation

PHOTO: STAR

The government expects that the amendments to the labour law will be completed by October this year.

practice. They say owners have little to fear if unions are allowed with as few as 20 workers, noting similar models have worked in

raised alarm, saying that the lower bar could eventually deter investment, trigger labour disputes, dent productivity and give rise to multiple paper-based unions in a single factory.

Other trade bodies supporting the employers' federation include the Leathergoods and Footwear Manufacturers and Exporters

READ MORE ON B3

BB buys additional $134m from banks

STAR BUSINESS REPORT

Bangladesh Bank (BB) yesterday purchased $134 million from five commercial banks through multiple auctions as part of its ongoing strategy to contain the depreciation of the US dollar against the local currency, the taka.

The latest move comes after BB bought $948 million from commercial banks between July 13 and the end of August this year, reversing its earlier approach of selling dollars to curb the rapid depreciation of the taka and support state agencies in paying import bills.

Following yesterday's purchase, BB's greenback acquisitions from banks have crossed $1 billion since July, helping the dollar maintain its value amid steady inflows and subdued import demand.

The buying, along with increased exports and remittances, also bolstered the country's foreign exchange reserves, which stood at $26.19 billion on August 28 this year, up from $20.59 billion a year ago, according to BB.

Over the past three years, up to fiscal year 2024-25, BB sold more than $25 billion from its foreign exchange reserves, largely to cover import bills for fuel, fertiliser and food.

After the fall of the Awami League-led government in August last year during a mass uprising, the central bank suspended dollar support for government imports due to low foreign currency reserves.

Yesterday, the central bank set a cut-off rate of Tk 121.75 for its dollar purchase.

Three banks agree to merge, two oppose

STAR BUSINESS REPORT

Among the five Shariah-based banks slated for merger by the central bank, three have agreed to the regulator's plan, while two have opposed it during separate meetings in the last three days.

Those that agreed are First Security Islami Bank PLC (FSIB), Global Islami Bank PLC (GIB), and Union Bank PLC, according to officials familiar with the matter. EXIM Bank and Social Islami Bank PLC (SIBL) resisted the merger.

The central bank has decided to merge the banks under the Bank Resolution Ordinance 2025, citing the fragile financial health of the institutions.

As part of the process, Bangladesh Bank officials held separate consultations with each bank's board and management between September 2 and 4, with Governor Ahsan H Mansur participating virtually, to discuss the path forward before formalising the process.

Banks that agreed to merger are First Security Islami Bank, Global Islami Bank, and Union Bank

Yesterday, the regulator met with officials of GIB and SIBL.

Speaking to The Daily Star after the meeting, Shafiuzzaman, managing director of SIBL, said the lender had asked for two years to stabilise operations and eight years to become a strong institution.

Earlier, the bank's 10 founding shareholders, including current director Major (retd) Md Rezaul Haque, had written to the central bank and Ministry of Finance, appealing to avoid being forced into a merger with other troubled banks.

On Wednesday, the central bank met with Union Bank and EXIM Bank. During its meeting, EXIM Bank presented a turnaround plan but was asked by the regulator to resubmit it with more detail.

Officials of the private commercial bank said it would take at least two years to restore its financial health.

The central bank, in response, instructed the lender

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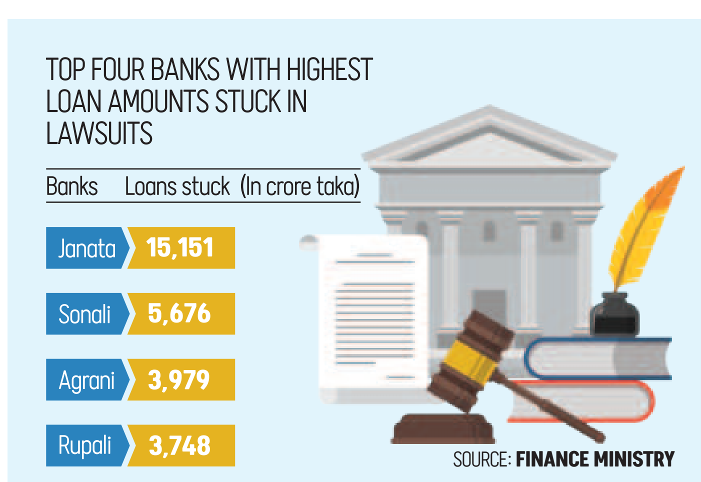
Govt moves to expedite Tk 38,000cr bad loan cases

REJAUL KARIM BYRON *and* AHSAN HABIB



The interim government has moved to expedite long-pending lawsuits filed by 10 institutions, including state-owned banks and a non-bank financial institution (NBFI), against loan defaulters, in a bid to speed up the recovery of defaulted loans.

The decision came at a meeting between the Ministry of Finance and senior officials from the plaintiff firms, according to officials familiar with the matter.

As part of the initiative, 100 lawsuits involving Tk 38,000 crore in bad loans have been identified. Many of these cases have been stuck in courts for years, preventing lenders from taking action against defaulters.

"We will write to the Ministry of Law, the Attorney General's office, and deputy commissioners to accelerate the legal process of these cases," Nazma Mubarak, secretary of the Financial Institutions Division (FID) under the Ministry of Finance, said after the meeting.

She added that deputy commissioners would be tasked with handling certificate cases.

The institutions involved include Janata Bank, Sonali Bank, Agrani Bank, Bangladesh Krishi Bank, Rupali Bank, the Investment Corporation of Bangladesh, BASIC Bank, Bangladesh Development Bank, Rajshahi Krishi Unnayan Bank, and the Bangladesh Securities and Exchange Commission.

The meeting agreed that each institution would submit a list of its ten biggest pending cases to the FID, which will coordinate efforts to fast-track their resolution.

The firms will also appoint dedicated officials to monitor the lawsuits properly, while a senior executive must hold monthly review meetings and report progress to the FID. The goal is to resolve cases quickly so that lenders can sell off defaulters' assets and recover funds.

The amounts tied up in litigation are staggering. Janata Bank alone has Tk 15,151 crore locked in its ten biggest cases, followed by Sonali Bank with Tk 5,676 crore, Agrani Bank with Tk 3,979 crore, and Rupali Bank with Tk 3,747 crore.

The backlog is part of a larger crisis. The banking sector is struggling with a huge amount of non-performing loans, with the lenders failing to take proper action against many defaulters because of the slow legal system.

Even when the banks step forward to sell assets, defaulters file fresh cases in lower or higher courts to stop the transfer, forcing banks to wait for years to recover the loans.

Distressed loans across the banking sector hit a record Tk 756,526 crore in 2024, according to Bangladesh Bank. This included Tk 345,765 crore in defaults, Tk 348,461 crore in rescheduled loans, and Tk 62,300 crore in written-off loans.

A task force on economic reforms reported earlier this year that Tk 178,277 crore was stuck in 72,543 cases as of February 2024.

It said backlogs under the Money Loan Court Act and the Bankruptcy Act remain a major obstacle to loan recovery.

The report also flagged structural flaws in the Money Loan Court Act, 2003, which allows mediation only after litigation begins, making settlements difficult once disputes escalate.

A low judge-to-population ratio and insufficient courtroom facilities have created a bottleneck in resolving NPL-related cases, the report also said.

New telecom licensing policy approved, capping foreign ownership

MAHMUDUL HASAN

The cabinet yesterday approved a new telecom licensing policy aimed at abolishing the fragmented licensing regime while capping foreign ownership in telecom and related services.

The policy simplifies the sector by consolidating more than 20 types of licences into three main categories: national infrastructure, international connectivity, and network access service providers.

Under the previous system, voice and internet services in Bangladesh had to pass through multiple intermediary operators, a structure long criticised by experts for inefficiency and higher costs.

"The new policy reduces the number of intermediaries investing only a few crores in a multi-thousand-crore ecosystem and collecting tolls, while eliminating licences not used elsewhere in the world," said Faiz Ahmad Taiyeb, special assistant to the chief adviser for telecom and ICT.

Under the new framework, operators of International Internet Gateways (IIG), Interconnection Exchanges (ICX), National Internet Exchanges (NIX), and International Gateways (IGW) will be phased out as their existing licences expire.

Bangladesh currently hosts around 20 IGWs, over 30 IIGs, and more than 20 ICXs, with almost all licences due to expire by 2027.

This reform is set to overhaul the telecom ecosystem, as all these operators are local and were licensed under the previous government or during the former caretaker government.

The process of awarding many of these licences has faced widespread criticism, with the BTRC identifying a lack of transparency in fund management in certain cases.

For instance, in 2014, IGW operators formed a cartel under the IGW Operator Switch model, approved by the BTRC without policy amendments, allowing certain operators to dominate the market and secure higher revenues.

Transparency concerns also emerged over Tk 631 crore in so-called Market Development Expenses, with more than 95

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Trust deed signed for new mutual funds sponsored by Midland Bank

STAR BUSINESS DESK

Midland Bank PLC signed a trust deed agreement with Sandhani Life Insurance Company Ltd at the bank's head office in the capital's Gulshan on Wednesday.

The Bangladesh Securities and Exchange Commission has approved the draft trust deed for two new mutual funds -- Midland Bank Growth Fund and Midland Bank Balanced Fund -- to be sponsored by Midland Bank PLC.

Each fund has an initial size of Tk 25 crore, with the bank contributing 10 percent as sponsor.

Midland Bank Asset Management Company will serve as the asset manager, while the Commercial Bank of Ceylon Bangladesh PLC will act as custodian.

Md Ahsan-uz Zaman, managing director and CEO of Midland Bank PLC, and Md Mizanur Rahman, company secretary of Sandhani Life Insurance Company Limited, signed the agreement, according to a press release.

Commenting on the deal, Zaman said, "These funds provide professional management aimed at long-term growth and balanced returns for investors, overseen by a team of dedicated and competent professionals."

"We believe this initiative will make a significant contribution to enhancing the depth and stability of the Bangladesh capital market," he added.

Md Mizanur Rahman, company secretary of Sandhani Life Insurance Company Limited, and Md Ahsan-uz Zaman, managing director and CEO of Midland Bank PLC, pose for photographs after signing the agreement at the bank's head office in the capital's Gulshan on Wednesday. PHOTO: MIDLAND BANK

Oil price falls 1.5%

REUTERS

Oil prices fell 1.5 percent on Thursday, adding to their more than 2 percent decline the previous session, as investors awaited a weekend meeting of Opec+ at which producers are expected to consider another increase in output targets.

Brent crude fell $1, or 1.5 percent, to $66.59 a barrel by 1104 GMT, while US West Texas Intermediate crude shed $1, or 1.6 percent, to $62.95 a barrel.

Eight members of the Organization of the Petroleum Exporting Countries and allies - known together as Opec+ - will consider further increases to production in October at a meeting on Sunday, two sources familiar with the discussions told Reuters, as the group seeks to regain market share.

A potential Opec+ production hike would send a strong signal that regaining their market share takes priority over price support, said PVM analyst Tamas Varga. Opec+ had already agreed to raise output targets by about 2.2 million barrels per day from April to September, in addition to a 300,000 bpd quota increase for the United Arab Emirates.

Md Shahin Sarwar Bhuiyan, chief commercial officer (current charges) of Nagad Limited, and SM Abu Jafar, deputy managing director of Al-Arafah Islami Bank PLC, pose for photographs after signing the agreement at the bank's head office in Dhaka on Wednesday. PHOTO: AL-ARAFAH ISLAMI BANK

Al-Arafah Islami Bank, Nagad join hands to enhance digital payments

STAR BUSINESS DESK

Al-Arafah Islami Bank PLC has entered into a strategic partnership agreement with mobile financial services (MFS) provider Nagad Limited.

SM Abu Jafar, deputy managing director of Al-Arafah Islami Bank PLC, and Md Shahin Sarwar Bhuiyan, chief commercial officer (current charge) of Nagad Limited, signed the agreement at the bank's head office in Dhaka on Wednesday, according to a press release.

Under the agreement, customers will be able to transfer funds from Al-Arafah Islami Bank's internet banking platform to Nagad and make various payments through the MFS provider.

Mohd Rafat Ullah Khan, managing director (current charge) of the bank, and Md Habibur Rahman, associate administrator of Nagad, attended the signing ceremony.

Md Soheb Ahmed, executive vice-president and chief technology officer (current charge) of the bank; Mohammad Shahadat Hossain, head of the digital banking division; Md Saidur Rahman Dipu, head of business sales at Nagad; and Istiaq Ahmed Shawon, head of bank, FI, MFI and NBFI, along with other senior officials of both institutions, were also present.

Ahmed Ismet, chairman of Bangladesh Development Bank PLC, hands over paper shares worth Tk 200 crore, equivalent to 2 crore shares, to Md Khairuzzaman Mozumder, secretary of the Finance Division at the Ministry of Finance, at the Bangladesh Secretariat in Dhaka on Wednesday. PHOTO: BDBL

Bangladesh Development Bank raises paid-up capital by 50%

STAR BUSINESS DESK

The paid-up capital of Bangladesh Development Bank PLC has risen by 50 percent year-on-year to Tk 600 crore, compared with Tk 400 crore in the corresponding period last year, according to a press release.

Paper shares worth Tk 200 crore, equivalent to 2 crore shares, were handed over to Md Khairuzzaman Mozumder, secretary of the Finance Division at the Ministry of Finance, at the Bangladesh Secretariat in Dhaka on Wednesday.

Ahmed Ismet, chairman of Bangladesh Development Bank PLC; Md Jashim Uddin, managing director and chief executive officer; and Kamal Uddin Ahmed Mollah, company secretary, along with other senior officials, were also present at the event.

NCC Bank signs MoU with Meghna Life for borrower protection

STAR BUSINESS DESK

NCC Bank PLC has recently signed a memorandum of understanding (MoU) with Meghna Life Insurance Company Ltd to ensure enhanced financial security for home loan customers.

Md Zakir Anam, deputy managing director of NCC Bank PLC, and Mohammad Tarek, additional managing director of Meghna Life Insurance Company Limited, signed the MoU at the bank's head office in the capital, according to a press release.

Under the MoU, all regular home loan borrowers of NCC Bank will automatically be brought under life insurance coverage provided by Meghna Life.

The facility will protect borrowers and their families by covering the outstanding loan amount in the event of the borrower's accidental death.

Speaking at the event, M Shamsul Arefin, managing director of NCC Bank, said the initiative aims to provide comprehensive financial security for home loan customers while ensuring crucial protection for their families.

He termed the MoU a strategic step towards risk mitigation through stronger collaboration between the banking and insurance sectors.

PHOTO: NCC BANK

Mohammad Tarek, additional managing director of Meghna Life Insurance Company Limited, and Md Zakir Anam, deputy managing director of NCC Bank PLC, pose for photographs at the signing ceremony at the bank's head office in Dhaka recently.

Dhaka Bank empowers youth with nationwide financial literacy drive

AKM Shahnawaj, managing director (current charge) of Dhaka Bank PLC, inaugurated the 15-day nationwide "Financial Literacy Programme" for the youth at the bank's head office in Gulshan-1, Dhaka recently. PHOTO: DHAKA BANK

STAR BUSINESS DESK

Dhaka Bank PLC has launched a 15-day "Financial Literacy Programme" for the youth under its flagship initiative Tarunner Utshab 2025.

AKM Shahnawaj, managing director (current charge) of Dhaka Bank PLC, inaugurated the programme at the bank's head office in Gulshan-1, Dhaka recently, according to a press release.

As part of this initiative, Dhaka Bank will organise financial literacy sessions nationwide through its branches and sub-branches from 1 to 15 September, aiming to promote financial awareness among young people.

During this period, youths will also have the opportunity to open their first savings account digitally with Dhaka Bank, enabling them to begin their financial journey with greater ease and convenience.

The programme aims to engage approximately 10,000 young participants nationwide, focusing on raising awareness about savings, responsible borrowing, digital banking, and safe financial practices.

Md Iqbal Mohasin, director of the Financial Inclusion Department at Bangladesh Bank, attended the event as special guest.

bKash wins 'Data Impact Award' for real-time data excellence

STAR BUSINESS DESK

Bangladesh's leading mobile financial services (MFS) provider, bKash Limited, won an internationally acclaimed "Data Impact Award" from Cloudera, a US-based big data technology company, for delivering secure and innovative customer services by leveraging big data and real-time, data-driven technology.

Md Mohiuddin, vice-president of the product and technology division at bKash, received the award at a ceremony held at Marina Bay Sands in Singapore, according to a press release.

This year, bKash was recognised as the top performer in the Data in Motion and Streaming Success category under Business Innovation in the Asia-Pacific region.

Md Mohiuddin, vice-president of the product and technology division at bKash, poses for photographs with the organisers of "Data Impact Award" ceremony at Marina Bay Sands in Singapore recently. PHOTO: BKASH

Pubali Bank opens 510th branch at Konapara

STAR BUSINESS DESK

Pubali Bank PLC inaugurated a new branch at Konapara in Dhaka yesterday with the aim of providing modern banking services.

This marks the bank's 510th branch, according to a press release.

Mohammad Ali, managing director and CEO of Pubali Bank PLC, inaugurated the branch as the chief guest.

In his speech, Ali said that Pubali Bank is committed to providing the best and most innovative banking services to meet market needs in the shortest possible time. As part of its efforts to enhance services and cater to growing client demand, the bank has opened its 510th branch at Konapara.

He urged local businessmen to take advantage of Pubali Bank's facilities to expand their ventures.

Md Shahnewaz Khan, deputy managing director of the bank; Md Rafiqul Islam, deputy general manager and regional manager for Dhaka South; the branch manager; local businessmen; and clients were also present at the event.

Mohammad Ali, managing director and CEO of Pubali Bank PLC, inaugurates the new branch at Konapara in Dhaka yesterday. PHOTO: PUBALI BANK

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Govt initiates process to seek investor for Nagad

STAR BUSINESS REPORT

The government has started the process of seeking new investors for Nagad, the much-talked-about mobile financial service provider (MFS).

Early this week, the Bangladesh Investment Development Authority (Bida) has sought applications from a financial advisory firm to act as an "exclusive sell-side mergers & acquisitions adviser for a potential transaction" related to Nagad, an MFS under the Bangladesh Post Office.

The firms have been advised to submit their applications by September 15.

The Bida said the selected adviser will "assess and refine Nagad's positioning and value proposition."

"The firm will need to prepare marketing materials, identify and approach potential strategic and financial buyers," said the Bida in the advertisement seeking an Expression of Interest (EOI) from firms.

A senior Bida official said a high-level meeting recently approved the transition of Nagad into the private sector, leading to Bida's involvement.

The initiative comes as the Bangladesh Bank (BB), the regulator, finds that the Directorate of Posts does not have the capacity to run Nagad efficiently, making it necessary to bring in new investors.

Hence a competent institution needs to take over, said BB Governor Ahsan H Mansur earlier.

At an event last week, Mansur said various irregularities caused by the previous owners have been resolved.

Nearly 15 million fake or inactive accounts have been removed, and the institution is now on the path to restructuring.

Significant reforms have already been implemented in Nagad, he said.

Sugarcanes are arriving by trawlers at Hatkhola fruit market in Barishal, ferried in from nearby villages to quench the thirst of city dwellers. With the sultry weather driving people to roadside stalls for a glass of chilled cane juice, demand has surged in recent weeks. A bundle of 100 sticks now sells for Tk 1,500 to Tk 4,500, depending on quality. The photo was taken yesterday. PHOTO: TITU DAS

Dhaka stocks snap two-day rally, turnover dips to Tk 1,338cr

STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) closed trading lower yesterday, breaking a two-day rally, while total trading turnover, the combined value of shares bought and sold, declined compared to the previous session.

According to DSE data, the bourse's benchmark DSEX lost 17.33 points, or 0.30 percent, to finish at 5,614.27. The other indices also performed negatively as the Shariah-based DSES decreased 0.29 percent to 1,230.05, while the blue-chip DS30 declined 0.59 percent to 2,182.75.

Turnover stood at Tk 1,338.53 crore, down from Tk 1,397.56 crore in the previous session.

Block trades, a high-volume transaction involving a large number of securities, accounted for a notable share, with transactions recorded across several scrips and overall trade at Tk 33.25 crore.

Market breadth was mixed, with 175 issues declining against 145 gainers, while 72 remained unchanged.

A-category stocks saw more winners than losers, while the B-category performed similarly.

By segment, mutual funds posted 12 gainers and seven losers, corporate bonds saw just two issues decline, and the government bond market saw just one issue advance.

On the day's performance table, Rupali Life Insurance Company surged 10 percent to top the gainers' list, while HR Textile declined 8 percent, making it the worst performer of the session.

Owners, rights activists debate

FROM PAGE B1

Association of Bangladesh, Bangladesh Jute Spinners Association, Bangladesh Jute Mills Association, Bangladesh Association of Pharmaceutical Industries, Bangladesh Association of Contact Centre and Outsourcing, and Bangladesh Agro-processors Association.

They said shifting from 20 percent to 20 persons would discourage both domestic and foreign investment and risk widespread unrest.

Mohammad Hatem, president of the BKMEA, said the new proposal follows the Cambodian model.

"In fact, the original proposal from the union leaders was keeping a 10 percent threshold instead of 20 percent, and the factory owners were proposing reducing the threshold to 15 percent from 20 percent. But, even the 20-person option was not known even by the factory owners, as it came all of a sudden," he said.

He said the amendments would allow up to five unions in a single factory. Such a change could open the door for outside influence in factory unions and "create chaos in the industrial sector".

Mahmud Hasan Khan, president of the BGMEA, said leaders from major industries are preparing to submit a protest letter to the government on Sunday or Monday.

"Already, the leaders of different sectors have met five advisers of the interim government on Wednesday and protested the new proposal of 20-person union registration," he said.

Khan said factory owners have accepted 118 of 124 amendment proposals, but six remained unresolved, with the "20 persons option" among them.

Labour and Employment Adviser Brig Gen (Retd) M Sakhawat Hussain said the issue has been caused by misperceptions.

"It is a matter of 20 workers or more, it is true. But if they want to be elected, they need 51 percent votes of the workers in a factory," said the adviser.

He added that the draft would be placed at an inter-ministerial meeting on Tuesday, then forwarded to the advisers' council and eventually to the law ministry for vetting before being enacted by ordinance.

Moreover, Bangladesh will ratify three more ILO conventions soon, becoming the first country in Asia to ratify all required ILO standards, Hussain said.

He noted that such initiatives would give exporters leverage to demand higher prices from buyers.

The government, he added, has already withdrawn about 48,000 police cases against workers from earlier incidents.

Fazlee Shamim Ehsan, president of the BEF, argued the proposed threshold is far too low.

"It should be at least 100 workers, as the number of workers in local factories is very high in many cases. The number of required workers may be lowered gradually from 100 workers, because the previous trade union experience is not good," he said.

Md Towhidur Rahman, president of the Bangladesh Apparels Workers Federation that advocates for the rights of garment workers in Bangladesh, disagreed.

Rahman said owners will not be harmed if unions are allowed to form with 20 members.

"Cambodia is a good example," he said. Union registration, according to him, would become easier, and owners could show they had permitted factory-level unions.

Nazma Akter, president of labour rights platform Sommilito Garments Sramik Federation, echoed a similar view.

She said she too supports the 20-worker threshold.

Selim Raihan, an economics professor at Dhaka University and executive director of the South Asian Network on Economic Modelling (Sanem), said there should be a balance between global standards and national realities.

"The rights of our workers should be maintained as they are deprived of the proper wage," he said.

The economist urged talks among owners, workers, union leaders, the government and the international community to settle the issue and build healthy industrial relations.

Govt to revive stock market

FROM PAGE B1

Only two multinational firms and one state-run company got listed in the last one and a half decades.

Mazeda Khatun, chief executive of ICB Capital Management, said discussions with the regulator and boards of the multinationals and state-run companies are underway.

Although the government intends to offload its own holdings, current shareholders must be offered first refusal. So far, the multinationals have been reluctant to join the market.

"The companies will get a good price, an example of which is existing multinational companies that are trading almost at the highest price among all the listed companies," Mazeda said.

Preferring anonymity, a senior ICB official said the institution sought Tk 13,000 crore in support but was likely to receive only Tk 2,000 crore. "It will be helpful to support the market, though it is still very low compared to its necessity," he said.

He added that the extension of the Tk 900 crore special fund would also aid investors.

Between 2013 and 2015, this fund was distributed in three tranches among 35,000 small investors through stockbrokers and merchant banks. Once repaid, the fund was recycled, and since 2019, it has been lent out on a revolving basis to intermediaries investing in the market.

In May 2025, Chief Adviser Muhammad Yunus instructed that the government offload its stakes in state-owned multinationals and bring them into the capital market.

Investors believe such listings could be a game-changer.

"When the listing of multinational companies is complete, it will have a massive impact on the stock market as investors will get the opportunity to invest in these high-performing companies," said Abdullah Huzaifah, a retail investor.

He pointed to Grameenphone's entry into the market, which attracted thousands of investors, and said a similar effect could follow if six more multinational firms offload shares.

"Although it is a long-time demand of investors, no government has taken firm steps to bring them into the market. This time, the chief executive of the country talked about the listing, which is giving me hope," added Huzaifah.

However, he was critical of delays in listing state-owned enterprises. "Why are the state-run companies taking such a long time to offload shares?"

Huzaifah appreciated other market reforms, such as cuts in trading tax and BO account fees, but urged quicker progress on legal changes.

The Bangladesh Securities and Exchange Commission (BSEC) is drafting amendments to rules on margins, mutual funds and public issues to ensure a more transparent and fair trading environment.

In a press statement on Wednesday, Dhaka Stock Exchange Brokers' Association of Bangladesh (DBA) President Saiful Islam welcomed initiatives by the regulator regarding listing of domestic and foreign companies.

He said no good companies had entered the capital market for a long time. "Due to the lack of good companies, there had not been any significant participation of domestic and foreign investors in our market, and as a result, the market had not become stable and sustainable."

He said for the greater good of the capital market, there is a need to list good domestic and foreign companies.

New telecom licensing policy approved

FROM PAGE B1

Market Development Expenses, with more than 95 percent channelled through a single account under Beximco Computers, co-owned by Salman F Rahman, who was also an adviser to ousted premier Sheikh Hasina. The BTRC referred the matter to the Anti-Corruption Commission, according to BTRC documents.

However, Asif Rabbani, president of the IGW Operators Forum (IOF), said that IGW operators alone have invested Tk 5,000 crore and employ many skilled engineers and technologists. To date, they have paid Tk 10,500 crore in revenue to the BTRC.

"Yet, in the drafting of new policies and regulations, there is very little coordination with us. This is highly unacceptable and deeply disappointing," he said.

He added that the new policy risks transferring even the small businesses held by local investors to foreign MNOs, further strengthening their dominance despite proven local capacity.

The new licensing regime allows existing licensees to obtain licences under the updated framework, provided they meet prescribed eligibility criteria and comply with the conditions outlined in the respective licensing guidelines.

FOREIGN OWNERSHIP CAP DEBATE

Foreign ownership in the network access licence category, which includes telecom operators, is capped at 85 percent, ensuring at least 15 percent domestic participation through joint ventures, public listings, or BTRC-approved structures.

Domestic investors may hold up to 100 percent equity without restriction. Existing operators have three years to offload 15 percent of their shares.

Among the three private operators, only Grameenphone exceeds 15 percent local ownership, with Telenor holding 55.8 percent, Grameen Telecom 34.2 percent, and 10 percent by public and institutional investors.

Meanwhile, Axiata holds a 61.82 percent share of Robi, while Bharti Airtel holds 28.18 percent, and the remainder is held by general investors. Banglalink is fully foreign-owned by VEON.

Tanveer Mohammad, chief corporate affairs officer of Grameenphone, said, "The new licensing policy is a positive step towards unification of licences, moving away from fragmented licensing."

He, however, urged the government to finalise realistic guidelines.

"Mandating a 15 percent local share offload may concern investors, who have already listed 10 percent of shares in the local stock market and invested billions with long-term plans," said Shahed Alam, chief corporate and regulatory affairs officer at Robi.

Taimur Rahman, chief corporate and regulatory affairs officer at Banglalink, lauded the provisions for active network and spectrum sharing, but expressed concerns that mandated ownership requirements could discourage foreign investment.

Telecom policy expert Abu Nazam M Tanveer commented that excluding group-level entities from cross-licensing restrictions has minimal effect on large corporations. "This effectively imposes no real cross-ownership limits across the industry's three major layers, leaving the sector vulnerable to distorted competition."

Three banks agree to merge

FROM PAGE B1

lender to clarify how it would return depositors' money, recover defaulted loans, repay Tk 8,500 crore borrowed from the central bank, and address its large capital shortfall.

Meanwhile, FSIB, Union Bank and GIB accepted the central bank's intervention.

Speaking to The Daily Star, FSIB Chairman Mohammad Abdul Mannan, who is also an independent director of the bank, described the lender's troubles as the result of "massive scams and loan irregularities," adding that "no banking was conducted" at the institution.

"The central bank is now going to conduct regulatory intervention, and we agree with that," he said.

Fariduddin Ahmed, chairman of Union Bank, confirmed that his bank did not oppose the merger.

Four of the five lenders — FSIB, Union, GIB, and SIBL — were long controlled by the Chattogram-based S Alam Group, which allegedly borrowed heavily from the lenders and siphoned the funds through shell companies.

Exim Bank, on the other hand, has long been dominated by Nazrul Islam Mazumder, founder of Nassa Group and former chairman of the Bangladesh Association of Banks.

Following the fall of the Awami League-led government in August last year, the central bank appointed new boards at the bank, dissolving the previous ones.

The interim government also commissioned forensic audits through global accounting firms, which revealed the banks' precarious state.

The audits showed that non-performing loan ratios stood at 96.37 percent at First Security Islami, 97.80 percent at Union, 95 percent at Global Islami, 62.30 percent at Social Islami, and 48.20 percent at Exim Bank.

Walton profit falls 24% in FY25

Board approves merger of Walton Digi-Tech with Walton Hi-Tech

STAR BUSINESS REPORT

Walton Hi-Tech Industries PLC (WHIPLC) saw its profit decline in the financial year that ended on June 30, 2025, due to reduced consumer demand and higher finance costs.

The company reported a profit of Tk 1,036.62 crore for the financial year, down 24 percent year-on-year.

Its earnings per share stood at Tk 34.22 in FY25, compared to Tk 44.78 in FY24, according to a price-sensitive information (PSI) disclosure made by the company yesterday.

The company attributed the fall in profit to lower revenue, higher finance costs, and increased distribution expenses.

Its revenue dropped by Tk 429.86 crore in FY25, mainly because of subdued consumer demand following the political changeover last year.

The company said its finance costs rose to 6.33 percent of sales in FY25 from 6.11 percent in FY24, driven by higher interest rates and foreign currency losses of Tk 123.60 crore resulting from the continued devaluation of the taka.

The company attributed the fall in profit to lower revenue, higher finance costs, and increased distribution expenses

Its selling and distribution expenses also went up due to market expansion efforts, further weighing on operating margins, the disclosure added.

Net operating cash flow per share stood at Tk 58.20 in FY25 against Tk 56.96 in FY24.

The board of directors recommended a 175 percent cash dividend and a 10 percent stock dividend for FY25, the lowest since 2020 when the company declared a 200 percent dividend.

Walton said the stock dividend would help finance its lithium-ion battery project.

In a separate PSI, the board approved a memorandum of understanding (MoU) on the proposed merger of Walton Digi-Tech Industries Ltd (WDIL) with WHIPLC.

The merger is subject to the consent of shareholders and creditors, approval from the High Court, and the execution of necessary agreements to maintain WHIPLC's distinct brand identity, it said.

WDIL, an IT company operating for more than eight years, manufactures hi-tech products across multiple categories. It currently offers over 123 products under 36 brands, according to the Bangladesh Investment Development Authority.

The merger is expected to strengthen WHIPLC's business portfolio and provide a competitive edge through vertical integration, enhancing its range of products to include laptops, desktop PCs, printers, mobile phones, printed circuit boards, IT accessories, electric bikes, and more, the company said.

As of July 31, 2025, the sponsor and director group of WHIPLC holds the largest share of the company, with a total stake of 61.09 percent, the general public holds 38.18 percent of the shares, according to the Dhaka Stock Exchange data.

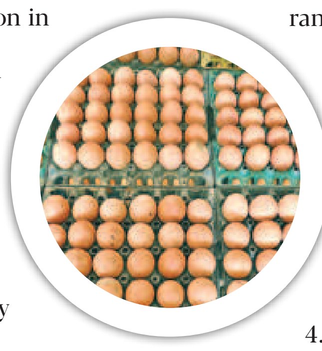
There is a significant gap between the production cost and the final retail price of vegetables, stated Bangladesh Trade and Tariff Commission, suggesting that enhanced monitoring of the supply chain could help reduce prices. The photo was taken from Barishal city yesterday. PHOTO: TITU DAS

Prolonged monsoon drives up vegetable, egg prices

SUKANTA HALDER

Heavy monsoon rains have disrupted Bangladesh's agricultural supply chain, driving up prices of essential vegetables and eggs across the country over the last three months.

A report by the Bangladesh Trade and Tariff Commission (BTTC), submitted to the commerce ministry yesterday, highlights that persistent rains could worsen food inflation in the coming weeks.



The BTTC, which reviewed market prices, supply conditions, and government interventions in its report, cites erratic weather and flooding during June, July, and August as the primary cause of supply disruptions.

Md Omar Faruk, a meteorologist at the Bangladesh Meteorological Department, told The Daily Star that rainfall in August last year was 50 percent above normal, compared with just 1 percent this August.

He noted that April and May this year received adequate rainfall, unlike the near-drought conditions in the same period last year. June and July this year also saw significant rain, in contrast to lower levels last year.

July alone saw rainfall 23.5 percent above the historical average, damaging farmland and pushing prices beyond the usual seasonal increase.

As vegetable supply thinned, demand for substitutes such as eggs rose, further driving up costs, the BTTC noted.

SPIRALLING PRICES OF ESSENTIALS

Citing data from the Department of Agricultural Marketing, the commission stated that several essential food items have seen sharp increases over the past three months as of September 3.

Green chilies posted the steepest rise, up 128.57 percent to Tk 140-Tk 180 per kilogramme (kg). Okra rose 75 percent to Tk 60-Tk 80 per kg, while brinjal increased 16.7 percent to the same range.

Local onion prices surged 45.45 percent, reaching Tk 75-Tk 85 per kg, and pointed gourd climbed 44.44 percent to Tk 60-Tk 70 per kg. Egg prices increased 6.25 percent to Tk 10-Tk 11.25 per piece.

Potatoes remained relatively stable, rising just 4.44 percent to Tk 22-Tk 25 per kg, while green papaya dropped 37.5 percent due to stable production and limited demand. Teasel gourd also fell 29.17 percent, now priced at Tk 65-Tk 90 per kg.

Besides, there is a significant gap between the production cost and the final retail price of vegetables, stated the commission, suggesting that enhanced monitoring of the supply chain could help reduce prices.

Green chilies, which are not grown locally during the monsoon, present a particular challenge, the commission observed. High import duties, 58.6 percent in total, along with a fixed dutiable value of \$0.50 per kg, have contributed to price increases.

At this valuation, the government earns about Tk 36 per kg, effectively maintaining high tariffs despite consumer hardship.

To rein in the spiralling prices of green chilies, the BTTC advised scrapping the 20 percent supplementary duty and replacing the fixed minimum import price with actual transaction values at least until September 30, 2025, to lower costs and stabilise the market.

The commission noted that potato and onion supplies have held up thanks to record domestic harvests and relaxed import policies. The agency, however, warned that further rainfall could destabilise this balance.

Bangladesh produced 1.15 crore tonnes of potatoes in the last harvesting season, the highest in history. The interim government has procured 50,000 tonnes to safeguard farmers amid falling market prices.

Onion production reached 44.48 lakh tonnes in FY2024-25.

The BTTC recommends that if onion prices exceed Tk 90 per kg or eggs rise above Tk 150 per dozen, imports should be allowed with temporary suspension of duties.

The report also points out that current prices of potatoes, onions, and eggs are still lower than the thresholds at which the government had previously allowed imports and granted tariff exemptions.

Meanwhile, traders said that in a rare moment of relief last August, when the student-led mass uprising ousted the Awami League-led government, markets briefly experienced fewer instances of extortion and transport bottlenecks, which led to a decline in prices.

That calm has since evaporated, leading to further pressure on prices, they added.

Job hugging!

MAHTAB UDDIN AHMED

We have always been champions of hugging. From clutching relatives at weddings long enough to make the stage creak, to embracing one another at mosques after prayers, to greeting colleagues with theatrical warmth at the first meeting of the week. And of course, the masters of the art, our politicians, hugging voters before elections with dazzling smiles, then hugging power afterwards as if their lives depended on it.

Now, a fresh variety has entered the economy: job hugging. No, not HR forcing employees into beanbags and yoga circles, but people clinging to their jobs for dear life, even when they secretly wish to leave, because they cannot believe a better one will appear. This hugging often goes to extremes, driven less by loyalty than by doubt. Doubt about skills, doubt about opportunities, and doubt about whether the next paycheque will ever arrive if they let go.

CNN reports that in the United States, people who once jumped jobs for fat increments are now holding tight to their desks. The pay boost from switching has shrunk, especially in white-collar fields like finance, tech, law and consulting. Bank of America says job hopping has slowed, and the once generous salary jumps have dried up. Meanwhile, a University of Michigan survey shows 60 percent of Americans expect unemployment to rise in the coming year, up from just 33 percent last November. That is the highest level of pessimism since the Great Recession. Fewer jobs, smaller raises, and more people hugging their office chairs like long-lost cousins.

Now picture that reality, but with Bangladeshi seasoning. Here, job hugging is not a trend but the default for much of the workforce. Not the high-flying few who juggle multiple offers, but the majority who are insecure, under-skilled, or drifting with the current. They do not dream of a career leap; they dream of receiving their salaries before the rent cheque bounces.

Switching jobs in Bangladesh was never as lucrative as in the West, but there used to be hope of a raise. A decade ago, or even in the post-Covid Great Resignation, changing companies often meant a 20 to 30 percent salary hike. Now, the figure has dropped to a historic low of about 7 percent. Many employers no longer bother offering more because they know people are unwilling to risk a move. Why would they, when inflation eats up 10 percent of household budgets each year, when onion prices can double between breakfast and dinner, and when new job openings are not keeping pace with the two million fresh entrants to the labour market annually?

For many, staying put is less about comfort than fear. Fear of being replaced by a younger, cheaper, more tech-savvy recruit. Fear of joining a firm that could collapse within months. Fear of failing to juggle tuition fees, loan instalments and groceries without the certainty of a regular paycheque. In such a climate, loyalty is not romantic; it is reluctant.

But the cost is heavy. An economy where workers cling too tightly to jobs eventually loses vitality. Creativity fades, ambition shrinks, and offices fill with people who function on resignation rather than inspiration. Job hugging may keep the household running, but it extinguishes the spark of innovation. When job switching slows, bargaining power weakens, employers grow complacent, and pay stagnates while demands increase. The ecosystem decays, and in the end, everyone suffers.

The West may call it a new trend, but in Bangladesh, we have been hugging jobs forever. The bigger irony is that our policymakers and employers cling to outdated policies even more tightly. Without bold reform, this will not be job security but a national straitjacket, wrapping survival so tightly that progress cannot breathe.

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

Gold prices ease from record peak

REUTERS

Gold prices declined on Thursday, pulling back from a record high as investors locked in profits, while attention shifted to US jobs data for further insight into the Federal Reserve's policy path.

Spot gold was down 0.5 percent at \$3,541.78 per ounce as of 1041 GMT, while US gold futures for December delivery dipped 1 percent to \$3,600.90.

On Wednesday spot gold hit a record high of \$3,578.50 amid rising bets for a US Federal Reserve rate cut and lingering geopolitical and economic uncertainties.

"The market was way overbought and needed to correct," StoneX analyst Rhona O'Connell said.

The focus is now on weekly jobless claims and the ADP report due later in the day, and US non-farm payrolls data due on Friday. "If the jobless claims are way out of line, then we could see a reaction (in prices) – down if below, up if high," O'Connell said.

A Labor Department report showed on Wednesday that job openings fell more than expected to 7.181 million in July. Meanwhile, several Fed officials said labour market worries continue to animate their beliefs that rate cuts are imminent.

The market is now pricing in a 98 percent chance of a 25 basis-point rate cut this month, CME Group's FedWatch tool showed.

Non-yielding gold typically performs well in a low interest-rate environment and in times of uncertainty.

Questions about Federal Reserve independence will take centre stage on Thursday when President Donald Trump's economic advisor Stephen Miran testifies at a Senate Banking Committee hearing on his nomination to the US central bank's seven-member governing board.

China's carmakers are heading for a crash

REUTERS, *Hong Kong*

China's automotive industry must seem like an unstoppable force to outsiders. Local champions like BYD and Geely have supplanted the international brands that first made the country the world's largest car market in 2009. They sport the most advanced battery technology. And the People's Republic is now the largest vehicle exporter, prompting the US and the European Union to impose tariffs. Despite these advantages, scores of their carmakers are heading for a crash.

The ostensible problem is a vicious price war that has lasted more than two years. Rivalry has spiralled into what policymakers call "neijuan", which translates literally to "involution", a buzzword for a frantic, self-destructive struggle. The average price of a new car is likely to fall to around \$24,000 this year for a basket of six automakers including Great Wall Motor and BYD; that's 21 percent lower than 2021, according to estimates gathered by Visible Alpha. Carmakers also try to outdo one another with features like built-in hotpot cookers and multiple screens, free insurance and cheap loans.

That's crushing the industry, especially automakers focused on gas guzzlers. Some, like Mitsubishi Motors, have already left. Others are trying a different tack: Dongfeng Motor is taking its core business private and spinning off a nascent EV brand after sales fell 14 percent in the first half of 2025, prompting a profit warning. But smaller electric-car makers aren't immune. Last year for the first time, more EV-focused manufacturers left the market than entered it, consultancy AlixPartners noted, tallying 16 such exits.

The photo shows BYD electric cars waiting to be loaded to the automobile carrier BYD Shenzhen, in China's eastern Jiangsu province. BYD, the world's largest electric-vehicle maker, last week reported a nearly 30 percent drop in quarterly net profit. PHOTO: AFP/FILE

Big players are starting to feel the squeeze. After growing both market share and margins for much of the price war, BYD last week reported a nearly 30 percent drop in quarterly net profit. The world's largest electric-vehicle maker followed that on Monday with its second consecutive fall in monthly production, the first time that happened since 2020. The \$136 billion manufacturer had tried to boost sales with big discounts while splurging more on research and building new factories abroad. It was a similar story for Great Wall Motor, whose first-half net profit fell 10 percent.

Beijing insists it wants to end this extreme level of competition, with President Xi Jinping railing against disorderly price cuts. Soon after, in July, the industry ministry told carmakers to pursue "rational competition". Authorities are tweaking rules and guidelines, too.

Such measures have had little success. Worse, none of them addresses the root cause of the industry's woes: overcapacity. Passenger vehicle sales reached 27.6 million last year, per consultancy Automobility, but production capacity hit 55.6 million units, more than 50 percent higher than a decade ago, according to AlixPartners.