

## Increase efforts to recover bad loans

To rein in NPLs, political commitment is essential

There was a time when many international financial agencies hailed Bangladesh as the fastest growing economy in South Asia. However, after the ouster of Sheikh Hasina's corrupt, authoritarian regime, it was revealed that many of the numbers used to calculate this growth had been inflated—manipulated to hide the country's looted coffers. Today, the once thriving economy is burdened with non-performing loans (NPLs).

A report published by the Asian Development Bank (ADB) in August 2025 revealed that, in 2024, Bangladesh had the highest NPL ratio (calculated as a percent of total loans) in South Asia: 20.2 percent. Even Sri Lanka, ranking second in the chart, had only 12.9 percent NPL ratio in 2024. Between 2023 and 2024, the NPL ratio also increased the most in Bangladesh—by 11.2 percentage points. During the same period, India, Pakistan and Sri Lanka saw a decline in their respective NPL ratio. In fact, India's NPL amount came down from \$69.41 billion in 2023 to \$56.31 billion in 2024, because of its sweeping banking reforms.

The reasons behind Bangladesh's high NPLs are well-known. The ADB cited structural weaknesses in credit underwriting and loan resolution, while experts also pointed to regulatory lapses and political interference in loan classification. Under political pressure, defaulted loans from large conglomerates were repeatedly rescheduled, pushing many banks to the brink of insolvency. Following the political changeover last year, the interim government now faces the difficult task of uncovering the full extent of the banking crisis and recovering defaulted loans.

This has led the Bangladesh Bank (BB) to finally tighten the loan classification rules, which it warns will increase the total amount of distress loans, including NPLs, re-scheduled loans and the written-off ones. BB has also been ramping up measures to recover defaulted loans. In a significant move, it recently identified 100 pending lawsuits involving Tk 38,000 crore in bad loans that are preventing banks and financial institutions from taking action against the defaulters by selling their assets and recovering the loans. However, many large defaulters are currently absconding and some have siphoned the money abroad, which complicates the recovery process.

In addition to domestic factors, the amount of NPLs might also rise because of the global economic slowdown caused by trade disputes and geopolitical conflicts. Therefore, it is crucial for the government to not just continue the bad loan recovery process but also take strict disciplinary measures against both borrowers and lenders whose disregard for banking regulations contributed to the crisis. Transparency and accountability in the banking and financial sector must be ensured. Large conglomerates must break free from the default culture that has become normalised in the country. Political parties must also commit to continuing the banking reforms initiated by BB, whoever comes to power through the election next year. Furthermore, legal changes should be made to prevent the proliferation of banks, ensuring that financial institutions are never again exploited to drain the country's resources.

## Dismantle the teen gangs

Without proper intervention, they are getting more reckless and violent

We are alarmed by recent reports of violence and extortion carried out by teen gangs in Dhaka's Adabor and Mohammadpur areas, which have left residents afraid and insecure. According to a report by this daily, locals in these areas are routinely forced to pay extortion or face physical assault by these gangs. Many don't dare to go out after dark. An Adabor resident shared how he was forced to leave the area after gang members demanded monthly payments and beat him up when he refused. Gang members abduct individuals, demand ransom, rob valuables, and openly trade drugs. In one incident, a police team responding to a 999 call was attacked with sharp weapons, a constable getting injured and a police vehicle vandalised in the process. Such acts of brutality, often committed in broad daylight, expose the growing menace of teen gangs in the capital who continue to operate with impunity and little fear of consequences.

The teen gang culture has existed in Bangladesh for a long time. The fall of the Awami League government last year brought a temporary pause to their activities, but it has surged again in recent months, with violent crimes reported in Dhaka, Cumilla, Chandpur, and Manikganj. These gangs, often starting as teen groups, have now evolved into organised criminal networks. Beyond petty extortion and ransom, their influence has now extended to major land and property dealings, according to intelligence sources. Since August 5, 2024, Rab has arrested 884 suspects, most linked to teen gangs, in Mohammadpur and Adabor. Despite the arrests, these gangs continue to thrive, with new leaders emerging after each crackdown.

As political parties in the country often use these gangs to extend influence in their areas, we fear that the situation may worsen ahead of the next election. Therefore, we urge the political parties to stop using these young people to serve their petty political interests. At the same time, the government must take urgent and coordinated action to dismantle these gangs and restore public safety. For this, police must increase surveillance in known hotspots and ensure that arrests are backed by solid evidence to prevent repeat offences.

The fight against teen gang culture, however, cannot be won through arrests alone. For that, we need to address the root causes of gang involvement, including poverty, lack of education, and social tensions and alienations. Schools, families, and communities must work together to create a safe and nurturing environment for our youth so that they don't end up in teen gangs.

## THIS DAY IN HISTORY

### Baltic states get recognition

On this day in 1991, the Soviet Union recognised the independence of the Baltic states—Estonia, Latvia, and Lithuania.

# EDITORIAL

## Violence, discrimination, and the failure to reform



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The grounds for a historic mass uprising in the country last year was laid by many factors over the years. Among them were an authoritarian rule, a thoroughly repressive regime, total surveillance over people, and severe restrictions on freedom of expression. Elections became a farcical exercise. Courts, police, and universities—these institutions ceased to function as they should, operating instead under orders from above. There was also an unprecedented level of corruption and crime, alongside indiscriminate killings and atrocities aimed at suppressing public discontent. The mass uprising took place to break free from this unbearable situation, with the expectation that a democratic environment would be established, one where people would be freed from physical and mental repression, where tolerance would flourish instead of revenge and hatred, and institutions would become effective. A major expectation behind the uprising was that reforms would lead to a Bangladesh free from discrimination.

Recently, we also witnessed cases of mob violence, the collapse of the legal system, and violation of public rights. A discussion meeting on the topic of the Liberation War was organised by a group of people. Before the scheduled meeting could

Anti Terrorism Act. It is shocking that the government should file cases against the victims rather than those responsible for violence. Equally astonishing was the court's decision to send them to prison as accused in an anti-terrorism case. This demonstrates that institutions continue to operate under orders from above, just as before.

If a discussion meeting or expression of opinion is deemed problematic, the proper response is to hold 10 more meetings in counterargument. During Sheikh Hasina's era, we repeatedly emphasised that it should be "words against words, writing against writing, opinion against opinion." This is how constructive debate can

thugs or using them to attack general students. At Chittagong University, the administration contacted law enforcement to intervene, but they failed to respond in time. These incidents raise reasonable questions: how could such violence be allowed to escalate when it could be stopped? Why were provocations made instead of preventive action being taken?

It also appears that national interests are not a priority for the government. Instead of developing national capability, it focuses on signing questionable deals with foreign companies without tenders—a practice Sheikh Hasina also pursued—or on entering agreements without informing the public about the contents of the deals.



VISUAL: SALMAN SAKIB SHAHRYAR

even begin, a group of outsiders assaulted the speakers physically and verbally, using aggressive and offensive language. Present at the meeting were several senior freedom fighters. Among them, Abdul Latif Siddiqui—an elderly man, a former politician expelled from the Awami League, and a freedom fighter—was subjected to serious mistreatment. Sheikh Hafizur Rahman Karzon, a law teacher at Dhaka University, was also harassed, as was journalist Monjurul Alam Panna. When the police arrived at the scene, instead of suppressing or arresting the perpetrators, they arrested the victims. A day later, the victims were charged under the

enrich the social fabric. To attack people for their words, or to arrest, detain or imprison them for their opinions, is absolutely unacceptable. This is precisely a fascist attitude we are witnessing, once again. It is the government's obligation to ensure that such incidents do not recur. If someone commits a crime or engages in activities against the national interest, the government must address it through legal procedures carried out with full transparency.

During the recent spate of violence at several university campuses, we saw administrations—for example, at agricultural university—behaving just like their predecessors, harbouring

With only a few months left until the election takes place, as announced, the sole responsibility of the government now is to implement the necessary reforms and create an environment conducive to a credible election. Therefore, the key questions are whether the government will prevent further deterioration of law and order, whether it will take a strict stance against those engaged in violence, and whether it will move towards holding an acceptable election. The primary responsibility rests with the government, and only through the fulfilment of this obligation can Bangladesh hope to overcome the current uncertain situation.

## The Cumilla crash exposes a systemic failure



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The video of a crash in Cumilla last month presents the horrifying portrait of a system in collapse. The grainy, time-stamped frames on the Dhaka-Chittagong highway shows a sedan making a lawful turn and a colossal covered van losing its battle with physics, resulting in a catastrophic crush of metal. Then comes the frantic escape of the driver—not a portrait of evil, but a rational calculation in a system where accountability is absent and survival demands flight.

The Cumilla tragedy, which claimed four lives, is more than a news story. It is a live autopsy of the state's governance failure. It exposes the broken code beneath our asphalt, written in the language of corruption, institutional neglect, and disregard for human life.

To fix this, we must move beyond easy outrage over "reckless drivers." That is a symptom, not the disease. The disease is technical, political, and deeply systemic. Our roads mirror the state's priorities, and they are designed less for citizen safety than for profit. As Paul Virilio observed, inventing the highway means inventing the highway disaster. In Bangladesh, we have engineered a particular disaster—optimised for failure through deliberate policy choices and technical neglect.

Let us break down the crash sequence not as a traffic incident, but as a policy failure.

First, the infrastructure deficit. That U-turn near Hotel Nurjahan was not fate; it was poor planning. It was a known black spot, a flaw hardwired into the design. Our roads are built for ideal conditions, not for real human behaviour. We leave under-construction flyovers to narrow lanes but fail to install temporary calming measures. We design highways as straight-line racetracks interrupted by deadly conflict points. The engineering is blind to human error—a profound technical failure.

Second, the vehicle ecosystem. The cement-laden van flipped not only due to speed. Although the actual causes have not been verified yet, many such vehicles crashed in the past due to weight distribution and poor maintenance. Regulatory bodies meant to ensure vehicle fitness—checking for overloading, faulty brakes, and rotten suspensions—are complicit or powerless. The commercial transport economy runs on overloading and skipped maintenance; it is more profitable to risk a fine than to operate safely.

Policy incentivises death. When a driver knowingly operates a hazardous vehicle, he is making a rational economic choice within a

broken system—a choice designed for him.

Third, the enforcement architecture. The most telling image is the driver's escape. He ran because he knew he could. The odds of being caught, prosecuted, and held accountable are vanishingly small. Enforcement is sporadic, theatrical, and often corrupt. It functions as negotiation, not deterrence. A traffic police force is not only about issuing fines; it is the citizen's most visible interaction with the rule of law. When this becomes transactional, it signals that laws are optional for those with cash or connections.

Here theory meets tarmac. This is not random chaos, but a textbook case of the "tragedy of the commons." The road is a shared resource—we all benefit from safety and efficiency. Yet individual actors—the bus driver taking shortcuts, the trucker overloading, the car owner double parking—gain by cheating. The collective cost is gridlock and carnage. Preventing this requires a strong, impartial referee—the state. In Bangladesh, the referee is not merely absent; it often plays for the other team.

So, what is the way out? We need a ruthless, technical, and systemic overhaul. This is not about vague appeals to awareness but about rewriting the code.

First, engineer the roads for failure, assuming human error. Design roads that forgive mistakes. Mandate regular safety audits of all highways by independent engineers, instead of government committees. Install crash barriers, signage, automated speed cameras, and redesign lethal intersections. These are technical fixes requiring political will and

capital directed to safety. Second, fix the incentives by reforming vehicle regulation and enforcement. Remove human discretion and its corruption. Use automated weight-in-motion sensors at bridge approaches to fine tune overloading digitally. Mandate GPS trackers in commercial vehicles to monitor speed and rest times. Make vehicle owners, not just drivers, legally liable for accidents caused by mechanical failure. Shift the calculus from "unsafe is cheaper" to "unsafe is bankrupting."

Third, build real deterrence. Modernise and depoliticise the police force for data-led enforcement. Use CCTV footage, like that which captured the Cumilla tragedy, not for viral shame but as legal evidence. Establish a dedicated highway patrol with forensic capacity to investigate crashes as crimes, not accidents. Ensure swift, transparent trials for traffic fatalities. When the state demonstrates impartial rule of law, behaviour changes. The fleeing driver is the canary in the coal mine; his escape confirms systemic failure.

The Cumilla family died not from misfortune, but from a chain of deliberate policy choices: flawed engineering, a corrupted regulatory environment, and a culture of impunity sanctioned from above. Mourning them is not enough. We must demand a cold, technical revolution on our roads—governance built not on connections and chaos, but on data, design, and deterrence.

The road is a test—the simplest, most daily measure of whether the state can perform its basic duty: to protect its people. Right now, we are failing. Yet the blueprint for success is clear, if we have the courage to read it.