Star BUSINESS

New rules bar bank officials, directors from shariah committees

STAR BUSINESS REPORT

Banks will have to form independent "shariah supervisory committees" under a new guideline issued by the Bangladesh Bank, which bars directors, executives, and their family members from serving on such bodies.

The guideline, issued yesterday, states that each committee must consist of three to five members, including shariah experts, Islamic scholars, and professionals with experience in economics and banking.

"No member of the board or executive committee or audit committee or officer of the concerned bank, as well as no officer, board, or executive committee member of any other bank, shall in any way be eligible to become a member of the shariah supervisory committee," it states.

The guideline, set to come into effect on January 1, 2026, states that the committee members will not be allowed to have any business interest in the bank, nor ties to any entity owned or controlled by its directors. In addition, no member of their families may be included in the board of directors of the said bank or companies.

At present, many chairmen, directors, managing directors, and other officials hold seats on shariah supervisory committees, often without adequate knowledge of shariah principles.

Under the new rules, no individual can serve on the supervisory committees of more than three banks or financial institutions at once. They will also be disqualified if they have any financial transactions, conflicts of interest, or irregularities.

The task of the shariah committee will be to oversee and approve whether all types of transactions and products of the bank comply with Islamic shariah principles.

READ MORE ON B3

One in three graduates remains jobless for up to 2yrs

Finds state-run statistical agency

MD ASADUZ ZAMAN

One in three university graduates remained unemployed for up to two years while looking for work last year. Of them, one in seven had been without work for between one and two years.

In the next category, one in six graduates had been jobless for more than two years.

The findings come from the Labour Force Survey conducted by the Bangladesh Bureau of Statistics (BBS). The state agency released the report this month.

Employment experts have termed one-third of graduates remaining jobless a serious concern. They say long-term unemployment can create a "scarring effect" on the careers of young people. Those starting jobs with a lag of one to two years are likely to remain behind throughout their career.

According to the Labour Force Survey report, there were 26.24 lakh unemployed people in 2024, including 8.85 lakh university graduates.

In the report, BBS detailed how jobseekers searched for work and the overall state of the labour market.

According to the report, nearly 36 percent of unemployed young people relied mainly on relatives and friends for help finding a job, while 26 percent applied through advertisements.

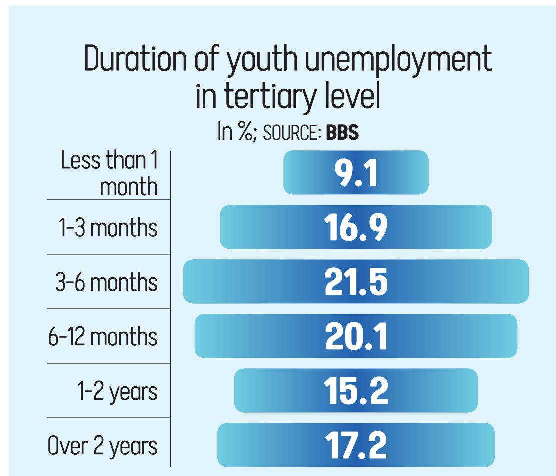
About 12 percent approached organisations in person and 9 percent sent applications directly to institutions. Another 5.5 percent said they decided whether to apply only after seeing advertisements, while 3.5 percent tried to get work through walk-in interviews.

"This is called long-term unemployment. Even after six months, it becomes a matter of concern," said Rizwanul Islam, former special adviser for the Employment Sector at the International Labour Office in Geneva.

"This is a clear waste of talent and assets. In terms of education, training, and society, what we call 'misallocation of resources' or 'underutilisation of skills' is a much more serious problem in the long term," he said.

"Unemployment also tends to persist as people move from one job to another. The structure of job transition itself contributes to long-term unemployment," said Islam.

READ MORE ON B3



BY THE NUMBERS

Total labour force: 7.17cr

Total unemployed people: 26.24 lakh

Youth unemployment: 20 lakh

Of them, 8.85 lakh graduates are unemployed

TOP MODES FOR JOB SEEKING

Help from relatives, friends, and others: 35.8%	Job advertisements: 25.8%	Direct inquiries at factories or job sites: 11.7%	Applications to prospective employers: 9.7%

Foreign aid use jumps 64% in July-August

STAR BUSINESS REPORT

Bangladesh used $750 million in foreign aid during the first two months of the current fiscal year, a 64 percent rise compared to the same period last year, according to data released by the Economic Relations Division (ERD).

Officials said the sharp increase came after a period of disruption caused by nationwide protests. The student-led movement severely hampered regular administrative work in the July-August period last year.

"This year, with political stability and normalcy prevailing, foreign aid utilisation has significantly improved," said an ERD official.

Among the development partners, Russia provided the highest amount at $315.40 million, followed by the World Bank with $254 million and the Asian Development Bank (ADB) with $99.12 million.

Japan gave $20.70 million and India $20.95 million in the first two months of fiscal year 2025-26. No money was released from China during the period.

During the period, new aid commitments surged twelvefold and reached $244 million, compared to just $20 million a year earlier. Of this total, $150 million came from a single ADB loan agreement.

READ MORE ON B3

Govt to adjust six safety net schemes with inflation

STAR BUSINESS REPORT

The finance ministry has decided to review six cash-based social safety net programmes at least once a year to ensure that the benefits remain adjusted for inflation.

According to a circular issued by the ministry around the middle of the current month, the Consumer Price Index will be used as the benchmark economic indicator for reviewing the benefits under these programmes.

Based on the review findings, recommendations will be provided to the related advisory committee or ministerial committee through the finance secretary.

The six programmes are old age allowance, allowance for widows and deserted women, disability allowance and education stipend, underprivileged people's livelihood development, benefits for mother and child, and employment generation for the poorest.

The circular said a working committee headed by an additional secretary of Macroeconomic Wing-1 of the Finance Division would be formed to conduct the review.

Representatives from the Cabinet Division, General Economics Division, and Bangladesh Bureau of Statistics will be included in the committee.

A ministry official stated that if the review finds the allowances to be lower than the inflation-adjusted benchmark, recommendations will be placed before the Cabinet Division for an increase.

For the current fiscal year, the number of social safety net programmes has been trimmed to 95. Previously, there were 140. The government allocated Tk 126,731 crore for the programmes, which is 16.04 percent of the total budget.

READ MORE ON B3

Ceramic makers battered by real estate slump, credit crunch

PHOTO: AMRAN HOSSAIN

Market trends (In the last one year)

Demand falls up to **30%**	Real estate slowdown hits sales	Capital flight weakens local demand

Finance

Liquidity crunch limits housing finance

Banks stop loans; buyers vanish

Competition

Manufacturers locked in price wars

Firms slash prices to survive

Pressures

Gas shortages, taka depreciation hurt

Outlook

Industry eyes post-election rebound

Public procurement

Public procurement paused amid uncertainty

PRODUCTION

Production drops across major plants	Factories run **60%** below capacity	Weak demand forces cutbacks

JAGARAN CHAKMA

Bangladesh's ceramic industry is going through its harshest downturn in more than 10 years, with demand for tiles and sanitaryware collapsing by as much as 30 percent, according to industry insiders.

The slump, driven by a prolonged stagnation in the real estate sector, a freeze on government development projects, and a liquidity crunch in the banking system, has pushed many smaller manufacturers to the brink.

Industry insiders say the crisis has been further intensified by capital flight, inflation and energy disruptions, ultimately triggering destructive price wars and leaving the sector trapped in a spiral of falling demand and rising costs.

According to the Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA), the country has 62 ceramic companies, including 11 tableware, 12 sanitaryware, and 39 tile manufacturers. Together, they have a combined annual production capacity of 207 million square metres of tiles, 32 million pieces of tableware, and 1.6 crore pieces of sanitaryware.

Local manufacturers meet 87.29 percent of domestic demand, which has been growing at an average annual rate of 12.71 percent. Domestic consumption stands at around $633 million for tiles, $180 million for sanitaryware, and $75 million for tableware.

REAL ESTATE SLUMP AT THE ROOT

"The ceramic sector has entered a deep slump," said Md Mamunur Rashid, additional managing director of X Ceramic Group. "Real estate has seen almost no growth in recent years, and because our industry is directly tied to it, the impact has been severe."

He also blamed the banking sector crisis, driven by rising non-performing loans and large-scale capital flight during the previous administration, for choking off credit to potential homebuyers.

"Banks once financed 70-80 percent of apartment purchases. That has stopped. Middle-income professionals can no longer afford flats, and even upper-middle-class buyers are moving money abroad instead of investing locally," Rashid explained.

Tiles have been hit hardest, with demand plummeting by 25-30 percent over the past two years.

READ MORE ON B3

Why hilsa prices soar despite ample catches

REFAYET ULLAH MIRDHA *and* SUKANTA HALDER

A market system requiring trade at multiple tiers and advance loans taken from informal sources by fishermen are the main causes of abnormal price hikes of hilsa in the domestic markets, even though adequate amounts are caught each year, according to a survey.

Local businesspeople who provide the credit set the minimum prices at fish landing stations.

From that point, the price continues to rise, starting from bidding by traders seeking to make wholesale purchases, according to the survey on the marketing process conducted by the Bangladesh Trade and Tariff Commission (BTTC).

The hilsa changes hands at least six times before reaching consumers, and at every stage the price increases by around 60 percent, said the survey published on September 25.

Ultimately, consumers bear the higher prices, while the fishermen are deprived.

The price of the national fish of Bangladesh rose by 57.14 percent over the last five years, the survey also said.

For instance, the lowest price of a hilsa was Tk 600 in June this year. Although it declined a bit in July and August, it rose by 50 percent in September to reach Tk 900.

READ MORE ON B3