

Star BUSINESS



Yunus calls for self-reliance as businesses seek LDC delay

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Three business leaders yesterday once again urged Chief Adviser (CA) Professor Muhammad Yunus to defer Bangladesh's graduation from the group of least developed countries (LDCs) by at least three years from November 2026 to allow better preparation.

They made the demand at a meeting on the progress of graduation preparedness and the implementation of a "Smooth Transition Strategy" (STS) held at the CA's office in Dhaka, where most of his cabinet colleagues were present.

Business representatives have repeatedly called for a deferment of the LDC graduation over the past few months, arguing that they are not yet ready for a smooth transition.

"We have again requested the government to defer the graduation, as we need more time to prepare," said Mahmud Hasan Khan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

"There are some issues related to commerce and finance that need to be improved for a smooth graduation and for the implementation of the STS, which is the roadmap for LDC graduation," he said.

Talking to The Daily Star over the phone, he pointed out that two critical factors — the ease of doing business and the cost of doing business — require significant improvement, which would take at least three years of preparation.

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Shariah bank merger gains momentum

Merged lenders to be named United Islami Bank; ordinances on bank merger and depositor insurance to be placed at advisory council meeting today

REJAUL KARIM BYRON

The government is set to table two draft ordinances related to overhauling the country's troubled banking sector at the advisory council meeting today.

One draft ordinance is about the merger of five struggling shariah-based lenders into a single entity, to be called United Islami Bank, while the other seeks to set up a Depositor Insurance Authority to protect public funds.

According to finance ministry officials, the paid-up capital of the proposed new shariah bank has been set at Tk 35,200 crore.

Of this, Tk 20,000 crore will come from the national exchequer, with Tk 10,000 crore drawn from the current fiscal year's allocation and the remainder raised through Sukuk bonds.

The remaining capital will come from the Deposit Insurance Fund, contributing Tk 12,000 crore, while levies collected from banks will add another Tk 3,000 crore.

The five banks identified for the merger are First Security Islami Bank, Union Bank, Global Islami Bank, Social Islami Bank, and Exim Bank.

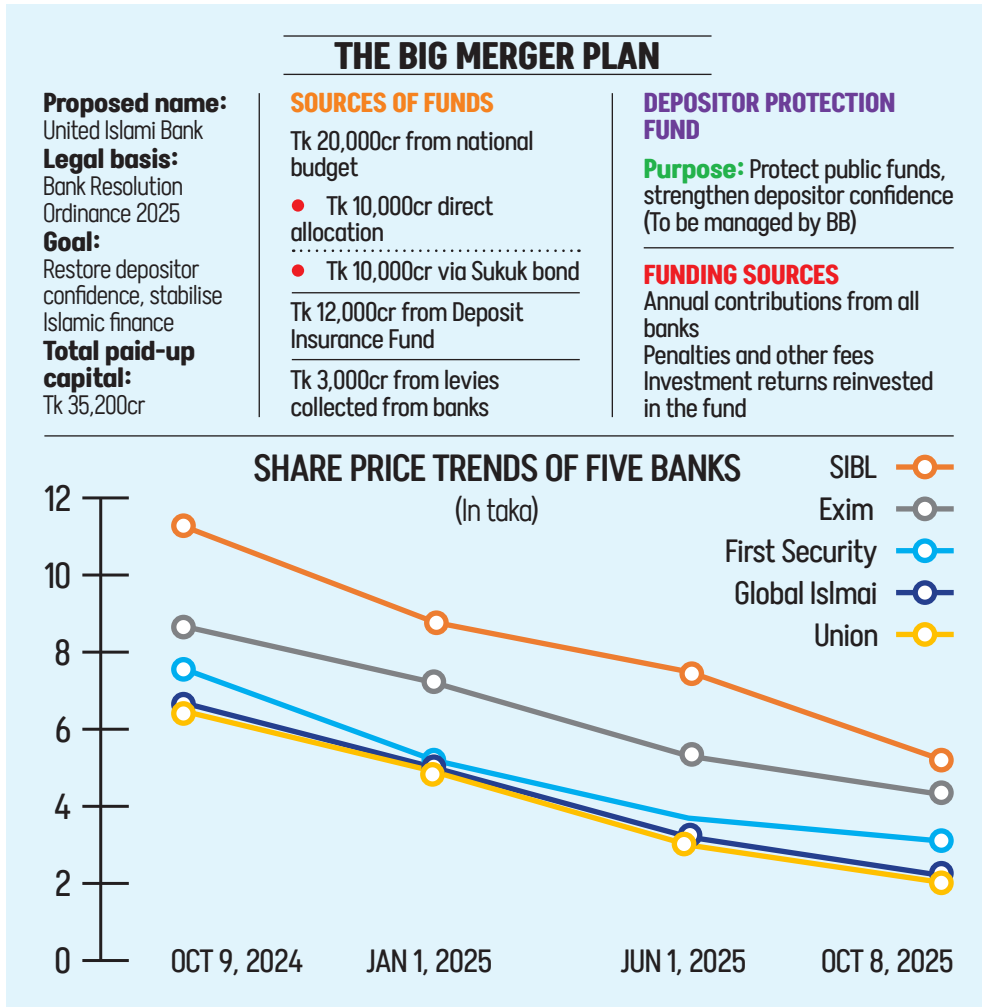
"This is the most ambitious banking sector reform in the country's history," said a senior finance ministry official, requesting anonymity.

"It is designed to avoid the cost and consequences of liquidation and to restore depositor confidence in Islamic finance," added the official.

Depositors of the merged banks will be allowed to withdraw up to Tk 2 lakh if they choose to close their accounts.

Larger individual deposits will be repaid in phases, while institutional depositors will be reimbursed through a separate mechanism, the official added.

If approved, United Islami Bank will proceed with licensing and operational formalities. Officials said the proposed name may be revised based on discussions at today's meeting, to be chaired by Chief Adviser Prof



Muhammad Yunus.

The merger is being carried out under the newly enacted Bank Resolution Ordinance 2025, which grants broad powers to restructure weak banks.

The move follows forensic audits conducted earlier this year by international accounting

firms, which found alarming levels of financial distress in the five banks.

The audits showed that non performing loans (NPLs) accounted for 96.37 percent of total loans at First Security Islami Bank. Union Bank followed with 97.8 percent,

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Experts urge stronger tech, oversight in capital market

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Bangladesh needs to strengthen both the use and monitoring of technology to create a more transparent and efficient investment ecosystem in the share market, according to experts in the capital market.

They made the remarks yesterday at a seminar on technology and digital finance, organised jointly by the Dhaka Stock Exchange (DSE), the Chittagong Stock Exchange (CSE), the DSE Brokers Association of Bangladesh (DBA), and Central Depository Bangladesh Ltd (CDBL), following World Investors Week from October 6 to 12.

BSEC Commissioner Md Saifuddin said, "We must clearly understand where we stand in building a complete investment ecosystem. Identifying our technological gaps, structural weaknesses, and accountability issues is essential."

He noted that the disclosure of information remains one of the market's biggest challenges, causing long-standing difficulties for investors.

"There is still a lack of proper coordination among exchanges and institutions such as CDBL and CCBL. It is time we all work together," he added.

Highlighting a new initiative, Saifuddin said the BSEC has introduced the Extended Extensible Business Reporting Model, a machine-readable financial reporting format aligned with international standards.

"This will make research, analysis, and supervision much easier, but it requires

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World Bank maps 'trident-shaped' growth corridor in Bangladesh

Dhaka, Ctg and Rangpur drive jobs and output, as WB warns of regional disparity and policy mismatch

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Bangladesh's industrial and job growth has increasingly concentrated around Dhaka and Chattogram and, more recently, in the Rangpur city corporation area, forming a trident-shaped growth corridor, said a new World Bank (WB) study.

"This polarisation trend is also evident in nighttime lights (NTL) satellite imagery," said the WB in a special focus on a new urbanisation pathway to boost job growth in Bangladesh in its Bangladesh Development Update released on Tuesday.

NTL value is highest and grows fastest in the Dhaka metropolitan region and Chattogram region. More broadly, stronger NTL growth has occurred in the major regional cities with a population of more than 200,000, as well as the neighbouring highway areas linking these cities, it added.

The WB report said that over the past two decades, Bangladesh has undergone significant shifts in the geography of employment, population growth, and infrastructure development, driven largely by the rapid expansion of its manufacturing sector, particularly the garment and textile industry.

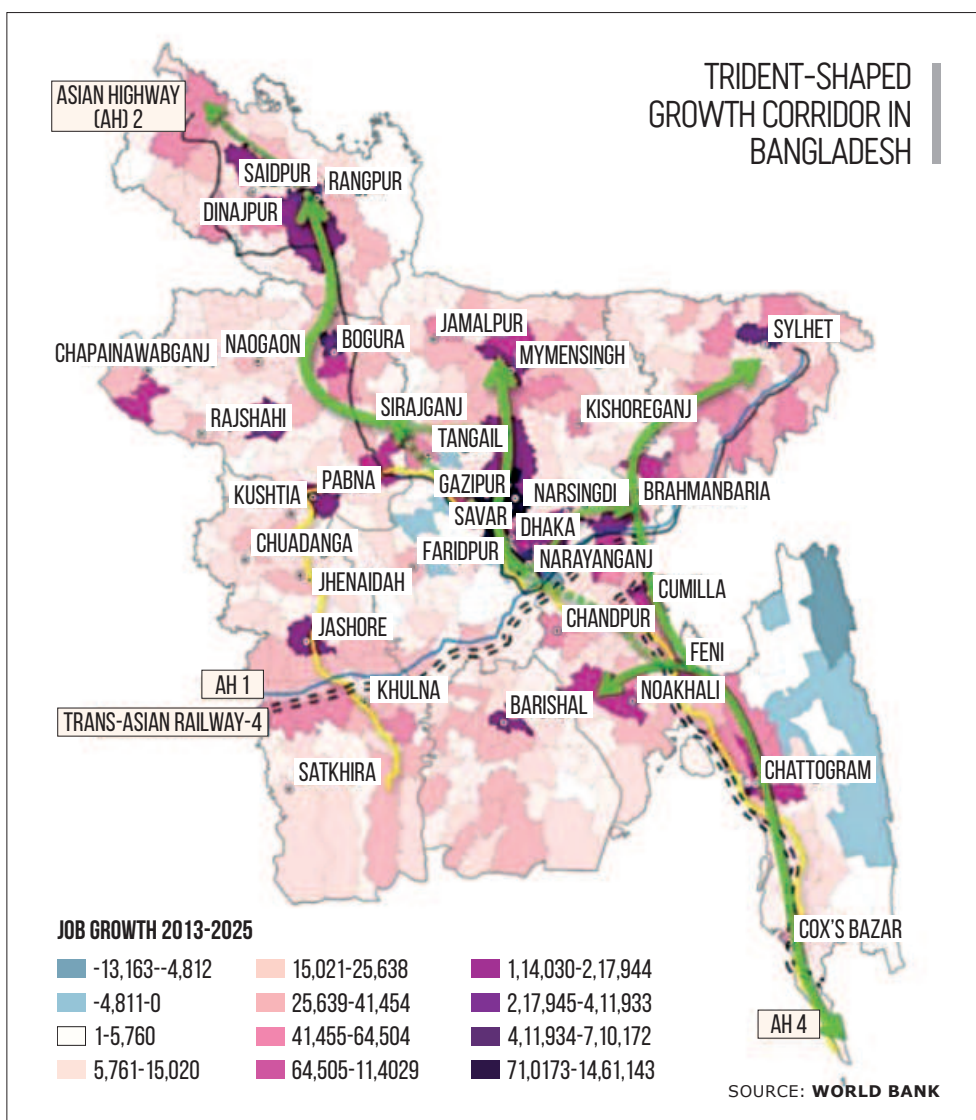
Such dynamism has been shaped mainly through "bottom-up" market forces, most of which have taken place in the absence of appropriate planning, sufficient infrastructure, and basic service support.

"This somewhat chaotic and unregulated development and industrialisation process, at least at the earlier stage, has contributed to the overall growth story of Bangladesh as market demand was able to be accommodated quickly and responsively," it said.

However, rapid expansion in the Dhaka-Chattogram corridor has created congestion pressures. As such, industrial development has continuously suburbanised to the "periphery areas" of key growth engines, administratively classified as rural areas, with even less infrastructure and planning support than the urban centres, it added.

The WB said industries have grown faster when located in areas with access to major urban labour markets and the Chattogram port for imports and exports.

The fastest job growth has occurred along



the Dhaka-Chattogram corridor, which hosts most large, high-productivity manufacturing jobs, particularly in garments and textiles.

Recently, this growth has extended south toward Cox's Bazar and north toward Sylhet, Mymensingh, and Rangpur, forming a trident-shaped growth pattern, though on a smaller scale, it added.

The WB report said several municipalities

within and beyond the main growth corridor, such as Madhabdi-Narsingdi, Brahmanbaria, and Noakhali, have gained importance due to their strategic locations.

Narsingdi and Madhabdi, situated east of Dhaka near the Meghna River, have attracted many textile industries in the past decade, including foreign investments.

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NBR chief tells businesses to report officials' misconduct

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National Board of Revenue (NBR) Chairman Md Abdur Rahman Khan yesterday urged businesses not to tolerate any misconduct by field-level NBR officials and to file formal complaints against them when such incidents occur.

"We've issued clear instructions about the law, yet some field officers don't follow them. And some of the blame lies with you professionals — why do you tolerate it?" he asked.

Khan made the comments while meeting with member companies of the Foreign Investors' Chamber of Commerce and Industry (FICCI) at the NBR headquarters in the capital's Agargaon.

The NBR chairman reminded businesses and taxpayers that government officers are public servants whose salaries are funded by tax money.



"Their salaries come from your tax money, so why should you tolerate them ignoring government orders? The more you tolerate, the more irregularities they will commit. This attitude must change," he added.

The NBR chairman urged businesses to actively report misconduct through the board's grievance redress system, which he said can now be accessed online on the NBR website.

"You can lodge complaints online, stating what happened and what you tried to do. We will conduct an inquiry and take disciplinary action," he said.

Khan also hinted that disciplinary actions are already taking place, saying, "We receive a lot of information through various channels. But if you don't raise your voice, the situation will never improve."

Businesses at the event echoed the concern, saying that inconsistencies at the field level continue to create confusion for them.

Md Mahbub ur Rahman, CEO of HSBC Bangladesh, said outward payments, double taxation agreements, and corporate or VAT compliance were the three key challenges for most members, though the degree of relevance may vary.

"Most of our members' home countries have double taxation agreements with Bangladesh, so clear guidance from the NBR on their implementation is needed," he said.

Khan further urged revenue officials to change their mindset, warning against harassment or arbitrary tax collection.

"I will collect tax as per law, not through coercion or harassment," he said.

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