

Bangladesh missing out on \$3tn global halal market

Businesspeople demand independent authority to issue accredited certifications

STAR BUSINESS REPORT

Bangladesh is failing to tap into the \$3 trillion global market for halal products as exports remain below \$1 billion, mainly due to the absence of a proper ecosystem and an independent authority to issue accredited certifications, said businesspeople.

This rapidly growing industry is projected to reach \$9.45 trillion by 2034. However, Bangladesh's exports of mostly agro-based products are limited to around \$850 million, they added.

The comments came at an event organised by the Dhaka Chamber of Commerce and Industry (DCCI) in the capital yesterday.

Razeev H Chowdhury, senior vice-president of the DCCI, said that in addition to Muslim consumers, many non-Muslim countries are now showing growing interest in halal products due to their quality and hygienic production processes.

Given the current pace of expansion in the global halal market, Bangladesh has a significant opportunity to tap into this sector, he added.

"As the fourth-largest Muslim-majority country in the world, and with abundant agricultural, livestock, and fisheries resources, Bangladesh holds strong potential," he said.

However, Chowdhury expressed disappointment that currently, non-Muslim countries produce most of the halal products available worldwide.

"Bangladesh's readymade garment sector has already demonstrated its capabilities on the global stage. Now, it is time to develop the halal industry as

lack of modern laboratories and technology, and a shortage of skilled manpower, he said.

Chowdhury suggested implementing an automated certification system, establishing advanced laboratory facilities, and strengthening traceability and logistics support to overcome these barriers.

He also emphasised the need to form a "Halal Certification Board" comprising representatives of the state-run Bangladesh Standards and Testing Institution (BSTI) and the Bangladesh Islamic Foundation (BIF) to ensure global recognition of local certificates.

Additionally, he said, Bangladesh must strictly follow the guidelines of the Standards and Metrology Institute for Islamic Countries and take strong diplomatic and commercial initiatives to promote its halal products internationally.

In a presentation, Mominul Islam, assistant professor at the International University of Business Agriculture and Technology, pointed out that both the BIF and BSTI issue halal certificates, often resulting in procedural complexities.

He added that key barriers to the sector's development include the lack of modern equipment, skilled human resources, and supply chain systems; weak country branding; limited small and medium enterprise participation; and the absence of a unified halal policy.

Md Abul Kalam Azad, assistant manager for export at Paragon Group, emphasised the need for a digital, technology-based halal certification system and compliance audits to ensure

GLOBAL TRENDS

- The current global halal market is worth around \$3tn
- The market could reach \$9.45tn by 2034
- Non-Muslim countries also see rising demand
- Most halal products are currently produced in non-Muslim countries

Bangladesh's opportunities

Bangladesh's halal exports are currently under \$1b

Most exports from Bangladesh are agro-based products

Bangladesh is missing out on the booming global market

The country has strong potential as a Muslim-majority nation

Challenges

Lack of awareness and testing laboratories

The absence of a central halal certification board

Multiple certifying bodies cause procedural delays and inconsistencies

Recommendations

Introduce automated certification systems

Improve testing labs and infrastructure

Bring policy reforms for sectoral growth



Razeev H Chowdhury, senior vice-president of the DCCI, said many non-Muslim countries are now showing growing interest in halal products due to their quality and hygienic production processes

a new driver of our economy," he added.

Despite the vast potential, Bangladesh faces several structural and institutional challenges in developing the halal industry, including low awareness of halal standards,

product quality.

AGM Sayadul Haq Bhuiyan, head of supply chain and export at Bengal Meat, underscored the importance of value addition and the use of blockchain technology to trace animal life-cycle data.

He also stressed that halal

certification authorities in Bangladesh must achieve international accreditation standards.

Abu Saleh Patwary, deputy director at the BIF, mentioned that currently no government entity is capable enough to independently issue halal certificates, for which several institutions coordinate this process.

He also emphasised enhanced government monitoring for quality assurance of halal products.

Baby Rani Karmakar,

director general-1 at the Export Promotion Bureau, highlighted that the global halal market is growing by approximately 12 percent annually, but Bangladesh is still lagging behind.

She called for concerted efforts to increase Bangladesh's market share in the global halal industry.

Ariful Hoque, director general of international investment promotion at the Bangladesh Investment Development Authority, stated that Bangladesh's halal sector

could play a vital role in export diversification following its graduation from least developed country status.

He said the government is seriously considering establishing a dedicated economic zone for the halal industry.

Aminul Islam, director general of the Bangladesh Accreditation Board, said Bangladesh is lagging behind in global halal market participation and that coordinated efforts could help unlock the sector's full potential.

WEEKLY STOCKS Indices slide on weak investor confidence

STAR BUSINESS REPORT

Equities on the Dhaka Stock Exchange (DSE) closed lower last week as investors remained cautious during the ongoing earnings season, with sentiment further dampened by a tax hike on securities income.

The benchmark DSEX index shed 132.07 points, or 2.44 percent, to finish at 5,283.72, while the DS30, which tracks blue-chip stocks, and the DSES, comprising Shariah-compliant companies, also declined, according to DSE data.

The sell-off was driven by uncertainty over earnings and dividend declarations of June-closing companies, alongside the government's decision to raise the source tax on income from government and other securities to 15 percent from 10 percent, said brokerage house EBL Securities in its weekly review.

Turnover, however, surged to Tk 3,285.63 crore, up from Tk 1,860.32 crore a week earlier, partly due to the shortened trading week caused by the Durga Puja holidays.

"Notable buying interest was witnessed in general insurance stocks, buoyed by optimism over potential business expansion prospects following the central bank's recent directive allowing the export of goods on open account credit terms against coverage from domestic insurance companies," EBL Securities said.

The general insurance sector accounted for the highest investor activity at 11.8 percent of turnover, followed by pharmaceuticals at 10 percent and textiles at 9.7 percent, while travel dropped by 7 percent to become the week's worst performer.

Market breadth was negative, with 298 issues declining, 79 advancing, and 19 remaining unchanged.

US threatens to sanction nations that back shipping carbon tax

AFP, Washington

The United States on Friday threatened to impose sanctions and take other punitive action against any country that votes in favor of a carbon tax on maritime transportation to be implemented through a UN agency.

"We will fight hard to protect our economic interests by imposing costs on countries if they support" the Net Zero Framework, said a joint statement by US Secretary of State Marco Rubio and his counterparts at the departments of energy and transportation.

Members of the London-based International Maritime Organization (IMO) are set to vote next week on the adoption of the Net Zero Framework (NZF) agreement aimed at reducing global carbon emissions from the shipping sector.

Washington, however, described the proposal as imposing "a global carbon tax on the world."

Wall Street selloff raises worries about market downturn

REUTERS, New York

Investor worries that Wall Street's record stock rally would soon fizzle loomed large on Friday after tariffs re-emerged as a market risk.

US equity markets, fresh off midweek record highs, performed an about-face during the trading session after President Donald Trump revived threats to hike tariffs against China. Investors worried that a possible tit-for-tat trade drama between the world's two biggest economies could mark the end of a record-breaking rise in US equities.

Trump, who was due to meet Chinese President Xi Jinping in about three weeks in South Korea, questioned whether there was a reason to take the meeting and complained on social media about what he called China's plans to hold the global economy hostage after it dramatically expanded its rare earths export controls on Thursday.

Late on Friday, after Wall Street's official trading session had ended, Trump said he would impose an additional 100 percent tariff on imports from China on November 1, as well as export controls on critical US-made software. The Republican President said he had not canceled the meeting with Xi but his tariff threats sent market heavyweight shares tumbling.

Nvidia, Tesla, Amazon.com and Advanced Micro Devices all fell more than 2 percent after the bell.

TARIFF TALK DRIVES DOWN MARKET

During the regular trading session, Wall Street stocks had already sold off sharply. The Dow Jones Industrial Average had closed down 1.90 percent while the S&P 500 finished down 2.71 percent, and the Nasdaq Composite lost 3.56

percent on the day.

The S&P 500 and the Nasdaq recorded their largest single-day percentage drops since April 10.

The selloff raises concerns that high stock market valuations propelled by enthusiasm over artificial intelligence might lead to a significant downturn.

The S&P 500 and the Nasdaq hit record highs on Thursday and are up about 11 percent and 15 percent, respectively, in 2025. The Dow has gained about 7 percent year-to-date. Sky-high valuations have rekindled memories of the late 1990s dotcom bubble that burst in 2000.

JPMorgan Chase CEO Jamie Dimon, in a BBC interview on Wednesday, warned of a heightened risk of a significant Wall Street correction within the next six months to two years.

"With equities at high valuations, this selloff is a sign of jitters," said Gene Goldman, chief investment officer at Cetera Investment Management. "Everything is priced for perfection, so the uncertainty increases market jitters. All of this adds uncertainty to economic growth."

In April, Trump's announcement of what he called Liberation Day tariffs stunned markets and sent investors scrambling, causing S&P 500 stocks to shed a combined \$2.4 trillion in market value.

However, some investors say the latest US-China trade tensions are unlikely to significantly change the market trajectory, with AI remaining the driving factor.

"This is definitely a significant issue, and it could warrant a pullback but I don't necessarily see it derailing the AI theme that's been driving the market," said James St Aubin, chief investment officer at Ocean Park Asset Management.

New law to fully insure

FROM PAGE B1

The contribution rate will vary according to each institution's risk profile.

Of the country's 35 NBFIs, 21 are in poor financial health, according to the Bangladesh Bank. Of them, nine are under consideration for liquidation.

All the 35 non-banks collectively hold deposits of nearly Tk 50,000 crore, up 4 percent year-on-year, spread across about 4.8 lakh accounts.

The average deposit per account stands at Tk 10.36 lakh, as per the central bank.

PAYOUT TIME CUT TO 17 DAYS

Once the new ordinance is enacted, depositors of the five shariah-based banks currently undergoing merger will be entitled to receive up to Tk 2 lakh. The payout period for protected deposits will be reduced from 180 days to just 17 working days.

Under the existing Deposit Insurance Act, banks maintain a protection fund. It is financed by premiums collected from their deposits. From it, Tk 12,000 crore will be used to recapitalise the merger of the five shariah-based commercial lenders.

As of June this year, total deposits in the banking sector stood at about Tk 20 lakh crore, up 9 percent from a year earlier.

The number of bank accounts rose to 16.9 crore from 15.84 crore, with an average deposit per account of Tk 1.18 lakh.

BB TO OVERSEE NEW AUTHORITY

Once in force, the Deposit Insurance Ordinance will replace the Bank Deposit Insurance Act 2000, marking a shift towards aligning the country's deposit protection system with global standards.

The ordinance will set up a Deposit Protection Authority under the supervision of the Bangladesh Bank (BB).

The authority will oversee all deposit insurance activities and manage two separate funds, the Deposit Protection Fund for banks and the Deposit Protection Fund for NBFIs, to handle

risks independently across banking and non-banking sectors.

Each fund will have its own board and director, with no transfer of resources between them. A dedicated department will be created within the central bank to administer the scheme.

Premium rates will be based on each institution's risk exposure. Banks and NBFIs will contribute annually through regular and special premiums.

The fund will also receive revenue from penalties and other sources, while investment earnings will be reinvested.

Banks and NBFIs will be required to submit lists of insured deposits to the authority. The central bank will notify depositors if a bank decides to close.

For individuals holding multiple accounts, all accounts will be treated collectively under a single depositor profile during payout.

Bitcoin extends decline to \$104,782

REUTERS

Bitcoin, the world's largest cryptocurrency by market value, extended declines on Friday after US President Donald Trump escalated his trade conflict with China.

Trump on Friday said he was raising tariffs on Chinese exports to the US to 100 percent and imposing export controls on "any and all critical software" in a reprisal to recently announced export limits by China on rare earth minerals critical to tech and other manufacturing.

The spat shook global financial markets, sending the benchmark S&P 500 index sliding by more than 2 percent.

Bitcoin was last down 8.4 percent at \$104,782 as of 17:20 ET (21:20 GMT).

Ethereum, the world's second-largest cryptocurrency, fell 5.8 percent to \$3637 at 17:21 ET.

NBR eases

FROM PAGE B1

was some confusion. We have just made the rules clearer," he explained.

Mohiuddin Rubel, former director of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), welcomed the clarification.

"Earlier, many non-bonded factories or suppliers were discouraged by various complications. Now they'll feel more encouraged, knowing there's no longer any hassle in selling goods to exporters," he said.

Rubel added that the change allows local suppliers to operate legally and confidently, while buyers can source without worrying about procedural hurdles.

"Previously, such concerns often pushed us to import or buy from bonded sources, which indirectly hindered exports. With this change, exports will hopefully gain new momentum," Rubel said.

Bank mergers

FROM PAGE B1

money to recapitalise the new bank. But those funds will go toward issuing new shares in the government's name, not to compensate private shareholders.

"There is no chance for shareholders to get anything. All the banks' NAVs per share are negative. Very soon, shareholders will see that they have nothing left against their investment," said Saiful Islam, president of the DSE Brokers Association.

He added that while depositors are protected under an insurance scheme, shareholders are not. "This will be a hard lesson for investors. They must invest cautiously. When a company's ability to continue operating is in doubt, it means there is a real possibility of shareholders losing everything."

Islam, however, pointed out

No refund

FROM PAGE B1

currency officer, executive director, or director, with no member below the rank of deputy director.

The unburnt portion must be sufficient to verify the note's main features and authenticity, constituting at least 51 percent of the original note.

For burnt notes fragmented into multiple pieces, the serial numbers on both ends (where applicable) must remain intact, and the combined area of fragments containing the serial numbers must total at least 60 percent of the note.

The regulations also mention the security features of a genuine note, which include paper quality of a specific standard, the size and shape of the note's serial number, security thread, colour-shifting ink, intaglio printing, symbols for the visually impaired, watermark, latent image writing, microtext, and iridescent stripe.

that many small investors appear undeterred. Even as liquidation and mergers threaten their holdings, they continue buying shares of long-troubled companies. On Thursday, for instance, shares of Familytex BD — a loss-making firm for at least seven years — rose by 6 percent to become the third-highest gainer on the Dhaka Stock Exchange (DSE).

"This is not an isolated case," he noted. "It has become common for investors to chase non-performing companies."

The stock market is a place where investors are expected to put money after evaluating a company's performance. If a company fails to perform, shareholders will have to bear the loss. If the company performs well, shareholders will benefit. "So, naturally, shareholders are expected to be responsible."