DHAKA FRIDAY OCTOBER 17, 2025, KARTIK 1, 1432 BS ● starbusiness@thedailystar.net

Star BUSINESS


# Business climate improves, but remains challenging

## BBX score rises to 59.69 in FY25 from 58.75 the previous year

STAR BUSINESS REPORT

The country's business climate showed slight improvement in the fiscal year (FY) 2024-25 after a decline the previous year, according to the Bangladesh Business Climate Index (BBX).

Several factors that had weakened the business environment in FY 2023-24, including inflationary pressure, higher interest rates and global uncertainty, continued to trouble local industries in the following year.

In FY25, political and investment uncertainties, along with exchange rate volatility, added to the existing challenges facing businesses, according to the index prepared by the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) and Policy Exchange Bangladesh (PEB).

Published yesterday, the report said the overall business climate score rose to 59.69 in FY25 from 58.75 a year earlier. MCCI and PEB reached out to 800 businesses across 12 sectors in all eight divisions of the country. The initiative was supported by the Department of Foreign Affairs and Trade (DFAT) of Australia. The launching of the latest BBX took place at the MCCI Gulshan office.

Responses from the firms classified the business climate in FY25 as "Several Bottlenecks Remain", which is better than the "Difficult" category but falls below the "Improving Business Environment" and "Business Friendly Environment" levels.

At the launch event, leading business figures urged the government to cut bureaucratic red tape and curb corruption. Attending it as the chief guest, Commerce Adviser Sk Bashir Uddin admitted that corruption continued to make business operations difficult but said it was impossible to eliminate graft overnight.

The BBX assessed the business landscape across 11 pillars, such as starting a business, access to land and availability of regulatory information. Five of these pillars showed improvement, while the remaining six deteriorated last year.

Notable progress was seen in access to finance, which rose by 43 percent from the previous year's 28.11 to 40.07 in FY25. This suggests liquidity has improved and targeted refinancing programmes are producing positive results.

Among the improving gauges were starting a business, dispute resolution and paying taxes, due mainly to digital reforms, reduced political interference in the courts and simpler tax processes, according to the index.

However, business infrastructure and labour regulation, though still the highest-scoring pillars, declined.

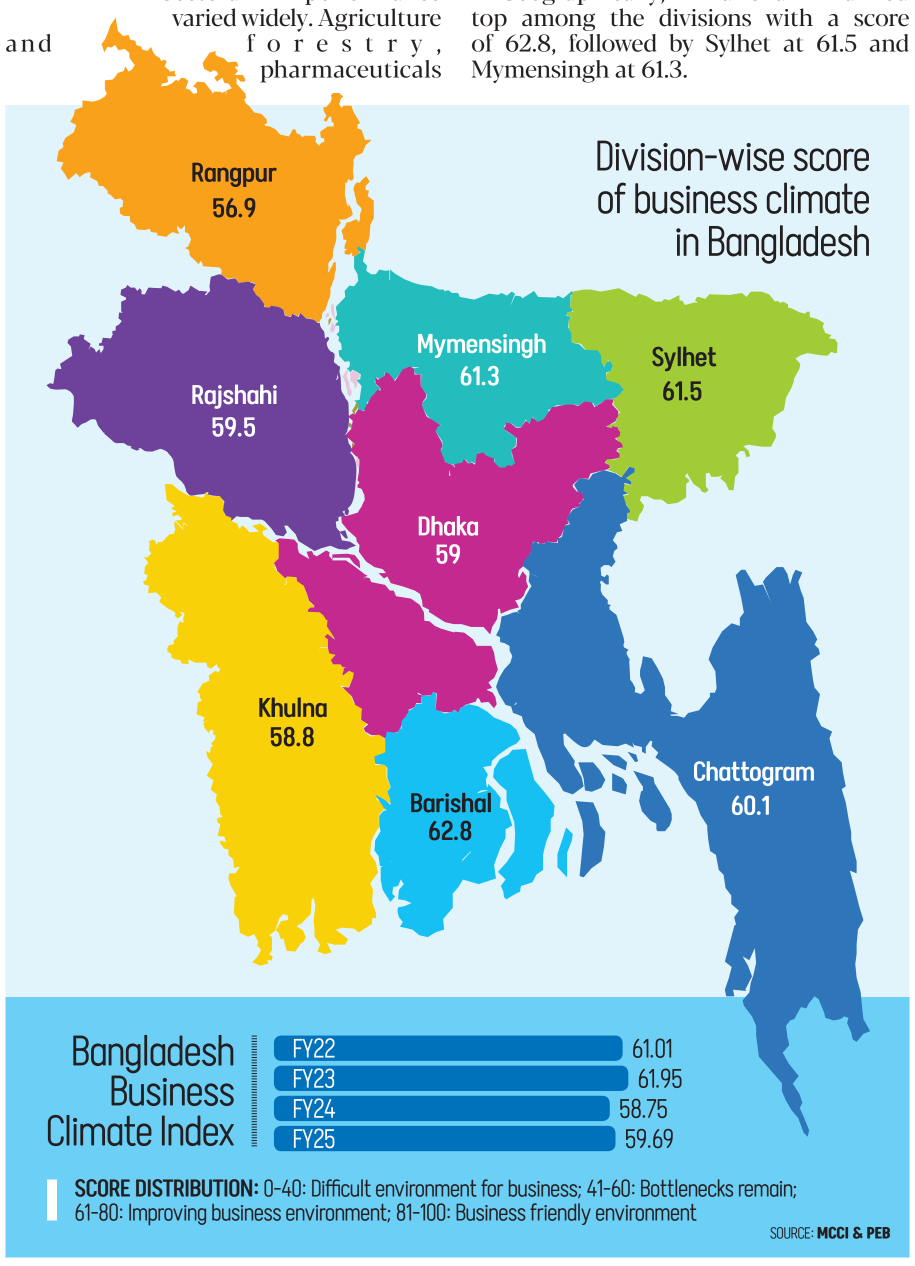
Scores for trade facilitation, technology adoption and environmental regulations and standards saw their scores fall, pointing to continued inefficiencies in ports, a widening digital divide and rising compliance costs, according to the report.

Sectoral performance varied widely. Agriculture and forestry, pharmaceuticals and chemicals, and food and beverage were the best-performing sectors, while construction, electronics and light engineering, and textiles lagged behind.

Despite being the country's main source of export strength, the ready-made garments (RMG) sector scored only 59.24, highlighting operational and regulatory constraints even in this key industry.

**BARISHAL LEADS IN BUSINESS CLIMATE**

Geographically, Barishal ranked top among the divisions with a score of 62.8, followed by Sylhet at 61.5 and Mymensingh at 61.3.




In contrast, traditional economic hubs of Dhaka and Chattogram were in the second-lowest performance tier. The capital scored 59.0, while the port city registered 60.1.

Neither Dhaka nor Chattogram secured the top position in any of the 11 pillars.

The BBX noted that this highlights the need for decentralised economic activity and reduced congestion in these primary growth centres.

"Both Dhaka and Chittagong cities have also seen frequent and major disruptions to economic activities and supply chain operations due to frequent protests, processions, and sit-ins in the past 12 months, diminishing the ease of doing business in these important geographies," it said.

**INTERMEDIARIES GONE AFTER POLITICAL CHANGEOVER**

The report said uncertainty and frequent changes in government offices following the political changeover last year negatively affected the availability of regulatory information.

On a positive note, it pointed to the "absence since political changes in August 2024 of predatory behaviour of politically-linked intermediaries," which had previously made the business environment more complex and exploitative, especially in areas like land access.

The BBX 2024-25 found that the business environment is still recovering from the political transition and unrest in 2024, which caused supply chain disruptions, protests and significant losses in sectors such as apparel and pharmaceuticals.

"National elections and subsequent political unrest, labour strikes, and industrial disruptions, particularly in apparel and pharmaceuticals, led to up to 10 percent business losses in some sectors," it said.

The report identified several priorities. Those include simplifying business registration and land acquisition, expanding digital infrastructure in rural areas, reforming the banking sector to improve credit access and reduce non-performing loans, strengthening environmental compliance with technical and financial support, and focusing on consistent implementation of existing reforms rather than introducing new ones.

READ MORE ON B3

# Padma Bank seeks Tk 3,500cr bailout

## But BB prefers merger or liquidation

STAR BUSINESS REPORT

The crisis-hit Padma Bank has sought a Tk 3,500 crore bailout package from the Bangladesh Bank (BB) to continue its banking operations, but the regulator is planning to either merge or liquidate the troubled lender.

According to officials familiar with the matter, the Department of Offsite Supervision (DOS) of the BB has prepared the bank's diagnostic review report, which will now be forwarded to the Bank Resolution Department, a newly formed unit implementing the Bank Resolution Ordinance, 2025.

The department is currently handling the merger procedures of five shariah-based banks — First Security Islami Bank, Social Islami Bank, Union Bank, Global Islami Bank, and EXIM Bank.

**A BB official said that offering liquidity support or a bailout package to Padma Bank at this stage would be "waste of money."**

A senior official of Bangladesh Bank, speaking on condition of anonymity, told The Daily Star that offering liquidity support or a bailout package to Padma Bank at this stage would be "a waste of money."

The DOS, in its Diagnostic Review Report (DRR), states that Padma Bank's "condition is critical across all financial indicators, and it appears there is no prospect of improvement."

"That is why the BB has decided in principle not to provide any liquidity support to the crisis-hit lender," the BB official noted.

Earlier, the banking regulator provided liquidity support to more than a dozen weak banks since the appointment of the new governor at the central bank, but the majority of them are yet to repay the funds, the official added.

According to the DOS report, Padma Bank's capital is currently negative, with 92 percent of its loans classified as non-performing.

At the end of June 2025, the bank's total loans stood at Tk 5,598 crore, of

READ MORE ON B3


# IMF cuts growth outlook amid tighter policies, election uncertainty

STAR BUSINESS REPORT

The International Monetary Fund (IMF) has cut Bangladesh's growth projection, citing three key factors — a tighter monetary and fiscal policy mix, uncertainty stemming from US tariffs, and the upcoming national election.

Krishna Srinivasan, director of the IMF's Asia and Pacific Department, made the remarks yesterday at a press briefing held at the IMF headquarters in Washington, DC.

"I think there are three reasons. One, of course, is that the policy mix has been tighter," said Srinivasan.

"Second, tariffs and uncertainty have played a big role. And third, two additional uncertainties are weighing on Bangladesh's economic prospects: the upcoming elections and significant weakness in the financial sector, which affects credit availability."

READ MORE ON B3



# Weak research linkages slow agri progress: experts

STAR BUSINESS REPORT

Bangladesh has made remarkable progress in agriculture, but key challenges remain in areas such as crop diversification, technology adoption, market connectivity and climate resilience, according to agri specialists at a programme marking World Food Day.

At the event at the Bangladesh Agricultural Research Council (BARC) auditorium in Dhaka yesterday, they said that Bangladesh ranks second in global jute and jackfruit production, third in onion, rice and inland open-water fish production, and fourth in goat meat production.

The country also stands seventh in mango and potato output, twentieth in vegetable production, and first in hilsa production.

READ MORE ON B3

# Invest more in education, healthcare to end poverty

## Experts say as one in four below poverty line, one in 10 in extreme poverty

MD ASADUZ ZAMAN

In the village of Kuralia, under Sirajganj Sadar upazila, about 125 kilometres northwest of Dhaka, Moklesur Rahman once earned a living as a handloom weaver.

With the advent of power looms, the age-old traditional handlooms that sustained his family for generations began to lose out.

Left with few options, he gave up weaving and turned to driving a battery-run rickshaw van for hire to provide for his seven-member family. Four of his five children now attend school, from grades one through ten, keeping alive dreams his parents could not fulfil.

"I don't want them to live the way I do," says the 43-year-old artisan, who never made it past secondary school.

"I had to stop dreaming early," he adds softly, "but I want them to keep dreaming."

While Moklesur's story is one of persistence, others, like that of Al Mahmud, reveal how struggling families can be pushed into the depths of poverty by a single health crisis.

People rush to a truck near the Secretariat in Dhaka to buy subsidised food items meant for low-income groups. Poverty in Bangladesh had been declining for decades but is now showing signs of rising again amid high inflation, slow job growth and limited social protection. PHOTO: STAR/FILE

**INTERNATIONAL DAY FOR THE ERADICATION OF POVERTY**

Mahmud, a carpenter from Sirajganj, is currently receiving treatment at Shaheed Monsur Ali Medical College Hospital for a diabetic foot ulcer.

"I have already spent nearly Tk 50,000 on surgery and medical tests. Of that, I had to borrow Tk 40,000 from my relatives," he said.

"Although I didn't need to undergo surgery, I had to visit Khwaja Yunus Ali Medical College, a private hospital about 31 kilometres away, several times for lab tests. Each test costs nearly Tk 5,000," he told The Daily Star.

"Now I'm going through a hard time. I don't know how I will manage in the future," said Mahmud, a father of three.

Mahmud's ordeal reflects a grim reality for millions.

Out-of-pocket (OOP) expenditure accounts for nearly 73 percent of Bangladesh's total healthcare spending—the highest in South Asia. Such costs often drive low-income families into debt, forcing them to sell assets or borrow money to pay for medical treatment.

Like Moklesur and Mahmud, thousands of families across the country continue to bear the dual burden of intergenerational poverty and rising OOP expenses, often aggravated by institutional neglect and limited access to affordable healthcare.

Amid these struggles, Bangladesh today observes the International Day for the Eradication of Poverty, under the theme "Ending Social and Institutional Maltreatment: Ensuring Respect and Effective Support for Families Living in Poverty."

The observance comes at a time when poverty, which had been declining for decades, is showing signs of resurgence amid persistently high inflation, low job growth, and limited social protection coverage.

READ MORE ON B3

# 'Workplace deaths recurring for culture of impunity'

STAR BUSINESS REPORT

A culture of impunity has arisen over workplace accidents and the resultant deaths of workers in Bangladesh. This is because justice is yet to be ensured in related cases, even though such accidents, deaths, and injuries are recurrent.

"This has created a sense that there is no justice over such accidents. This is why no one cares," said Syed Sultan Uddin Ahmmed, executive director of the Bangladesh Institute of Labour Studies (BILS), yesterday.

His comments came in reaction to a massive fire that swept through a chemical warehouse and an adjacent clothing factory in Shialbari of the capital's Mirpur on October 14.

At least 16 workers lost their lives, reflecting the failure of the authorities concerned to ensure compliance with labour and other relevant laws.

Just three weeks ago, a blaze at a warehouse in Tongi, Gazipur, claimed the lives of four firefighters.

READ MORE ON B3

# AkijBashir partners with Idcol to boost green industrial growth

STAR BUSINESS DESK

AkijBashir Group, one of the leading diversified industrial conglomerates in Bangladesh, has entered into a strategic partnership agreement with Infrastructure Development Company Limited (Idcol) to strengthen its commitment to a greener industrial future.

The collaboration, announced at an event held at Sheraton Dhaka, reflects a shared vision to advance industrial sustainability through energy efficiency and renewable energy initiatives, according to a press release.

Taslim Md Khan, managing director of AkijBashir Group, and Alamgir Morshed, executive director and CEO of Infrastructure Development Company Limited, attended the programme.

"We are proud to partner with Idcol in our journey toward industrial sustainability," Khan said at the event. "These projects not only reduce our carbon footprint but also demonstrate our commitment to responsible growth and innovation."

"Together, we are setting a benchmark for the future of the green industry in Bangladesh," he added, noting that the group aims to power all its manufacturing facilities across the country with 100 percent renewable energy by 2030.

Echoing his sentiment, Morshed said, "Our collaboration with AkijBashir Group demonstrates how targeted financing can accelerate the transition to low-carbon growth while enhancing operational efficiency and competitiveness."

Over the past few years, Idcol has financed multiple sustainability projects under AkijBashir Group, particularly through its Energy Efficiency and Rooftop Solar financing programmes.

These initiatives have enabled the installation of over 90 megawatt-peak (MWp) of industrial rooftop solar capacity across several entities within the group -- with more than 60 MWp already operational -- making it one of the largest private-sector solar portfolios in Bangladesh.

Notably, Akij Glass Industries Ltd received financing under Idcol's energy efficiency programme to establish an advanced, energy-efficient glass manufacturing facility, reflecting the group's continued focus on responsible industrial practices.

The group also announced that Janata Jute Mills Limited in Boalmari, Faridpur, is set to become the first jute mill in the world to run entirely on renewable energy by the first quarter of 2026.

AkijBashir Group further aims to generate 1,000 megawatt-hours (MWh) of renewable energy per day by 2027 as part of its long-term sustainability roadmap.

PHOTO: AKIJBASHIR GROUP

Alamgir Morshed, executive director and CEO of Infrastructure Development Company Limited, and Taslim Md Khan, managing director of AkijBashir Group, pose for group photographs with high officials of both organisations at Sheraton Dhaka yesterday.

# Rubel Aziz becomes new vice-chairman of City Bank

STAR BUSINESS DESK

Rubel Aziz, a director of City Bank PLC, has been elected as the vice-chairman of the bank at a recent meeting of the board of directors.

Currently, he serves as chairman of the bank's board executive committee, according to a press release.

Aziz earlier served as chairman of the bank for five years, from December 2011 to October 2016.

An industrialist and entrepreneur, he has long been engaged in business, contributing to the socio-economic development of the nation.

He has established and successfully managed a number of industrial enterprises.

Aziz is the managing director of Partex Group, and as a member of both the Trustee Board of IBAIS University and the National Committee of United World College.

He is the former chairman of Janata Insurance Company Limited and IDLC Finance Limited.

Aziz holds a bachelor's degree in business administration from the United Kingdom.

# Krishi Bank plays a vital role in farm sector growth: FID secretary


Nazma Mobarek, secretary to the Financial Institutions Division (FID) under the Ministry of Finance, attends the seminar, titled "Role of Bangladesh Krishi Bank in Agricultural Development: Roadmap to Overcoming Challenges", organised by Bangladesh Krishi Bank, at its head office in Dhaka yesterday. PHOTO: BANGLADESH KRISHI BANK

STAR BUSINESS DESK

Bangladesh Krishi Bank has been playing a crucial role in strengthening the country's agricultural economy by extending loans to climate-dependent and high-risk sectors, sustaining farm production to ensure food self-sufficiency, and supporting various government initiatives, said Nazma Mobarek, secretary to the Financial Institutions Division (FID) under the Ministry of Finance, at a programme yesterday.

She made the remarks while addressing a day-long seminar as chief guest, according to a press release.

The seminar, titled "Role of Bangladesh Krishi Bank in Agricultural Development: Roadmap to Overcoming Challenges", was organised by Bangladesh Krishi Bank at its head office in Dhaka.

Mobarek underscored the need for proper implementation of the proposed roadmap to overcome existing challenges, ensure the bank's continuous development, and guide it towards profitability.

Mohammad Zahid Hossain, chairman of Bangladesh Krishi Bank, presided over the event.

At the seminar, Sanchia Binte Ali, managing director of the bank, presented a roadmap highlighting its activities, the challenges of financing the high-risk agricultural sector, and strategies for the way forward.

Md Sayed Kutub, additional secretary of the FID; Maksuma Akter Banu, joint secretary of the FID and member of the bank's board of directors; Sheikh Farid, joint secretary; Md Abdur Rahim and Mohd Khaleduzzaman, deputy managing directors of the bank; along with all general managers and senior officials of the head office, attended the seminar.

# Mahbub Alam appointed AMD of Southeast Bank

STAR BUSINESS DESK

Southeast Bank PLC has appointed Md Mahbub Alam as its additional managing director (AMD).

Prior to this appointment, Alam served as deputy managing director (DMD) at NCC Bank PLC, according to a press release.

He began his professional career at the Bangladesh Institute of Development Studies (BIDS) in 1995 and joined Uttara Bank PLC as a probationary officer in 1996 to start his banking career.

Later, Alam worked at Jamuna Bank and Mercantile Bank in various capacities.

He obtained his bachelor's and master's degrees in accounting from the Faculty of Business Studies at the University of Dhaka and completed an MBA in finance from the Institute of Business Administration (IBA) at the same university.

# TSMC profit jumps on AI boom

AFP, *Taipei*

Taiwanese tech titan TSMC reported Thursday a record net profit for the third quarter on skyrocketing demand for microchips used to power iPhones and artificial intelligence.

Taiwan Semiconductor Manufacturing Company, the world's largest contract chipmaker, has been a massive beneficiary of the frenzy in AI investment.

TSMC's clients Nvidia and Apple are among firms pouring many billions of dollars into chips, servers and data centres, fuelling concerns about a financial bubble.

"AI demand actually continues to be very strong -- stronger than we thought three months ago," TSMC chairman and chief executive CC Wei told a briefing.

TSMC said net profit for the three months to September soared 39.1 percent from a year ago to NT$452.3 billion (US$14.7 billion), a quarterly record.

The figure beat expectations of NT$406.67 billion, according to a Bloomberg News survey of analysts.

Third-quarter revenue was up 30 percent, also higher than forecasts.

# PBL Finance hosts training on int'l trade facilitation

STAR BUSINESS DESK

PBL Finance (Hong Kong) Limited, a subsidiary of Prime Bank PLC, recently organised a day-long training, titled "International Trade Facilitation: The New Face of Import & Export Regulations in Bangladesh", in Dhaka.

The programme brought together 100 international trade experts and banking professionals to discuss the evolving landscape of cross-border trade and the latest developments in import and export regulations in Bangladesh.

Mohammed Shahnewaz, chief executive officer of PBL Finance (Hong Kong) Limited, and Hassan O Rashid, chief executive officer of Prime Bank PLC, attended the programme, according to the press release.

The training provided a dynamic platform for sharing insights, experiences, and best practices aimed at enhancing trade finance operations in line with global standards.

Mohammad Rafiqul Islam, an export operations, trade finance, and compliance expert, conducted the session, offering in-depth analysis and guidance.

The initiative reaffirmed PBL Finance's (Hong Kong) commitment to strengthening trade finance expertise and supporting the country's international trade ecosystem through knowledge sharing and capacity building, the release added.

Hassan O Rashid, chief executive officer of Prime Bank PLC, and Mohammed Shahnewaz, chief executive officer of PBL Finance (Hong Kong) Limited, pose for group photographs with participants of the training, titled "International Trade Facilitation: The New Face of Import & Export Regulations in Bangladesh", in Dhaka recently. PHOTO: PRIME BANK

# Sticky business

FROM PAGE B4

It also noted that Washington at that time had "actively encouraged such imports by India for strengthening global energy market stability".

The Western sanctions triggered discounts on Russian crude. That helped Indian refiners save billions of dollars on import costs -- keeping domestic fuel prices relatively stable.

Although the price advantage narrowed from around 14 percent in the 2023-24 financial year to about seven percent in 2024-25, Russian crude remains economically attractive for India.

New Delhi insists its purchases have helped keep global crude prices stable.

**DOES INDIA HAVE AN ALTERNATIVE?**

India still sources crude oil from the Middle East -- mainly Iraq and Saudi Arabia.

It accounted for a substantial 45 percent of total imports in 2024, down from the roughly 60 percent before 2022.

Kpler analyst Sumit Ritolia notes that India could switch to other suppliers without difficulty.

"Indian refineries can handle diverse crude grades, so the technical constraint is minimal," Ritolia said in a note earlier this month.

But, he added, it would likely be more expensive.

"Replacing Russian barrels is technically possible on paper, but politically and economically fraught."

# BRAC Bank branch network sees Tk 13,500cr deposit rise in Jan-Sept 2025

PHOTO: BRAC BANK

Tareq Refat Ullah Khan, managing director and CEO of BRAC Bank PLC, joins leaders of the branch network at the bank's head office in Dhaka to celebrate the record deposit growth of Tk 13,500 crore achieved between January and September 2025.

STAR BUSINESS DESK

BRAC Bank's branch network has recorded a net deposit growth of Tk 13,500 crore in the first nine months of 2025, reflecting the bank's sustained momentum in deposit mobilisation.

This achievement builds on the steady upward trajectory of recent years, as the branch network continues to set new industry benchmarks for business growth, according to a press release.

The bank recently organised a programme at its head office in Dhaka to celebrate the milestone.

Tareq Refat Ullah Khan, managing director and CEO of BRAC Bank PLC, joined leaders of the branch network at the event celebrating the deposit growth recorded between January and September 2025.

Khan attributed the success to the bank's strong customer relationships and the dedication of its employees across the country.

"Our ability to mobilise deposits reflects the trust our customers have placed in us over the years," he said, expressing confidence that the branch network will continue its growth momentum through the rest of 2025 and beyond.

Sheikh Mohammad Ashfaque, deputy managing director and head of branch distribution network at the bank; AKM Tareq, senior zonal head for the North; and Taher Hasan Al Mamun, senior zonal head for the South; along with regional and cluster heads and branch managers, also attended the programme.

Star BUSINESS

DHAKA FRIDAY OCTOBER 17, 2025
KARTIK 1, 1432 BS
The Daily Star
B3

# Nepal wants to take more jute from Bangladesh

STAR BUSINESS REPORT

Nepal wants to import more Bangladeshi jute, as Nepalese jute mills are highly dependent on locally produced fibre, Nepal's Ambassador to Dhaka, Ghanshyam Bhandari, said yesterday.

Bhandari made his plea at a meeting with Commerce Adviser Sk Bashir Uddin at the latter's office at the commerce ministry in the capital.

The ambassador said his country has 11 jute mills, and these units are largely dependent on Bangladeshi raw jute. However, they are currently facing a jute crisis, as Bangladesh has reduced exports of the golden fibre to the South Asian nation.

Raw jute and jute goods produced in Bangladesh have high demand in different countries around the world, the commerce adviser said.

Bangladesh has been producing world-class and environment-friendly semi-finished jute goods, he added.

Bangladesh's bilateral trade with Nepal will increase, and both countries will benefit if Nepal imports more of these goods, the adviser said.

# Bangladesh, Pakistan vow stronger cooperation in labour issues

STAR BUSINESS REPORT

Bangladesh and Pakistan have agreed to deepen cooperation in the labour sector, with both sides stressing the need for joint initiatives to address challenges in overseas employment and skills development.

At a bilateral meeting on the sidelines of the Sixth OIC Labour Ministers' Conference in Doha, Labour and Employment Adviser M. Sakhawat Hossain called for coordinated measures to resolve problems in the expatriate labour market, according to a press release issued yesterday.

He highlighted the importance of improving communication links to expand trade and tourism, enhancing sea and air connectivity, and promoting cultural cooperation.

Pakistan's Labour Minister Faisal Ayub Khokhar highlighted the need for regular labour dialogue and technical collaboration.

Both ministers expressed interest in launching joint training programmes, boosting human resource development, generating employment, exchanging labour market information, and strengthening labour migration systems.

The two countries agreed to intensify collaboration in training and skills exchange to better prepare workers for global opportunities, according to the press release.

Senior officials from the labour ministry and the Bangladesh Embassy attended the meeting in Qatar.

The two-day OIC conference, themed "Local Experience, Global Achievements: Success Stories in the Islamic World," is being attended by labour ministers of member states, international organisations, experts, and civil society representatives.

# Weak research linkages

FROM PAGE B1

However, slow innovation adoption, caused by weak coordination between researchers, the agricultural extension department and farmers, threatens future progress and overall food security, according to the presentation of the event.

AHM Saiful Islam, professor of agricultural economics at Bangladesh Agricultural University, called for accelerating infrastructure and skills development for farmers and researchers.

He stressed collaborative research planning with sufficient funding to advance research, development and climate-smart farming.

He also urged stronger integration among research institutions, academia, extension services, markets and farmers through joint research projects, innovation hubs and agri-tech incubation centres.

Islam said inclusive innovation dissemination should be encouraged through multi-stakeholder platforms.

Dia Sanou, representative of FAO Bangladesh, said nearly 23 percent of Bangladeshis faced food insecurity in 2022, while UN food security analyses show that 16 million people in the country experienced it in 2024. Yet, the world produces one and a half times more food than it needs, he said, adding that the problem lies not in food production but in its distribution and accessibility.

Valantine Achancho, country director of the International Fund for Agricultural Development, said Bangladesh has achieved remarkable progress in agricultural output and food security. Even so, significant challenges persist, particularly those linked to climate change, land degradation, inclusivity, rising input costs and market volatility.

These pressures continue to test the resilience of smallholders, who remain the backbone of the rural economy, he said.

Abu Taher Muhammad Jaber, secretary of the Fisheries and Livestock Ministry, said food safety is now a pressing concern.

"Fish no longer thrive in the country's paddy fields due to excessive use of fertilisers and pesticides. We must explore ways to reduce chemical inputs and expand organic alternatives to improve food quality," he said.

Masudul Hasan, secretary of the Ministry of Food, said, "There is a systemic failure in the economic structure of our food management".

"Climate change will be the biggest villain in the days to come," he said.

"If the climate shifts, even the best policies cannot be implemented. The effects of climate change will vary from country to country and region to region," he added.

# Business climate improves

FROM PAGE B1

On reforms, it said, "Reform initiatives, even if incremental, render a positive impact on the investment climate," citing improvements in tax and finance as evidence.

However, the report said that without deeper structural reforms, the country's competitiveness, especially as it graduates from least developed country (LDC) status in November 2026, will be at risk.

**'CUT RED TAPE, REDUCE GRAFT'**

At the event, Rupali Chowdhury, managing director of Berger Paints Bangladesh Ltd, said difficulties like graft and bureaucratic hurdles exist in doing business in countries like Bangladesh.

She called for a paperless and contactless system to reduce human interaction, which she believes would help curb corruption.

Businesses, she added, must also take responsibility for compliance, which may come at a cost initially but ensures long-term continuity.

Anwar-Ul-Alam Chowdhury (Parvez), president of the Bangladesh Chamber of Industries (BCI), said businesses are struggling to stay competitive as costs continue to rise.

He said interest rates have climbed from 9 percent to 16 percent, while inconsistent gas supply, higher raw material import costs and rising port charges have further pushed up trade costs.

"The bureaucrats are not working; they are not cooperating. It is being said that those who worked under the previous government were sent to jail, and now there is a perception among bureaucrats that they would not face jail if they simply avoid work," said Parvez.

He added that without political stability and an improved environment, investment would not come.

Kazuiki Kataoka, country representative of the Japan External Trade Organization (Jetro), also spoke at the event.

Kamran T Rahman, president of the MCCI, said the BBX reflects Bangladesh's economic realities, and it helps policymakers, investors and development partners understand both the opportunities and the challenges in the private sector.

He said ongoing reforms must lead to structural transformation, adding that progress is needed in financial inclusion, digitalisation, infrastructure, skill development and regulatory governance.

M Masrur Reaz, chairman and CEO of Policy Exchange Bangladesh, said the country's trade and business sectors are facing several challenges that require urgent attention and reform.

He added that the BBX would support the government with data and insights to identify priority areas for improving the business environment.

Commerce Adviser Sk Bashir Uddin said the interim government has inherited major economic challenges and it has to implement a tight monetary policy that is "painful but necessary" to avoid "serious serious problem".

He expressed hope that interest rates would come down early next year.

While admitting that corruption could not be completely eradicated, he said the focus should be on making it more difficult.

Ben Carson, Australian trade and investment commissioner at the Australian Trade and Investment Commission (Austrade), Bangladesh, attended the programme as the guest of honour.

# Workplace

FROM PAGE B1

Between January and June this year, nine persons died in three workplace accidents, according to data compiled by the BILS based on newspaper reports.

The BILS, in its Workplace Situation Report 2024, said 8,360 workers were killed in workplace accidents between 2015 and 2024.

Interviewed by The Daily Star yesterday, Ahmmed said many workers had died and were injured due to factory accidents, including the Tazreen Fashions fire and the Rana Plaza building collapse, over the last couple of decades.

None has been punished for workplace accidents in the last 20 years, said Ahmmed, also the chairman of a Labour Reform Commission formed by the interim government in November last year.

He said successive governments ignored the issue of workplace safety and the need to ensure justice.

"They are doing it deliberately as they think that the private sector cannot be disturbed. Otherwise, how is it possible that there will be no justice?" he said. "Justice is also necessary to prove that owners are not responsible," he added.

Ahmmed said weakness in the labour law is a major reason. The extent of punishment and the amount of compensation are very low. A factory owner faces four years in jail for the death of workers due to his negligence.

"This must be addressed. The provision of punishment for violation of the law should be increased," he said.

Ahmmed said a number of public agencies are responsible for monitoring workplaces and enforcing the law to ensure safety and compliance. There is a lack of accountability among officials in these agencies, he said.

To address this, a tripartite committee involving business owners and workers should be formed, he said.

There is a rule that every factory with more than 50 workers must have a safety committee involving workers.

# Padma Bank seeks Tk 3,500cr

FROM PAGE B1

which Tk 5,131 crore were non-performing.

The private commercial lender's interest income is also negative, and it is suffering from a liquidity shortfall, indicating a severe crisis across all financial soundness indicators, the DOS observed in the report. The bank is now struggling to even pay salaries to its officials and employees.

Since August last year, the bank's 850 employees have been receiving their salaries in their accounts, but they are not allowed to withdraw the full amount at once, states the report, adding that the money can be withdrawn in phases.

The total number of officials at the bank has come down to 653 as of June this year.

Contacted, Kazi Md Talha, acting chief executive officer of Padma Bank, told The Daily Star that they are in a critical condition as the central bank has yet to make any decision about the bailout package.

"We need money to run our bank," he said, adding that the BB is likely to merge the bank after completing the merger process of the five shariah-based banks.

Originally launched as Farmers Bank, the private lender was granted a licence in 2013, allegedly on political considerations.

Since its inception, it has struggled with financial irregularities, with more than Tk 3,500 crore siphoned off within just three years of its establishment.

For years, it failed to return depositors' money. Its unpaid deposits now amount to Tk 6,100 crore.

The private bank's financial troubles date back to 2015-16, when the central bank detected massive irregularities. In response, its ownership and management underwent significant restructuring in 2017, after Muhiuddin Khan Alamgir, a former presidium member of the Awami League, resigned as chairman.

To rescue Farmers Bank from collapse, the government intervened with financial support. State-owned institutions, including the Investment Corporation of Bangladesh, Sonali Bank, Janata Bank, Agrani Bank, and Rupali Bank, collectively acquired a 60 percent stake for Tk 715 crore.

In 2019, it changed its name to Padma Bank as part of an effort to improve the bank's image and regain customer confidence following a period of financial crises and irregularities.

The bank's financial health took a turn for the worse after its inclusion in the Awami League-led government's plan in March last year to merge 10 weak banks with stronger institutions.

The move triggered fresh panic among depositors, leading to increased withdrawals. Since then, approximately Tk 600 crore in deposits has been withdrawn from the bank.

# IMF cuts

FROM PAGE B1

On Tuesday, the multilateral lender released its World Economic Outlook, projecting Bangladesh's GDP growth to reach 4.9 percent in FY26, down from the 5.4 percent forecast in June.

The IMF expects inflation to remain elevated at around 8.5 percent by the end of FY26, mainly due to previous supply-side shocks, Srinivasan said.

An IMF mission is expected to visit Dhaka soon to conduct the next review of Bangladesh's ongoing loan programme.

The review will focus on two priority areas -- fiscal reforms, particularly revenue mobilisation, and financial sector stability, he added.

# Invest more in education

FROM PAGE B1

For families like Moklesur's and Mahmud's, poverty is no longer just a lack of income—it is a cycle reinforced by unequal access to opportunities, healthcare, and institutional support.

According to the local think tank Power and Participation Research Centre (PPRC), poverty in Bangladesh has surged over the past three years, with nearly 28 percent of the population now poor, compared to 18.7 percent in 2022.

The share of people in extreme poverty has risen to 9.35 percent this year, up from 5.6 percent three years ago.

Now, one in four people lives below the poverty line, and one in ten is in extreme poverty. Another 18 percent are considered "vulnerable non-poor," at risk of falling into poverty.

The World Bank's Poverty and Equity Briefs for October warned that extreme poverty might rise to 8.9 percent, adding 12 lakh more to the poor.

"Inequality is also expected to widen, with the Gini index increasing by 0.2 percentage point, potentially affecting the nation's ability to achieve middle-income status by 2026," the WB noted.

"Poverty reduction is not a one-step process; it cannot be achieved through a single dimension," said Hossain Zillur Rahman, executive chairman of the PPRC.

He explained that poverty itself is diverse. "The poor are not a homogeneous group; there are rural poor, urban poor, and marginalised communities. Even within poverty, there are layers," he said.

"Those living just above the poverty line can make some progress, but those in extreme poverty remain trapped much deeper," added the economist. "Among them, female-headed households now face a very distinct type of problem," he said.

He warned that neglecting health and education can worsen intergenerational poverty.

"If we fail to ensure access to education and healthcare, poverty will persist across generations," said the academic.

"The current generation may be poor, but at least the next should have a chance to move up. Without public support, that hope won't materialise," said Zillur Rahman.

Citing government spending, he said, "The government invests heavily elsewhere, but health and education lack urgency. The problem isn't just low budgets but also ineffective use—an institutional reform issue."

"Bureaucratic, political, and policy actors aren't giving these sectors serious attention, creating barriers that trap the next generation in poverty," he said.

Agreeing that poverty is a vicious cycle, the economist said, "We once started breaking it, but new crises keep emerging, and our plans need redesigning."

He added that policies often overlook basic needs. "Most housing policies target those who can afford 5,000 square feet. That shows who we're really planning for," he said.

"Affordable housing, primary healthcare, quality basic education, and public transport—these are the four areas that matter most," said Zillur Rahman, also a policymaker.

"If you look at these—affordable public transport, affordable housing, accessible primary healthcare, and quality basic education up to class eight—these four are fundamental," he said.

"But in none of these four areas do we have real policy priority," he said.

"These four are actually the biggest institutional barriers. Unless we address them, the institutional obstacles will remain, and people will continue to be trapped in poverty," said Zillur Rahman.

Referring to the structural nature of poverty, he said, "We used to understand poverty mainly as an issue of low income. But now, structural problems have entered the picture."

"If we want to reduce poverty, it cannot be done only through targeted programmes. There must be overall dynamism in the economy," he said.

Employment and livelihood opportunities are central to this. Unless the broader economy grows, poverty cannot be reduced merely through social safety nets, he said.

Rahman described poverty as a constant struggle between income and expenses, saying that managing this balance is key to escaping poverty.

He warned that inflation, driven not just by policy but also by the concentration of market power in sectors like housing, is a major barrier.

Calling for pro-poor growth, he noted that while Bangladesh's economy has grown impressively over the past 15 years, it has not necessarily benefited the poor.

Mustafa K Mujeri, executive director of the Institute for Inclusive Finance and Development (InM), echoed concerns about intergenerational poverty.

"Children of poor parents often remain poor due to a lack of quality education and healthcare. Without investment, they end up in child labour or low-skilled work, continuing the cycle for decades," he said.

"To break this cycle, we must create opportunities, jobs, education, and markets, and build the capabilities of the poor to seize them," he added.

"Good jobs exist, but the poor often lack access, leaving many trapped in low-paid, hand-to-mouth work," said Mujeri.

He stressed that true poverty reduction requires more than survival—improving income, skills, savings, and access to credit enables the poor to earn more, build assets, and even start small businesses.

"Without coordinated support across employment, savings, credit, and capacity building, poverty cannot be alleviated," he warned.


Owais Parray, senior economic adviser at the UNDP Bangladesh, speaks at a seminar on shifting trade landscape in Asia and the Pacific organised by The Daily Star in collaboration with UNDP Bangladesh at the newspaper's office in Dhaka yesterday. The event was attended by other economists, analysts, policy experts and UN officials. PHOTO: STAR

# Bangladesh should tap Asian markets as protectionism reshapes trade: experts

STAR BUSINESS REPORT

As rising protectionism across major economies continues to shape global trade, Bangladesh should pivot towards emerging Asian markets to expand its trade horizons, experts said yesterday.

Currently, the country's exports remain heavily concentrated in European and American markets — both increasingly affected by tariff-based protectionism and the breakdown of multilateral trading norms, they noted.

The experts, including economists, analysts, and high-ups of the United Nations, were speaking at a seminar on the shifting trade landscape in Asia and the Pacific, organised by The Daily Star in collaboration with UNDP Bangladesh, at The Daily Star office in Dhaka.

They identified the US's recent move to impose reciprocal tariffs on countries as an example of the most difficult protectionism in global trade and stated that it remains unclear how far such measures will go as negotiations continue.

On the other hand, they pointed out that Asian markets now account for about 40 percent of global GDP, with rapidly expanding consumer bases and strong economic growth, presenting major opportunities for Bangladesh's export diversification.

Md Hafizur Rahman, administrator of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said Bangladesh should continue to negotiate trade deals under the World Trade Organization's multilateral framework, even though it is under significant strain from protectionist trends.

He urged policymakers to prioritise Asian markets but noted that major regional and bilateral agreements such as the Regional Comprehensive Economic Partnership and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership have yet to deliver significant results, except for groupings like ASEAN and the EU.

Rahman also called for reducing logistics and unnecessary trade licensing costs, including import and export registration certificates and their renewal, as those things hardly add any value.

Zaidi Sattar, chairman of the Policy Research Institute (PRI) of Bangladesh, recommended rationalising the high trade tariffs, currently averaging around 28 percent, as they discourage other countries from signing trade deals with Bangladesh.

He argued that tariff reduction is not necessarily detrimental to revenue collection. "In the 1990s, when the tariff rate was reduced drastically, revenue generation doubled."

The unnecessarily higher tariff to protect local production units ultimately created an anti-export bias, and the expected export product diversification did not take place, he added.

Fahmida Khatun, executive director of the Centre for Policy Dialogue (CPD), said Bangladesh should simultaneously continue both export-led economic growth and strengthen the domestic economy to be more competitive.

She pointed out that negotiations among countries within the WTO framework have often stalled, leading nations to shift toward bilateral and regional trade agreements. "Simply put, multilateralism is no longer functioning as effectively as before."

| Challenges | Recommendations |
|---|---|
| Rising global protectionism | Diversify export destinations toward Asia |
| Overdependence on Western markets | Engage in effective multilateral and regional agreements |
| High tariff and anti-export bias | Rationalise tariff structures |
| Inefficiency in trade procedures | Reduce trade and logistics costs |
| Weak multilateral negotiation environment | Balance export-led growth with domestic strengthening |

The CPD executive director, however, noted that Bangladesh, a least developed country, has been among the few that managed to take advantage of a supportive global trade environment.

Also speaking at the event, Owais Parray, senior economic adviser at UNDP Bangladesh, said earlier estimates suggested that about $1 billion worth of exports in Asia were at immediate risk, and around $47 billion potentially at risk from new US tariffs.

For Bangladesh, he noted that recent estimates, including one by Research and Policy Integration for Development (RAPID), indicate a possible 14 percent drop in exports to the US under current conditions.

Citing the RAPID report, Parray said China's exports to the US have fallen sharply, while its trade with ASEAN and other regional partners has increased slightly, part of a broader shift toward intra-Asian trade.

He went on to explain further shifts in trade relationships with the US.

"In 2000, 54 percent of Cambodia's exports went to the US; today that share has declined as the EU's has grown. Similar trends are seen across the region, alongside a steady rise in intra-regional trade within Asia-Pacific," Parray said.

Indonesia and others began exporting more to non-US destinations, though dependence on US trade remains significant in many cases, he also noted.

"Globally, we are clearly living in a more restrictive trade environment, which has surged from $600 billion last year to around $2 trillion between October 2024 and May 2025. Tariffs and non-tariff barriers are both increasing," said the senior economic adviser.

Mahfuz Kabir, research director at the Bangladesh Institute of International and Strategic Studies, said during tariff negotiations with the US Trade Representative (USTR), Bangladesh included local importers to demonstrate efforts to reduce its trade gap with the US.

The government also signed an agreement to import 3.5 million tonnes of American wheat as part of its effort to narrow the trade imbalance, he said. "Bangladesh's primary goal was to reduce tariffs, not to finalise a trade deal with the US," Kabir noted.

The US wants the materialisation of the commitments that Bangladesh made during the negotiation and possible signing of the trade deal, he added.

The event was moderated by Syed Yusuf Saadat, economist for UNDP Bangladesh.

# The courage to copy

MAHTAB UDDIN AHMED

If you walk into a startup pitch competition in Dhaka, it often feels like going to a winter wedding. Everyone wears the same panjabi and waistcoat, and talks about disruption in the same polished accent they learned from a YouTube video. The judges, of course, sit with serious faces and ask their favourite question: "What is unique about your idea?" As if the fate of the nation depends on discovering the next flying rickshaw. Ironically, everyone in the room ends up chasing "uniqueness," while quietly presenting the same recycled models with new names and brighter slides.

Here is the uncomfortable truth that few like to admit. Winning in a messy and uncertain market does not always require being the first or the most original. More often, the winners are those who learn the fastest. Stanford's Kathy Eisenhardt and Rory McDonald from Virginia call this idea "parallel play." It is borrowed from how young children play in parks. They do not collaborate. They simply observe the clever moves of the child with the most exciting toy and quietly adapt.

In the business world, this means watching your competitors with care, borrowing what works, and improving it faster than they can. It is not theft. It is survival with a sharper mind.

The Bangladeshi startup ecosystem offers plenty of proof. The country now sits among the top fifty global startup ecosystems. But according to a 2023 BCG and Bangladesh Angels study, seven out of ten startups collapse before reaching their third year. Nearly half of those failures happen because founders burn their early cash trying to be "different" rather than building something that works.

Meanwhile, companies like Pathao succeeded by adopting a proven global model and adapting it quickly to local realities. Here, good ideas often die young, not because they are bad, but because they are born into an ecosystem that offers little government backing, weak investor protection, and almost no clear exit path.

The story is no different abroad. When ride-sharing emerged, Uber, Lyft, and Sidecar did not become rivals by building three completely different inventions. They copied each other's smartest ideas. Sidecar tried peer-to-peer rides and in-app payments. The others observed and borrowed. Their real competition was not among themselves but with the taxi industry. Google, too, did not invent its advertising engine. It observed GoTo.com and applied the best idea in a smarter way.

For Bangladeshi founders, this lesson matters deeply. In a market where funding is scarce and regulations can change overnight, building something entirely new is often a luxury. What gives a fighting chance is the ability to observe and adapt faster than others. That requires humility, sharp eyes, and the courage to let go of ego.

Copying blindly is foolish. But copying wisely is a strategy. It is about learning through action, testing quickly, and adjusting to the market before others can even finish their second investor deck.

In the playground of innovation, the winner is not always the loudest dreamer. The winner is the quiet observer who learns from everyone else's mistakes and rides the wheel better than the one who invented it.

Bangladesh stands at a turning point. An innovative approach can unlock a massive untapped opportunity. If we stop worshipping "originality" as a divine gift and start rewarding strategic learning and adaptation, hundreds of new ventures could emerge stronger. With over two million young people entering the job market each year, a thriving startup ecosystem is not a luxury. It is a national necessity. By encouraging fast learners, building better investor protection, and enabling easier exits, we can turn startup failures into sustainable enterprises that create jobs, attract capital, and power the next wave of economic growth.

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

# Nestle to cut 16,000 jobs worldwide

AFP, *Zurich*

Nestle, the Swiss food giant whose brands include Nespresso coffee and Perrier water, will eliminate 16,000 jobs worldwide over the next two years, its new chief executive said on Thursday.

"The world is changing, and Nestle needs to change faster," Philipp Navratil, who took the reins of the multinational in early September, said in a statement.

That included making "hard but necessary decisions to reduce headcount", he said.

Navratil spoke as the company published nine-month figures showing sales down by 1.9 percent to 65.9 billion Swiss francs ($83 billion).

The layoffs include 12,000 white-collar jobs, saving the company one billion Swiss francs -- which it said was double what had been previously planned -- on top of 4,000 job cuts already underway in production and the supply chain. Navratil said Nestle was increasing its savings target to three billion Swiss francs by the end of 2027, up from the previous target of 2.5 billion.

The food giant, which owns more than 2,000 brands -- including Kit Kat chocolate bars and Purina dog food -- experienced a turbulent September, with the dismissal of its previous CEO over an office relationship.

That was followed by the earlier-than-expected departure of its chairman.

Financial analysts hope that Navratil will succeed in restoring stability to the group, which has seen its growth falter since 2022. Nestle has also been rocked by a scandal surrounding its bottled water that began in France in 2024. Organic sales growth amounted to 3.3 percent in the first nine months of 2025, driven by price increases of 2.8 percent.

# Sticky business: India's purchases of Russian oil

AFP, *New Delhi*

India said Thursday that its energy priority was the interest of its citizens, after US President Donald Trump said New Delhi had promised it will stop buying Russian oil.

New Delhi neither confirmed nor denied it was shifting policy towards Russia.

Trump in August raised tariffs on Indian exports to the United States to 50 percent, with Washington accusing India of fuelling Russia's war in Ukraine.

When Russia invaded Ukraine in 2022, India seized the opportunity to buy discounted crude.

Exports of Russian oil to India surged, making Moscow India's top oil supplier.

Ukraine's Western allies have repeatedly sought to hobble Russia's export earnings. But Russia has been able to redirect energy sales to other countries, ensuring a multibillion-dollar flow of funds.

**HOW MUCH DOES INDIA IMPORT?**

India, one of the world's largest crude oil importers, relies on foreign suppliers for more than 85 percent of its oil needs.

While New Delhi traditionally sourced most of its crude from the Middle East, it has shifted heavily toward discounted Russian barrels over the past three years.

In 2024, Russia accounted for nearly 36 percent of India's total crude oil imports, up from roughly two percent before the war, according to India's commerce ministry.

New Delhi bought approximately 1.8 million barrels of Russian crude per day in 2024. That made up around 37 percent of Moscow's total oil exports, the highest after China.

**WHAT IMPACT HAVE TARIFFS HAD?**

New Delhi imported a little over 1.6 million barrels per day from Russia in September, according to trade intelligence platform Kpler.

This was roughly 160,000 barrels per day lower than average Russian volumes imported during the first eight months of 2025.

But analysts atribute the dip to pricing trends rather than policy shifts.

Since oil contracts are typically signed more than a month before delivery, experts say the impact of Trump's tariffs will become clearer by the end of October.

Meanwhile, the 50 percent duties have begun impacting India's exports to the United States, its top trading partner, according to New Delhi's commerce ministry.

Shipments to the United States sank 11.93 percent in September from a year earlier, and were down over 20 percent from the previous month.

But India's overall exports for September stood at $36.38 billion, up 6.7 percent from a year earlier, buoyed by increased shipments to China and the United Arab Emirates.

**WHY DOES INDIA RELY ON RUSSIA?**

India's foreign ministry has said it "began importing from Russia because traditional supplies were diverted to Europe after the outbreak of the conflict".

Workers stack oil barrels at a filling station in Chennai. India relies on foreign suppliers for more than 85 percent of its oil needs. PHOTO: AFP/FILE

READ MORE ON B2