



Pointed gourds being offered at Tk 1,000 to Tk 1,200 per maund (around 37 kilogrammes) at Bidhirpur Haat in Mohonpur upazila of Rajshahi, around 265 kilometres west of capital Dhaka. However, if the price per kilogramme is considered, the vegetable is sold for around twice as much at Tk 40 to Tk 60 once it reaches markets. The perennial plant is sown from around mid-September to mid-November and from mid-February to mid-April. The photo was taken recently. PHOTO: AZAHAR UDDIN

Don't use public money to bail out banks: speakers

UNB, Dhaka

Effective banking sector reform cannot be achieved without holding accountable those who looted banks during the past Awami League government, particularly after 2017, speakers said at a seminar yesterday.

The effort to recapitalise failing banks repeats the shameful history in which ordinary people paid for the failure of banks, the salvation of which, after being looted under political protection, required large sums of taxpayers' money, they said.

The crisis in the banking sector is owed to systemic problems sustained by years of banking data manipulation by the past AL government, political lending, widespread corruption in the banking sector and bankers' failure to uphold professional ethics, the speakers said.

"Holding the bank looters accountable is undoubtedly central to the banking sector reform," said Nurun Nahar, deputy governor of Bangladesh Bank, during her speech as the chief guest at the seminar.

Titled "Bangladesh's Banking Crisis: The Way Forward," the seminar was organised by the Cosmos Foundation, the philanthropic arm of the Cosmos Group,

with the United News of Bangladesh (UNB) serving as the event's media partner.

The situation of the banking sector was not so bad before 2017, Nahar said, recalling that the fall started taking place after certain Islamic banks were taken over.

The decision to merge several banks and their recapitalisation came to protect the depositors and prevent a systemic crash, she said.

In response to scathing criticisms over the central bank's failure to regulate the sector and surrender to political pressure, Nahar wondered what steps could withstand such an assault on the central bank's independence.

"Yes, one could have resigned under political pressure, but could anyone guarantee that their successor would take the right decision? I don't know," he said.

Banks regularly suppressed non-performing loan data, giving a false impression of their financial strength so that they could enjoy dividends, the deputy governor said.

"The central bank alone cannot be blamed. Everyone was involved in the process, including directors and those in the management of commercial banks," she said.

However, the situation is improving

with a strong accountability mechanism being enforced. The banking sector is regaining strength, enjoying independence and rejecting any biased and unethical practices, she said.

Towfiqul Islam Khan, additional director of the Centre for Policy Dialogue (CPD), said that the banking crisis is "less technical and more political."

"Holding the bank looters accountable is undoubtedly central to the banking sector reform," said Nurun Nahar, deputy governor of Bangladesh Bank

"The central bank is supposed to be an independent entity. Unless it is allowed to act freely and bank looters are punished, crises will keep returning to the banking sector in the future," he said.

Towfiq offered the alternative to recapitalise failing banks with profits made by the central bank over the last few years.

In the last financial year, he said, the BB posted a profit of Tk 22,000 crore, which is far higher than the most profitable commercial bank, which logged a profit

of Tk 700 crore in the same year.

The BB made similar profits in the two years preceding the last financial year.

If the central bank was responsible for the sector-wide damage, Towfiq said, why should it not use a portion of the profit made to rebuild banks being merged?

The bank merger decision drew strong criticism from the speakers, who likened it to sparing looters and making the victims pay for the crime.

Nehal Ahmed, a professor at the Bangladesh Institute of Bank Management, and MGK Jewel, a consultant at the Asian Development Bank, jointly delivered the keynote paper at the seminar.

Citing examples from other countries, Prof Nehal Ahmed emphasised freeing the central bank from finance ministry influence to establish best practice in the financial sector.

Abdul Mannan, a former executive director of the BB, blamed the lack of good governance for the banks' mounting non-performing loans, exacerbated by state agencies' intervention.

Speakers said that there, however, were instances of failing banks making recoveries with time when they chose to uphold professionalism.

Microfinance institutions may get a digital bank

STAFF CORRESPONDENT, Ctg

The Microcredit Regulatory Authority (MRA) is considering a proposal to establish a digital bank owned by microfinance institutions (MFIs) to modernise the sector and cut operational costs.

MRA Executive Vice Chairman Professor Mohammad Helal Uddin said the authority would assist MFIs in developing the proposal and seek a licence from Bangladesh Bank once the plan is finalised.

"It is now essential to digitise this sector in Bangladesh. But if every institution has to build its own digital infrastructure, it will be very expensive. If there is one digital bank with a shared infrastructure, then the MFIs associated with it can use the system, while others not directly involved could also avail services by paying a nominal fee," Uddin said.

He made the remarks yesterday at a views-exchange meeting with chief executives of MFIs from the Chattogram Division, held at the auditorium of microcredit organisation MAMATA in Halishahar of the port city.

According to Uddin, the proposed bank would be owned collectively by a group of MFIs and operated with surplus funds from their institutions. It would allow them to mobilise savings, finance their operations, and extend loans to small and medium organisations.

The proposed bank would be owned collectively by a group of MFIs and operated with surplus funds from their institutions

"One MFI knows another MFI, but a conventional bank does not know them in that way," he said, suggesting that the bank could serve as a trusted intermediary within the sector.

He disclosed that he has asked officials of some MFIs to find other institutions interested in setting up the bank and to jointly submit a concept note outlining the plan. "If you all submit a comprehensive proposal together, we will refine it further through our research wing."

The MRA official added that he would personally advocate for the proposal. "I will inform the governor that one digital bank licence should be allocated to us. Even before applying, I will ensure that the licence is granted for the MFI sector. But I will still apply officially."

He, however, noted that as five or six MFIs showed interest in the bank, some others are forming groups within the sector to do the same, which can cause problems. "Bangladesh Bank cannot issue so many licences. Hence, letters have already been sent to the top 30 MFIs. They will attend a meeting in Dhaka tomorrow."

The initiative marks a potential turning point for Bangladesh's microfinance landscape. The MRA vice chairman said the plan would be easy to implement once finalised, as the central bank governor will have enough time to issue a licence even after the election.

"The governor has an open mindset and understands these issues. You have all said that getting funds from banks is difficult," he also said, indicating that a digital bank would be able to solve that problem.



Samuel S Chowdhury, chairman of Square Group; Tapan Chowdhury, managing director of Square Pharmaceuticals Ltd; and Anjan Chowdhury, managing director of Square Toiletries Ltd, attend the launch of "Supermom Super Pants", at the company's manufacturing facility in Rupshi, Narayanganj yesterday. PHOTO: SQUARE GROUP

Square launches Supermom Super Pants using Japanese technology

STAR BUSINESS REPORT

Square Toiletries Limited's baby care brand, Supermom, has launched its new pant-style diaper, Supermom Super Pants, featuring Japan's Servo Technology.

The product was unveiled yesterday at the company's manufacturing facility in Rupshi, Narayanganj, in the presence of retailers from across Bangladesh.

The diaper has been developed in response to key concerns raised by mothers, including absorption, leak protection, and comfort.

According to the company, Supermom Super Pants incorporates features such as Magic Ball Technology, a breathable

top sheet, and a 360° waistband designed to keep babies dry, leak-proof, and comfortable.

Alongside the product launch, Square introduced the Supermom Mobile App, a free platform offering weekly guidance and expert advice from doctors and psychologists on topics ranging from pregnancy to early childhood. The app includes articles, videos, and personalised tips to support mothers through various stages of motherhood.

Samuel S Chowdhury, chairman of Square Group; Tapan Chowdhury, managing director of Square Pharmaceuticals Ltd; and Anjan Chowdhury, managing director of Square Toiletries Ltd; along with members of the third

generation of Square Group, attended the event.

Over 100 Supermom Super Partners – retailers from across the country – also took part in the ceremony. Senior officials from Square Toiletries Ltd and members of the media were present.

The company's leadership, referencing the vision of Square Group's late founder chairman, reiterated their commitment to promoting maternal and child health in Bangladesh.

Speakers at the event expressed confidence that Supermom Super Pants would set a new standard in the diaper category and become a trusted choice for mothers nationwide.

Businesses alarmed by repeated fires

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He said higher interest rates have made it harder for industries to service loans, while the Chittagong Port Authority's tariff hike will push up import costs, stoke inflation, and reduce export competitiveness.

"At this time, repeated incidents of fire have created concerns among us. This does not appear normal. The government should examine the incidents seriously to know whether it is really an accident or if there are any other factors behind it," said Hossain, a former president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

He also called for strengthening the firefighting capacity of both the government and the private sectors.

Fazlee Shamim Ehsan, president of the Bangladesh Employers Federation, said, "We are worried. Many of us are at a loss."

Closure of Pacific

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Abdus Sobhan, executive director of the CEPZ, confirmed the account, noting that police had identified the workers through CCTV footage and national ID records.

The unrest reportedly began over relatively minor issues related to worker transfers during factory renovation plans but escalated rapidly, with workers allegedly compelling others to join walkouts and attacking other units. Despite management directives to resume duties, workers continued their protest on October 15 and 16.

The shut-down factories are: Pacific Jeans Ltd, Pacific Jeans Ltd-2, Jeans 2000, Universal Jeans, NHT Fashions, Pacific Accessories, Pacific Workwear, and Pacific Attires.

How tough

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Labour regulations are most favourable in financial intermediaries, yet the leather and tannery sector faces the greatest hurdles.

Dispute resolution is easiest in electronics and light engineering but most difficult in leather and tannery, the report adds. Trade facilitation is best in pharmaceuticals and chemicals, whereas financial intermediaries struggle the most.

Paying taxes is most conducive in transport, storage, and communication, while electronics and light engineering face the steepest challenges.

Technology adoption presents a reversal: leather and tannery lead, while food and beverage trail behind. Access to finance is easiest in pharmaceuticals and chemicals but hardest in leather and tannery.

Environmental regulations and standards are most favourable in the food and beverage sector, yet most challenging in pharmaceuticals and chemicals.

The BBX was first launched in 2021 by Policy Exchange Bangladesh and the Metropolitan Chamber of Commerce and Industry, Dhaka, with support from the Australian government's Department of Foreign Affairs and Trade.

No shortage

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country's cybersecurity and technological stability.

The statement claimed that countries such as the United States, the United Kingdom, France, and Australia have expressed concerns over such "untrusted connections."

However, there have been no public statements from these countries regarding any submarine cable linked to Bangladesh, and The Daily Star could not independently verify the ministry's claim.

BSCPLC urged all operators and service providers to continue sourcing bandwidth from the trusted SEA-ME-WE-4 and SEA-ME-WE-5 systems to ensure secure and reliable connectivity for Bangladesh's digital advancement, the statement added.