Star BUSINESS

Dozens of zombie firms still trading as if nothing is wrong

Regulators say investors are free to trade bad shares, while analysts urge a market clean-up

AHSAN HABIB

Nearly four dozen companies have been languishing in the junk category of the Dhaka Stock Exchange (DSE) for at least five years, yet their shares continue to trade on the country's main market and sometimes even appear among the top gainers.

Year after year, these firms fail to post profits or pay dividends, while many do not hold annual general meetings on time. These are the criteria that place companies in the Z category, known as the junk group.

In theory, Z-category stocks should warn investors. In practice, the label does little to scare away trading, and the shares of such firms continue to change hands.

Analysts say allowing companies that owe more than they have is like "letting zombies roam the market". They argue that these firms should either be delisted or liquidated so that investors can get back some of their hard-earned money.

Regulators, however, have long opposed such a market clean-up. Both the Bangladesh Securities and Exchange Commission (BSEC) and the DSE maintain that investors must take responsibility for their own choices. If investors wish to trade speculative stocks, the regulators say, they are free to do so.

Delisting removes a company's shares from public trading. Shareholders

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KEY FACTS

- 13 companies are incurring losses for more than a decade
- 33 companies are incurring losses for over five years
- Accumulated losses of 27 firms stood at Tk 27,000 crore until June 2024
- Five companies even failed to publish financials properly

What do stakeholders suggest?

- Liquidation of continually loss-making companies
- Protecting general investors from manipulators

What is the impact of poor performance?

- Giving a negative message to foreign investors
- Not showing the real picture of the economy

SOURCE: DSE • PHOTO: SAURAV HOSSAIN SIAM

Dhaka income almost twice the national average: DCCI

STAR BUSINESS REPORT

The per capita income in Dhaka district is nearly twice the national average, as the district accounts for almost half of Bangladesh's gross domestic product (GDP) -- the total value of final goods and services produced in a specific period.

According to a Dhaka Chamber of Commerce and Industry (DCCI) study, presented at an event in the capital yesterday, the per capita income of a resident in Dhaka was $5,163 in fiscal year 2023-24, which is 89 percent higher than the national average of $2,738.

The estimate was based on district-wise GDP data from 2011 published by the Bangladesh Bureau of Statistics and on investment, consumption, expenditure, imports, exports, land area, and population growth.

Several experts and participants at the event, however, raised questions about the limitations of these figures on Dhaka's per capita income and GDP.

The paper also stated that Dhaka accounts for 46 percent of the country's GDP.

The region, having the capital city,

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bKash holds awareness sessions to curb hundi, betting, and money laundering

STAR BUSINESS DESK

bKash Limited, the country's leading mobile financial service (MFS) provider, recently organised four awareness workshops in Dhaka, Khulna, Bogura and Cumilla to strengthen its efforts to prevent financial crimes such as hundi, betting, and money laundering.

The day-long sessions brought together bKash's distributors and channel partners to enhance their understanding of compliance practices, according to a press release.

The discussions focused on accurate financial transaction management within the nationwide agent network, awareness of fund sources, timely reporting of suspicious transactions, regular data updates, staff monitoring, action against non-compliant agents, and effective use of technology.

With more than 3.5 lakh agents across the country, bKash's extensive network plays a vital role in promoting financial inclusion by making digital financial services accessible to all segments of society.

As key channel partners, distributors are responsible for managing this vast network. They supervise and guide agents, ensure transaction accuracy, provide regular training, promote technology use, and maintain service quality.

During the workshops, participants said maintaining strict compliance standards has strengthened their operations and reduced risks.

They also lauded bKash's continued initiatives to promote awareness and ensure safe, transparent financial practices.

Emphasising vigilance and accountability, bKash urged all stakeholders to enhance monitoring, ensure timely reporting, and maintain compliance to curb illegal financial activities such as hundi, betting, and money laundering.

Ali Ahmmed, chief commercial officer of bKash Limited, said a strong distribution network has been built through the joint efforts of bKash and its partners, ensuring uninterrupted services to 8.2 crore customers. "Beyond basic cash-in and cash-out services, agent points have now become hubs of financial accessibility, offering a range of services that bring convenience to customers", he added.

Mohammad Irfanul Huq, head of distribution and retail business at bKash, said the company, regulated by Bangladesh Bank, plays a leading role in advancing financial inclusion and building the country's digital payment infrastructure.

He reiterated that bKash prioritises compliance in all aspects of its operations and called on distributors to remain vigilant to prevent dishonest groups from using financial platforms for illegal activities.

Ali Ahmmed, chief commercial officer of bKash Limited, and Mohammad Irfanul Huq, head of distribution and retail business, pose for group photographs with participants of the awareness workshop at Empyrean Hotel in Dhaka recently. PHOTO: BKASH

Oil slips

REUTERS, *Houston*

Oil prices fell on Friday as skepticism crept into the market about the Trump administration's commitment to sanctions on Russia's two biggest oil companies over the war in Ukraine.

Brent crude futures settled 5 cents, or 0.1 percent, lower at \$65.94 a barrel, while US crude futures finished at \$61.50 a barrel, down 29 cents, or 0.5 percent.

The Reuters Power Up newsletter provides everything you need to know about the global energy industry. Sign up here.

Both benchmarks had risen earlier in the session, extending gains of more than 5 percent made on Thursday after the sanctions were announced, but retreated in the last two hours of trading. They still ended the week over 7 percent higher, the biggest weekly rise since mid-June.

"There is renewed skepticism these sanctions will be as harsh as they are said to be," said John Kilduff, partner with Again Capital LLC.

US President Donald Trump hit Russia's Rosneft and Lukoil with sanctions to pressure Russian President Vladimir Putin to end the Ukraine war.

The two companies together account for more than 5 percent of global oil output, and Russia was the world's second-biggest crude oil producer in 2024 after the US.

The sanctions prompted Chinese state oil majors to suspend Russian oil purchases in the short term, trade sources told Reuters. Refiners in India, the largest buyer of seaborne Russian oil, were set to sharply cut Russian crude imports, industry sources said.

"Flows to India are at risk in particular," Janiv Shah, a vice president of oil markets analysis at Rystad Energy, said in a client note. "Challenges to Chinese refiners would be more muted, considering the diversification of crude sources and stock availability."

Kuwait's oil minister said the Organization of the Petroleum Exporting Countries would be ready to offset any shortage in the market by raising production.

Prime Bank clients to get discounts from Jams Group

Md Shahadat Hossain, managing director of Jams Construction & Jams Development Limited, and Mamur Ahmed, senior executive vice-president and head of branch distribution at Prime Bank PLC, pose for photographs after signing the agreement at the bank's corporate office in Gulshan, Dhaka recently. PHOTO: NRBC BANK

STAR BUSINESS DESK

Prime Bank PLC has signed a strategic partnership agreement with Jams Construction & Jams Development Limited, a subsidiary of Jams Group, to offer discounts on flat purchases for its customers.

Mamur Ahmed, senior executive vice-president and head of branch distribution of Prime Bank PLC, and Md Shahadat Hossain, managing director of Jams Construction & Jams Development Limited, signed the agreement at the bank's corporate office in Gulshan, Dhaka recently, according to a press release.

Under the agreement, Prime Bank customers will be able to enjoy special price benefits from Jams Construction & Jams Development, enabling them to access premium residential properties with added financial convenience.

Through this partnership, Prime Bank reinforces its commitment to delivering lifestyle-driven financial solutions that add value to customers' aspirations and enhance their overall banking experience, the release added.

Joarder Tanvir Faisal, executive vice-president and head of cards and retail assets at the bank, and MK Anwar Hassan, chief executive officer of the realtor, along with other senior officials from both organisations, were also present.

Gold trims losses after US inflation data

REUTERS

Gold prices pared losses on Friday after slightly softer-than-expected US inflation data reinforced expectations that the Federal Reserve will cut interest rates next week, but the metal was still set for its first weekly loss in 10 weeks.

Spot gold fell 0.2 percent at \$4,118.29 per ounce by 01:42 p.m. ET (1742 GMT), after falling nearly 2 percent earlier in the session. The price is down over 3 percent for the week.

US gold futures for December delivery settled 0.2 percent lower at \$4,137.8 per ounce.

"Gold and silver jump as September core CPI comes in lower than expectations but it's likely insufficient to entirely blunt this week's selloff. Price action suggests that gold and, especially silver, need another leg lower before consolidation," said Tai Wong, an independent metals trader.

Spot gold notched a record high of \$4,381.21 on Monday, but has fallen over 6 percent since, as investors booked profits and signs of easing US-China trade tensions dented safe-haven demand.

Spot silver was down 0.6 percent at \$48.65/oz, on track for a weekly loss of over 6 percent.

Labor Department data showed that US consumer prices rose 3 percent in the 12 months through September, slightly below economists' expectations of a 3.1 percent increase.

NRBC Bank holds entrepreneurship development training

STAR BUSINESS DESK

NRBC Bank PLC has organised an "Entrepreneurship Development Training" aimed at promoting the growth of small and medium enterprises (SMEs).

The programme was held recently in Feni under the supervision of Bangladesh Bank and with financial support from the Asian Development Bank (ADB).

The training was conducted as part of the month-long "Skills for Industry Competitiveness and Innovation Program (SICIP)", an initiative of the Ministry of Finance designed to strengthen the country's industrial capacity and entrepreneurship ecosystem.

Md Touhidul Alam Khan, managing director and CEO of NRBC Bank PLC, inaugurated the event as the chief guest, according to a press release.

Addressing the session, Khan discussed a range of topics, including banking services for entrepreneurs, investment opportunities, business operations, and management practices.

He said the government and Bangladesh Bank have undertaken various entrepreneurship development programmes to accelerate economic growth through job creation.

As part of that initiative, NRBC Bank has been implementing several programmes to nurture entrepreneurs, particularly in rural areas. Through its extensive network of branches and sub-branches across the country, the bank is providing financing to micro and small enterprises at low interest rates and on easy terms.

Muhammad Ariful Islam, deputy director of Bangladesh Bank; Sk Ahsanul Haque, head of Credit Risk Management Division-2 of NRBC Bank PLC; and Kazi Mohammad Ziaul Karim, head of Cumilla Zone, along with other senior officials, were also present.

Md Touhidul Alam Khan, managing director and CEO of NRBC Bank PLC, poses for group photographs with participants of the "Entrepreneurship Development Training" in Feni recently. PHOTO: NRBC BANK

Uzma Chowdhury, chairperson of Meghna Bank PLC, attends the programme, titled "Chattogram Town Hall Meeting 2025", at the Chittagong Boat Club in the port city yesterday. PHOTO: MEGHNA BANK

Meghna Bank organises 'Chattogram Town Hall Meeting'

STAR BUSINESS DESK

Meghna Bank PLC organised a programme, titled "Chattogram Town Hall Meeting 2025", at the Chittagong Boat Club in the port city yesterday.

Officials from all branches and departments of the bank under the Chattogram region took part in the day-long event.

Uzma Chowdhury, chairperson of Meghna Bank PLC, inaugurated the programme as the chief guest, according to a press release.

The event featured open discussions, experience sharing, and recognition of individual achievements.

Officials exchanged views on future plans, strategic directions, and initiatives to enhance efficiency and performance.

Through this event, Meghna Bank reaffirmed its spirit of unity, trust, and commitment to sustainable development, which, the release said, will continue to play a vital role in upholding the bank's legacy of success, the release added.

Tanveer Ahmed, vice-chairman of the bank; Mohammad Mamunul Hoque, Md Rajab Ali, M Nazrul Islam, Habibur Rahman, and Md Ali Akther Rizvi, independent directors; and Md Sadiqur Rahman, managing director and CEO (current charge), attended the programme.

Momtazul Karim N Ahmed, deputy managing director; Sanjoy K Saha, corporate and regional head for Chattogram; and Sajib Kumar Saha, chief financial officer, among others, were also present.

US dollar set for modest weekly gain after soft inflation data

REUTERS, *New York*

The US dollar was almost flat on Friday after dipping following fresh inflation data that showed US consumer prices increased less than expected in September, keeping the Federal Reserve on track to cut interest rates again next week.

The Consumer Price Index rose 0.3 percent last month and 3 percent in the 12 months through September. Economists polled by Reuters had forecast the CPI increasing by 0.4 percent for the month and rising 3.1 percent year-on-year.

The US dollar index was last down 0.021 percent at 98.934, after earlier falling as much as 0.2 percent, still on track for a modest weekly gain.

"The headline was a bit softer than expected," said Marc Chandler, chief market strategist at Bannockburn Capital Markets. "The dollar was sold on the news, even though the market had nearly 100 percent confidence before the report that the Fed would cut rates, not only next week, but in December."

The CPI report was published despite an economic data blackout because of the government shutdown. The figure, used by the Social Security Administration to calculate its cost-of-living adjustment for millions of retirees and other benefits recipients, was initially due on October 15.

The euro rose and was last up 0.06 percent at \$1.163. Business activity in the euro zone grew at a faster pace than expected in October, led by the bloc's services industry, a survey showed on Friday.

Trade war worries were back on the agenda after US President Donald Trump said all trade talks with Canada were terminated over an advertisement by the province of Ontario which featured a recording of former President Ronald Reagan speaking negatively about tariffs.

The Canadian dollar was last slightly weaker at 1.40 per US dollar, but market reaction overall was fairly subdued. Investors' focus remained on the looming meeting between Trump and Chinese President Xi Jinping next week.

First batch of US wheat arrives at Ctg port

STAR BUSINESS REPORT

The first shipment of American wheat under a memorandum of understanding (MoU) between Bangladesh and the United States arrived at Chattogram port yesterday.

The consignment, carried on the MV Norse Stride, contains 57,000 tonnes of grain, according to a press release from the food ministry.

Under the MoU signed earlier this year between the Directorate General of Food and the US Department of Agriculture, Bangladesh will import a total of 440,000 tonnes of wheat from the US.

The government had signed the deal as part of its effort to cut the bilateral trade deficit, which was in Bangladesh's favour, and to secure a lower reciprocal tariff from the Trump administration on Bangladesh's exports.

Food ministry officials said samples of the grain are currently under quality inspection. Around 34,000 tonnes will be unloaded at Chattogram port, with the remaining portion destined for Mongla seaport.

US finally finds a good way to hit Russian oil

REUTERS, *London*

Donald Trump has finally alighted on an effective way to hurt Russia's oil machine. The US president on Wednesday sanctioned Rosneft and Lukoil – the twin pillars of Moscow's crude exports. Brent prices' subsequent 5 percent bump on Thursday is more heartening for him than for President Vladimir Putin.

Previous Western measures, like the G7 price cap following the Ukraine war, aimed to limit Moscow's revenues without sending oil prices spiralling. The result was various workarounds and loopholes that have allowed Putin to raise over 660 billion euros from crude sales since February 2022 for his war machine.

A farmer tends to a patch of spinach at Fulgach village under Mogolhat union of Lalmonirhat sadar upazila. Various early winter vegetables such as radish, cauliflower, eggplant, cucumber and some spinach varieties have started arriving in the market. They are fetching high prices too, as overall yield has been quite low for damage inflicted by untimely rainfall on a number of days since last month. The photo was taken yesterday noon.

PHOTO: S DILIP ROY

Farm credit up 28% in Aug, overdue loans nearly double

STAR BUSINESS REPORT

Agricultural credit disbursement rose in August, but mounting loan defaults have raised concern about the long-term health of the country's rural finance system.

Scheduled banks disbursed Tk 2,672 crore in agricultural loans during August, an increase of more than 28 percent compared with the same month last year, according to the latest "Monthly Report on Agriculture and Rural Finance" by the Bangladesh Bank.

The lending is part of a broader drive under the Tk 39,000 crore disbursement target for the fiscal year 2025-26, which represents a 2.63 percent year-on-year rise.

At the same time, overdue farm loans climbed to more than Tk 22,968 crore by the end of August, nearly double the Tk 11,844 crore recorded a year earlier, marking a 94 percent jump.

According to the central bank data, total outstanding agricultural credit, including interest, stood at over Tk 59,541 crore in August, up 6.66 percent from Tk 55,822 crore last year.

Policymakers and economists have raised concerns over the sharp jump in defaults.

The increase was driven mainly by unpaid loans in state-owned specialised banks, private commercial banks, and state-owned commercial banks.

The central bank has linked the surge to revised loan classification rules introduced in April, though banking insiders argue that deeper structural flaws, such as weak credit assessment, political influence, and ineffective recovery systems, are to blame.

Lending for crop production and poverty alleviation has declined, while financing for livestock, poultry, and fisheries has grown

The data also point to a shift in how agricultural credit is being distributed. Lending for crop production and poverty alleviation has declined in proportion, while financing for livestock, poultry, and fisheries has grown.

Analysts say the diversification is encouraging, but it can heighten risk, as recovery systems in these emerging sectors are underdeveloped. Although official data show improved recovery rates, they provide limited comfort.

Scheduled banks recovered nearly Tk 3,120 crore in August, around 8 percent more than a year earlier. Yet repayments are lagging behind new lending, widening the gap between disbursement and recovery.

Microfinance institutions are facing similar challenges.

Grameen Bank and ten leading NGOs disbursed Tk 16,568 crore in August, a 46 percent increase from the same month last year, but their overdue loans rose to Tk 8,212 crore, up nearly 24 percent.

In contrast, Palli Karma-Sahayak Foundation (PKSF) showed stronger credit management, posting a 35 percent fall in overdue loans despite higher lending and recovery volumes.

In its report, the central bank said that "enhanced monitoring, prudent lending practices, and strengthened recovery mechanisms" are urgently required to contain the growing risk.

IMF lauds Bangladesh's reserve build-up

REJAUL KARIM BYRON

The International Monetary Fund (IMF) has welcomed the increase in Bangladesh's foreign exchange reserves through initiatives of the Bangladesh Bank and said it will assess whether the modalities are consistent with the exchange rate regime.

An IMF mission is expected to visit Bangladesh this month for the fifth review of the conditions tied to a $5.5 billion loan, said Thomas Helbling, deputy director of the IMF's Asia and Pacific Department.

"They will conduct discussions with the authorities, and it remains to be seen what the outcome is. The mission will be in the field," he said.

He was responding to a question from The Daily Star at a press briefing in Hong Kong on October 24 on Asia-Pacific economic developments.

Helbling said reserve accumulation is a central objective of the IMF-supported programme, given the persistent pressures on the country's balance of payments.

"Increasing reserves to reduce balance of payments vulnerabilities is a key goal of the programme. So, the success of the central bank in accumulating reserves is welcome," he said.

However, the IMF will also assess whether the modalities of these interventions align with the BB's declared exchange rate regime.

Bangladesh's foreign exchange reserves rose to $27.35 billion on October 16 as per the IMF's method of calculations, up from $19.93 billion a year earlier, owing to higher inflows than outflows and the central bank's purchases from the market.

Faced with mounting challenges since the second half of 2021 amid falling forex reserves due to high imports, the BB sold more than $25 billion from its foreign exchange reserves between FY21 and FY25.

It introduced exchange rate flexibility in May 2025 after maintaining a crawling peg exchange rate for one year since May 2024 to ensure stability in the forex market.

Toyota may announce US-made vehicle imports to Japan, NHK say

REUTERS, *Tokyo*

Toyota Motor may announce plans next week to import vehicles manufactured in the United States to Japan during US President Trump's three-day visit to the country starting on Monday, public broadcaster NHK said on Saturday.

Toyota Chairman Akio Toyoda is expected to unveil the plan during a scheduled meeting between Trump and top Japanese business leaders, the report said without citing sources.

A person familiar with the matter told Reuters that the chairman was making arrangements to join the gathering with Trump. A Toyota spokesperson said the news report was not based on an official company announcement.

Dozens of zombie firms still trading

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technically still hold their stocks and can sell them privately on the over-the-counter (OTC) market, which has less liquidity and a higher risk of loss.

According to stock exchange rules, a company may be delisted if it fails to hold annual meetings for three years, declares no dividend for five years, or remains out of production for three years.

Of the nearly four dozen underperforming firms, at least 13 have been in the red for a decade or more.

These include Meghna Condensed Milk, Meghna Pet Industries, Peoples Leasing, Savar Refractories, Shyampur Sugar Mills, Usmania Glass Sheet Factory, Zeal Bangla Sugar Mills, ICB Islamic Bank, Jute Spinners, Bangladesh Industrial Finance Company, Bangladesh Welding Industries, BD Services and Atlas Bangladesh.

Another 33 have been losing money for at least five years. They include Appollo Ispat, Central Pharmaceuticals, Familytex BD, Keya Cosmetics, Renwick Jajneswar, Ring Shine Textiles, RSRM Steel, Shurwid Industries, Standard Ceramics, Yeakin Polymer, Zaheen Spinning Mills and Zahintex Industries.

The accumulated loss by 27 of the firms stood at around Tk 27,000 crore until June 2024, while data of others were not available.

"The stock market has hundreds of companies listed, but institutional investors can invest in only a few because there is a huge lack of investible securities," said Asif Khan, president of the CFA Society Bangladesh.

He said if the regulator realises that these firms have no chance of being a going concern, they should be liquidated and delisted.

A going concern is a company capable of continuing operations into the foreseeable future. When a firm repeatedly incurs losses, fails to pay dividends and has negative net worth, it ceases to qualify.

In most markets, such companies are restructured or wound up, their assets sold and debts settled through liquidation.

A couple of years ago, the BSEC restructured the boards of several loss-making ventures in hopes of revival. None has returned to profit. Many have stopped releasing financial data altogether; some do not even maintain functioning websites.

Atlas Bangladesh has not updated its contact details on the DSE website since 2021.

Similarly, BD Welding, Meghna Pet Industries and Meghna Condensed Milk list no contact persons, while the company secretary of Savar Refractories did not respond to calls from The Daily Star.

Attempts to reach state-run firms on the red list, including Zeal Bangla and Shyampur Sugar Mills, also failed.

"Currently, the Dhaka bourse is not entitled to liquidate a firm. We are trying to bring changes to the law so that the DSE can do so."

The remaining companies are either weak banks or non-bank financial institutions facing liquidation. Despite repeated losses, shares of some of these firms occasionally post sharp price jumps, a sign of speculative trading rather than genuine investor confidence.

"These toxic stocks should have been delisted years ago," said Saiful Islam, president of the DSE Brokers Association. "But the regulators assume their only responsibility is to move a failing company into the Z category and leave it there."

"That might work in developed nations. But in a market where many investors have limited financial literacy, that is not enough," he added.

Islam believes the BSEC and DSE should take responsibility for cleaning up the market by forcing chronic loss-makers to exit.

"They can give these firms time to explain their situation. But if there's no chance of revival, they must be delisted," he said. "Otherwise, the losses of these rotten shares fall on ordinary investors."

Bangladesh's stock exchanges list about 400 companies, yet the pool of healthy, investible securities remains small. Institutional investors, such as mutual funds and insurers, have limited options, while retail investors chase short-term gains in speculative stocks.

Earlier this year, the BSEC revised its Z-category criteria, reaffirming that firms failing to declare dividends for two years, missing annual meetings or showing negative retained earnings greater than their paid-up capital will be downgraded.

In May, it ordered all Z-category firms to appoint independent directors to improve governance, but the move produced little effect.

Delisting remains a sensitive issue. Although the DSE has the authority to delist inactive or non-compliant companies, the process is slow and politically charged.

Abul Kalam, spokesperson of the BSEC, said the commission would support any DSE action against such firms. "The DSE, as the primary regulator, can move against these loss-making companies. If they do, we will cooperate," he said.

Contacted, DSE Chairman Mominul Islam said delisting ultimately harms general investors, so the exchange was not considering it for now.

"Currently, the Dhaka bourse is not entitled to liquidate a firm. We are trying to bring changes to the law so that the DSE can do so," he said.

Islam added that the exchange was seeking legal advice from experts and studying regulatory frameworks in other countries.

"If any company fails due to irregularities by its directors and sponsors, in which investors eventually bear the brunt, in such cases, we also want scope in the law to penalise the top brass," Islam added.

Dhaka income almost twice

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provides employment for more than 40 percent of the workforce, said AKM Asaduzzaman Patwary, acting secretary general of the DCCI, at a focus group discussion at the DCCI office.

Considered the heart of the country's financial sector, Dhaka hosts the headquarters of over 750 companies listed on the stock exchange.

About 32 percent of the country's urban population lives in the district, which is home to 11.2 percent of the total national population, he also said.

"Dhaka is also one of the most industrially dense districts in Bangladesh," he said, presenting the findings of a survey done in February and March this year on 654 respondents, including 365 firms in the manufacturing sector and 289 from the services sector.

The study shows that the manufacturing sector contributes 56 percent and the service sector 44 percent to the economy of the Dhaka district.

However, citing concerns, Md Deen Islam, research director of the Research and Policy Integration for Development (RAPID) and associate professor of economics at Dhaka University, suggested revising the research methodology for a better understanding of the overall macroeconomic situation.

Meanwhile, Ashraf Ahmed, former president of the DCCI, emphasised that there should be more focus on statistical analysis of collected data, and said this survey could serve as a foundation for future research initiatives.

DCCI President Taskeen Ahmed said although there are several local and international indices measuring the business environment in the country, these indices do not clearly reflect the real picture of how and why economic activities are changing.

Against this backdrop, the DCCI has taken the initiative to develop an Economic Position Index (EPI), initially focusing on Dhaka city, with plans to gradually expand it nationwide.

He said this quarterly index will provide clear insights, especially regarding production, sales, order flow, export trends, employment, business confidence, and investment tendencies in the industrial sector.

The initial index includes data from readymade garments, textiles, wholesale and retail trade, real estate, transportation and storage, and banking sectors.

World Bank cuts 2026 Asia growth to 4.3%, warns of prolonged slowdown

ANN/THE NATION

The World Bank has downgraded its growth forecast for the East Asia and Pacific (EAP) region to 4.3 percent in 2026, down from 4.8 percent this year, citing global economic headwinds, rising debt, and uncertainty in trade and fiscal policy.

In its October 2025 East Asia and Pacific Economic Update, the bank said that while regional growth remains above the global average, momentum is slowing due to weakening demand, tightening trade conditions, and persistent structural challenges.

China, the region's largest economy, is expected to decelerate from 4.8 percent to 4.2 percent, driven by reduced fiscal stimulus and growing public debt. Thailand and Indonesia are projected to grow between 1.6 percent and 4.8 percent, below their economic potential.

The report highlights growing pressure from trade tensions as the United States imposes new tariffs on Chinese and East Asian goods, reducing exports in key industries such as textiles in Cambodia, Myanmar, and Laos. Meanwhile, Thailand, Malaysia, and Vietnam remain relatively resilient due to stronger electronics and semiconductor sectors.

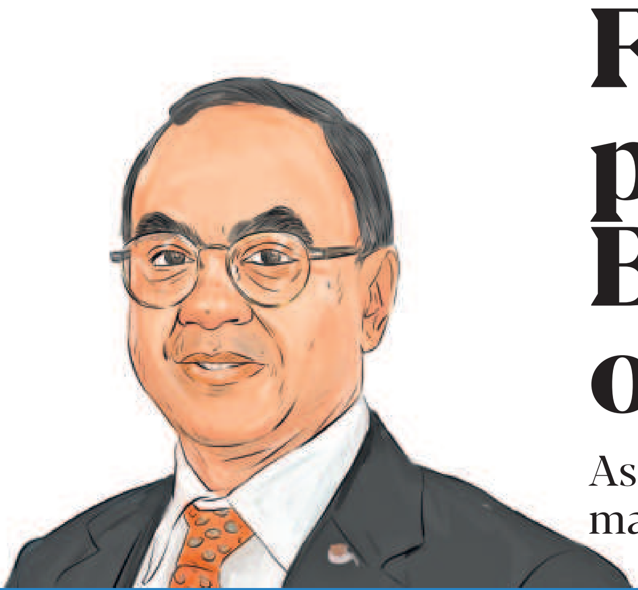
The World Bank's economic model suggests that US tariffs could cut export values in some product categories by 30–50 percent, while stricter rules of origin may raise costs and reduce global supply-chain flexibility.

Economic policy uncertainty has reached its highest level in 25 years, with many firms in the region delaying investment and hiring. A 1 percent slowdown in G7 economies could reduce developing Asia's growth by 0.6 percent, while China's slowdown could trim regional output by 0.3 percent.

Although global interest rates are easing, stronger regional currencies are eroding export competitiveness, and rising capital inflows risk overheating some markets.

Short-term fiscal stimulus may offer temporary relief but risks long-term stability. China's public debt now exceeds 70 percent of GDP, while Indonesia's budget remains tied to subsidies rather than infrastructure investment. In contrast, the Philippines and Vietnam, both advancing structural reforms, are expected to outperform the region.

The World Bank underscored that the creation of quality jobs is key to sustainable growth. Despite high employment overall, one in seven young workers in China and Indonesia remains jobless, while female labour participation lags men by 15 percentage points.



Syed Mahbubur Rahman

From promise to proof: Mutual Trust Bank's 26-year journey of reliability

As it enters 27th year, the bank is focusing on digitalisation and maintaining its reputation for trust

MD MEHEDI HASAN

Over the past 26 years, Mutual Trust Bank PLC (MTB) has managed to live up to the name it carries, said Syed Mahbubur Rahman, managing director and CEO of the bank.

"There has never been a case where, for example, MTB gave Tk 9 when it promised Tk 10," Rahman said in an interview with The Daily Star on the occasion of its 26th founding anniversary. "In all these years, nothing abnormal has happened in the bank."

The MTB was granted a licence by the Bangladesh Bank on October 5, 1999, and started operations later that month. Now, the third-generation private commercial bank operates 122 branches, 53 sub-branches, 185 agent banking centres, 344 ATMs, including 31 cash recycling machines, eight air lounges, four foreign exchange booths, and more than 3,300 point-of-sale terminals across the country.

The bank provides real-time online banking services along with internet and SMS services to customers.

As it enters its 27th year, the bank is focusing on building a digitally empowered institution while maintaining its reputation for trust and good governance.

"Over the last 26 years, we have built a brand based on reliability, transparency, and service. As we move forward, we want to transform this trust into a more technology-driven, customer-focused banking experience," Rahman said.

He credited the board of directors for maintaining strong governance while encouraging innovation. "The board has always supported new ideas but also ensured compliance and discipline. That balance has helped us maintain stability in a challenging environment," he said.

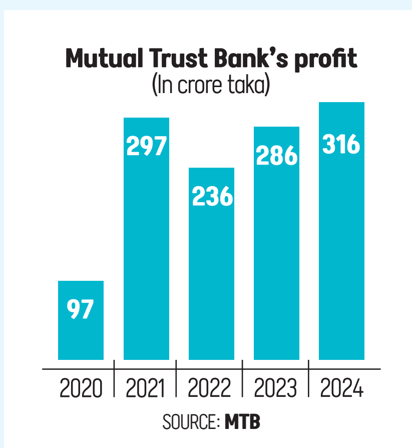
He continued that the MTB has evolved from a traditional bank into a diversified financial institution with strong retail, SME, and corporate portfolios. "We are not only expanding in size but transforming in spirit."

Earlier this year, the bank went through a rebranding exercise, unveiling a new logo and colour scheme to reflect youth and dynamism. "We wanted to connect with younger customers who value speed, convenience, and digital access. At the same time, we retained our core promise of trust. The new look symbolises both continuity and change."

As of December 2024, the MTB's total deposits stood at Tk 33,187 crore, while loans and advances reached Tk 30,105 crore. The bank reported a consolidated profit of Tk 569.84 crore for the year ending December 31, 2024, a 10 percent increase from the previous year.

The MTB is among the few private banks that maintained a clean image amid turbulence in the sector, marred by money laundering and loan default. Rahman attributed this to its emphasis on compliance, risk management, and internal control. "We have always prioritised reputation over short-term gain."

Retail and SME financing remain central to the bank's growth strategy. Retail banking has expanded significantly in recent years, particularly in credit cards and home loans.



"We are now among the top banks in terms of credit card outstanding, and our home loan portfolio has grown sharply," Rahman said.

To enhance efficiency, the MTB has introduced a 48-hour home loan approval process and a pre-approved credit card system for eligible customers. "We want to offer simple, fast, and transparent retail solutions."

In SME banking, the bank aims to deepen its engagement with small entrepreneurs, especially in the manufacturing and service sectors.

"We are working with fintech partners and supply chain networks to reach micro and cottage enterprises that remain underserved by traditional banking," Rahman said.

The MTB is also exploring partnerships with technology firms to improve loan assessment, credit scoring, and monitoring. "We are focusing on structured and data-driven SME lending to reduce risk and improve outreach."

Despite weak private sector credit growth in recent months, the MTB continues to take a cautious lending approach. "We are not being aggressive at this point," Rahman said. "Investor sentiment is weak, and many are waiting for stability. We are lending selectively to sectors that are performing well."

The bank now prioritises pharmaceuticals, textiles, export-oriented industries, and renewable energy while keeping limited exposure to sectors under stress like real estate and construction. "Our philosophy is to grow responsibly. Aggressive expansion without proper due diligence can create future risks. We prefer sustainable profitability over short-term volume."

Although the banking sector continues to struggle with rising non-performing loans (NPLs), the MTB has managed to keep its ratio below the industry average. At the end of 2024, the bank's NPL stood at 6.95 percent of total lending. "We have strong early-warning systems and an experienced recovery team," Rahman said.

"We conduct quarterly stress tests and closely monitor large exposures. We do not allow concentration in a few borrowers. Our credit culture is built on discipline, accountability, and data."

He added that the bank's recovery process combines negotiation with legal action. "We work with clients to revive viable businesses but take strict measures when necessary. It's a balance between empathy and enforcement."

Deposit growth has remained steady as customers shift funds from weaker institutions. "People are looking for banks they can trust. Our reputation and service quality have helped attract new deposits," Rahman said.

Digital transformation is now central to the bank's strategy. Earlier this year, it launched MTB Neo, a next-generation digital banking platform offering integrated services through a mobile app. The system features an AI-based chatbot, automated call centre support, and future plans for voice-activated banking.

"Even without a digital bank licence, we want to deliver a fully digital experience," Rahman said.

The bank is also upgrading its core banking software and data analytics capabilities. "We are investing in predictive analytics and AI to improve customer experience, risk assessment, and fraud detection," said the CEO.

Customer expectations are changing rapidly, he added. "Banking is no longer about brick-and-mortar branches. It's about accessibility and relevance. We want to serve both digitally savvy youth and traditional customers who still value personal interaction."

According to Rahman, good governance remains a cornerstone of the MTB's operations. The board maintains oversight through active committees on audit, risk, and compliance. "Our directors are experienced professionals who ensure that every major decision passes through a proper governance filter."

He emphasised the importance of human capital development in sustaining success in the long term. "Technology can only go so far. The real strength of a bank lies in its people. We invest heavily in training, mentoring, and leadership development."

The bank has also focused on gender diversity and inclusion, with growing representation of women at managerial levels, he noted.

The MTB has integrated environmental, social, and governance (ESG) principles into its operations. It finances renewable energy projects, promotes paperless operations, and encourages green office practices. Recently, it launched a vocational training initiative under its CSR programme. The MTB Skill Development School offers courses in baking, graphic design, and digital marketing, targeting 1,200 trainees over three years. "Our goal is to help young people develop employable skills," Rahman said.

Meanwhile, it continues to support education, healthcare, and disaster-relief initiatives through partnerships with NGOs and community organisations.

Looking ahead, Rahman said the bank's priorities are to strengthen its capital base, enhance digital capabilities, and ensure consistent shareholder returns. "We may not always top the profit charts, but we want to be known as the most responsible bank," he said.

The CEO envisions a hybrid banking model combining physical presence with digital agility. "We want to be the bank that every generation can relate to — modern yet trustworthy," he said.

"MTB's story is not just about banking; it's about building relationships and adapting to change without losing our core values."

The paperless future of microfinance

MAMUN RASHID

Nearly two years ago, the Bangladesh Bank issued a letter of intent (LOI) for licensing two digital banks. The process later proved flawed, and the recipients were seen as personally favoured. Yet few questioned the broader idea of licensing digital banks. Recently, the central bank restarted the initiative, and the country may soon have several digital banks. In that same spirit, many are asking: why not one or more digital microfinance institutions (MFIs) in Bangladesh too?

Almost five decades ago, microfinance gave Bangladesh a story of hope. It lifted millions out of poverty and built a model that inspired the world. But that success story now stands at a crossroads. The system that once thrived on face-to-face trust and cash transactions is struggling to keep pace with a digital nation. The next frontier of inclusion will not be written in paper ledgers. It will be powered by data, mobile wallets and real-time connections.

Microfinance now serves more than 40 million people and disburses hundreds of thousands of crores each year. Yet it still operates mostly on cash and manual systems. Field officers travel from village to village to collect repayments, and branches keep physical records. The result is slow operations, high costs and interest rates that burden the very people the system was meant to empower.

Digital transformation is not about replacing the human heart of microfinance. It is about freeing it from inefficiency. A digital microfinance model could bring speed, security and affordability to millions of borrowers. Digital transactions through mobile wallets or bank accounts can cut operational costs by up to 30 percent, reduce interest rates and give borrowers more breathing room. It would also build something microfinance has long lacked: a digital footprint. Every payment would generate data that could help borrowers access better credit, savings and insurance.

Bangladesh is already a leader in digital payments and mobile banking. As noted, the government is considering digital bank licences to promote financial innovation. This raises an important question: when digital banks are being licensed to serve the formal sector, why not a digital MFI licence to serve the informal one?

Microfinance institutions, whether profit-driven or mission-driven, operate closest to the grassroots. A digital MFI licence would recognise that role while giving them the regulatory flexibility to modernise responsibly. It would allow them to digitise loan management, connect with mobile financial service providers and use data to design flexible, client-centred products that could be channelled through alternative banking platforms.

This step is not just about technology; it is about inclusion. A farmer should be able to receive a loan instantly on his phone when he needs seeds and pay his suppliers without withdrawing cash. A woman in a remote village should be able to repay her loan safely without walking miles to a branch. A loan officer should act as a digital guide rather than a collector with a ledger, enabling him to reach more clients and spend more time assessing their needs.

Bangladesh has always been a pioneer in financial innovation. Grameen and BRAC showed the world how finance could fight poverty. Now the country can show how technology can deepen that mission. The government, regulators and private sector must work together to craft a clear policy for digital MFIs that safeguards data, promotes interoperability and invests in digital literacy.

The question is no longer whether microfinance should go digital. It is whether we are ready to build the framework to make it happen safely, fairly and at scale.

If Bangladesh wants to lead the next phase of financial inclusion, this is the moment. A digital microfinance revolution could do for the next 50 years what Grameen, BRAC, Asha, RDRS, TMSS and Buro did for the last. It could also add a new dimension to the financial architecture of Bangladesh in line with digital disruption at every level and attract international impact capital to scale up.

The writer is an economic analyst and chairman at Financial Excellence Ltd

US, China start trade talks in Kuala Lumpur

AFP, *Kuala Lumpur*

China and the United States began their latest round of trade talks in Malaysia on Saturday, a US Treasury spokesman and Beijing's state media said, ahead of a highly anticipated meeting of their leaders in South Korea next week.

Beijing's commerce ministry previously said Vice Premier He Lifeng would lead a delegation to Malaysia until Monday for talks with the United States.

AFP journalists on Saturday saw He Lifeng and his entourage entering Merdeka 118 — the world's second-tallest building — where the talks are being held.

They went through the lobby and did not speak to reporters. The US delegation used a separate entrance.

Building staff told AFP the delegations were meeting on the 92nd floor.

The world's two biggest economies are seeking to avoid further escalating a damaging tit-for-tat tariff war, with US President Donald Trump expected to meet his Chinese counterpart Xi Jinping in South Korea next Thursday.

The US president has made it clear he hopes to seal a "good" deal with China and end the trade war, even though he previously threatened to cancel the meeting, happening on the sidelines of the Asia-Pacific Economic Cooperation summit, starting October 31.

A US Treasury spokesman said Saturday that the talks in Kuala Lumpur had begun.

China's official Xinhua news agency also reported that the Chinese and US delegations had "convened".

Beijing announced this month sweeping controls on the critical rare earths industry, prompting Trump to threaten 100 percent tariffs on imports from China in retaliation.

The two countries also began charging arrival fees on each other's ships, sparked by a US "Section 301" investigation that found Beijing's dominance in the industry was unreasonable.

India can switch from Russian crude, but at a cost: analysts

AFP, *New Delhi*

Indian oil refiners can shift away from Russian crude after US President Donald Trump imposed sanctions on Moscow's two largest oil companies — but the move will come at a cost, analysts said Friday.

Trump has claimed that Indian Prime Minister Narendra Modi has agreed to cut its Russian oil imports as part of a prospective US trade deal — something New Delhi has not confirmed.

Relations between the countries plummeted in August after Trump raised tariffs on Indian exports to the United States to 50 percent.

US officials have accused India of helping to fund Russia's war in Ukraine by buying discounted oil from Moscow.

There has been no immediate response from India's foreign or oil ministries since Washington announced the sanctions on Wednesday.

"The key is to what extent Modi bends to the American will," Jorge Montepeque of ONYX Capital said, adding that the "initial responses were that the state oil companies were very cautious."

Oil prices jumped more than five percent after the US sanctions were announced.

"Any recalibration means... paying more for alternative oils," Montepeque told AFP. "One of the areas would be the Middle East and the price is shooting up."

Reliance Industries, the privately-owned main Indian buyer of Russian crude, said it was assessing the implications of Washington's restrictions, as well as those imposed this week by the European Union.

An oil tankers train passes near the Guwahati Refinery operated by Indian Oil Corporation, in Guwahati. US officials have accused India of helping to fund Russia's war in Ukraine by buying discounted oil from Moscow. PHOTO: AFP/FILE

"We will comply with the EU's guidelines on the import of refined products into Europe," a spokesperson for the company said, and with any guidelines from the Indian side.

The European Union's new curbs include a complete ban on Russian liquefied natural gas (LNG) imports by the end of 2026.

Reliance said it was confident that its "time-tested, diversified crude sourcing strategy" would ensure stability in refinery operations for meeting the domestic and export requirements, including to Europe.

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

Long dependent on Middle Eastern producers, New Delhi began purchasing heavily discounted Russian crude in 2022, capitalising on Western sanctions that limited Moscow's export options.

India imported just over 1.6 million barrels per day from Russia in September, according to trade intelligence platform Kpler.

Kpler, in October 21 comments made just before the sanctions, said that the economics were "compelling".

"Russian barrels remain deeply embedded in India's energy system for economic, contractual, and strategic reasons," it said.

"Russian crude remains structurally vital for India, accounting for roughly 34 percent of its total imports and offering compelling discounts that are too significant for refiners to ignore."

Analysts said, however, that it would not be technically difficult for Indian refiners to adjust.

"Indian refiners can easily pivot away if needed, the trade-off would be mainly pressure on refining margins," said Vandana Hari, a Singapore-based oil market analyst.

But she noted that the "import bill will climb".

Hari said that a weaker rupee "adds to the burden", though it was not as "big a sticker shock as might have been if crude was in the $70s or $80s."

The United States is India's top trading partner, but New Delhi is yet to secure a formal deal.

Indian Trade Minister Piyush Goyal said Thursday, in remarks carried by state-run media, that talks with Washington were "progressing" and that he hoped for a "fair and equitable agreement in the near future."