

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 that 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

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

in April, though banking insiders argue that deeper structural flaws, such as weak credit assessment, political influence, and ineffective recovery systems, are to blame.

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.

Dozens of zombie firms still trading

FROM PAGE B1
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, Yekin Polymer, Zameen 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.

The remaining companies

"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."

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.

In most markets, such companies

Dhaka income almost twice

FROM PAGE B1

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.

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 IMF'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.