

Star BUSINESS



IMF to begin fifth review for \$5.5b loan

REJAUUL KARIM BYRON

The International Monetary Fund (IMF) is set to start its fifth review of the progress in implementing the conditions tied to the \$5.5 billion loan given to Bangladesh, starting today.

The mission, which will stay in Dhaka for two weeks, will engage with key institutions—including the Ministry of Finance, Bangladesh Bank, and the National Board of Revenue—until November 13.

According to the IMF's schedule, if the review conditions are met, Bangladesh is expected to receive the sixth instalment of \$450 million in January.

A senior finance ministry official confirmed that all mandatory conditions for the sixth tranche have been fulfilled, except for the revenue target.

However, during the World Bank-IMF Annual Meetings in Washington earlier this month, discussions with Bangladeshi authorities explored delaying the tranche release until after the national elections in February.

Officials suggest this will ease contention around condition implementation during the current review.

Krishna Srinivasan, director of the IMF's Asia and Pacific Department, emphasised the importance of fiscal reforms—particularly revenue mobilisation—and financial sector adjustments as central to the review process.

The IMF originally approved a \$4.7 billion Extended Credit Facility (ECF) programme in January 2023.

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BGMEA seeks review of labour law changes

Leaders claim amendments to labour definition, union rules and benefits defy prior agreement

“For four months since taking office, we have repeatedly requested appointments with the honourable chief adviser to share our concerns, but he has not given us any time. I say this with frustration ... when vice president-level executives from Starlink come, he gives them time, but to a 40-billion-dollar export industry, he does not. He must take responsibility for that. If he doesn't give us time, how can I express our concerns?”

Mahmud Hasan Khan
BGMEA president



Demands

Entrepreneurs seek LDC graduation deferment until 2032

BGMEA opposes Ctg port tariff hike, citing risks to competitiveness

CONCERNS

Business leaders warn the amendment could threaten industrial stability

Businesses fear weaker trade union structures could deter foreign investors

BGMEA chief criticised CA for not meeting industry leaders before finalising the amendment

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Apparel leaders have called on the government to review recent amendments to the labour law, particularly changes concerning the definition of workers, the threshold for forming trade unions, and the benefit package.

A week after the advisory council approved revisions to the draft ordinance, the business leaders said the final version did not reflect the agreements reached earlier at the Tripartite Consultative Council (TCC) meetings.

At a press conference at the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) office in Dhaka yesterday, they said that the amendments could affect both domestic and foreign investment, as well as overall stability in the industrial sector.

Explaining their objections, BGMEA President Mahmud Hasan Khan said the government has approved a broader definition of labour, which was neither part of the consultative council's agreement nor consistent with the existing labour law.

Khan, reading from a written statement,

said the tripartite council agreed that at least 50 workers would be required to form a trade union, but the final version reduced that threshold to just 20.

On the third point, the BGMEA president said that the tripartite council also decided companies could choose between a provident fund and the government's Pragati Insurance scheme for their workers.

But the advisory council later approved a

with the honourable chief adviser to share our concerns, but he has not given us any time," said Khan.

He added, "I say this with frustration ... when vice president-level executives from Starlink come, he gives them time, but to a \$40 billion export industry, he does not. He must take responsibility for that. If he does not give us time, how can I express our concerns?"

Khan said that allowing just 20 workers to form a trade union would weaken the structure of industrial relations in Bangladesh compared with other Asian neighbours, sending a negative signal to foreign investors and discouraging future investment.

He said the most troubling aspect is that several decisions agreed by all stakeholders during the council and working committee meetings were later changed by the advisory council without consulting the key stakeholders.

Meanwhile, the interim government has ratified three ILO Conventions intended to strengthen labour rights, safety, and protection from violence and harassment at work.

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provision allowing workers to opt for both schemes, which Khan said would increase costs, create administrative complications, and lead to fund mismanagement.

He said the business community had sought an appointment with the chief adviser to express their opinions and observations regarding the amendments, but had been unable to meet him.

"For four months since taking office, we have repeatedly requested appointments

FOREIGN-FUNDED PROJECTS Govt sets preconditions for loan deals

STAR BUSINESS REPORT

The government has tightened its grip on foreign borrowing by introducing a set of preconditions that ministries and divisions must fulfil before signing loan agreements with development partners—an effort aimed at improving project efficiency and curbing chronic delays and cost overruns.

The Economic Relations Division (ERD) issued a circular recently outlining the new requirements, which come in response to ministries' underwhelming performance in utilising committed foreign aid.

Despite starting the current fiscal year with a \$42.85 billion aid pipeline, ministries and divisions spent only 13.57 percent of the project-related portion of foreign assistance, show ERD data.

In FY24, Bangladesh received \$8.57 billion in total foreign aid disbursements. Of this, just \$5.42 billion or 13.57 percent was used for project financing

In FY2023-24, Bangladesh received \$8.57 billion in total foreign aid disbursements. Of this, just \$5.42 billion—or 13.57 percent—was used for project financing. The remainder was allocated to budget support.

To address these inefficiencies, the ERD's circular mandates that project proposals—whether Development Project Proposals (DPPs) or Technical Assistance Project Proposals (TAPPs)—must receive prior approval from the competent authority, in line with Planning Commission procedures.

Additionally, ministries must appoint the project director and key staff, complete necessary land acquisition, and submit a resettlement action plan for affected persons.

Cost estimates and draft bidding documents must also be prepared, and, where applicable, the procurement process must be completed up to the contract award stage.

The circular further stipulates that ministries must obtain concurrence from the Finance Division on the Subsidiary Loan Agreement (SLA), ensuring alignment with the main loan agreement negotiated with the development partner.

A clear, time-bound arrangement must also be in place with utility service providers for relocating infrastructure tied to the project.

Marico's sales growth highest in 15 years

AHSAN HABIB

Marico Bangladesh Ltd (MBL), a leading consumer goods company, reported over 20 percent year-on-year growth in sales in the first half of its financial year, marking its highest growth in at least 15 years.

According to its half-yearly financial statements released yesterday, the listed multinational's sales rose to Tk 1,012 crore in the April-September period, up from Tk 840 crore during the same period last year.

The latest growth in revenue is the company's highest since the financial year 2009-10, when it was listed on the stock exchanges. Its second-highest growth in sales was recorded at 14 percent in the financial year 2021-22.

Headquartered in Mumbai, the company maintains April to March as its financial year in line with Marico Limited, its parent company, which owns 90 percent of its shares.

As per the disclosure, despite the surge in sales, MBL's profit growth was more modest. Net profit rose 9 percent year-on-year to Tk 348 crore in the April-September period.

Responding to queries from The Daily Star, the company said, "Our sales growth was driven by effective product propositions, strong consumer trust, and

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BTRC wants 5.5% of revenue from broadband operators

This could eventually lead to higher net bills, slower speeds

MAHMUDUL HASAN

The Bangladesh Telecommunication Regulatory Commission (BTRC) has proposed a new licensing framework that would require broadband operators and fixed-line telephone service providers to share 5.5 percent of their annual revenue with the regulator—similar to the system already in place for mobile operators.

According to the draft guideline, the companies would also need to contribute 1 percent of their annual gross revenue to the "Social Obligation Fund", which is meant for financing the expansion of telecom infrastructure and services in underserved or unprofitable areas.

According to the BTRC, the proposed "Regulatory and Licensing Guidelines for Fixed Telecom Service Provider" will streamline operations, attract investment, and promote digital inclusion.

But broadband operators argue that the revenue-sharing model will eat into their already thin profit margins and could discourage smaller providers from formalising their operations.

They say the financial pressure may eventually be passed on to consumers through higher bills or poorer service quality.

The draft guideline has been published on the BTRC website for public consultation. Stakeholders can submit their feedback till November 8.

"ISPs operate on very thin profit margins, roughly around 5 to 6 percent. If we are required to share 5.5 percent of our annual revenue

REGULATORY FRAMEWORK

- BTRC plans a unified broadband and fixed-line licensing system
- Draft aligns with 2025 telecom policy to promote digital inclusion
- Public feedback invited on the draft guideline until November 8

LICENCE AND FEES

Two licence categories introduced: FTSP and District FTSP	FTSP licence fee set at Tk 25 lakh; District FTSP at Tk 2 lakh	FTSP licence covers broadband, IoT, and triple-play services
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OWNERSHIP

Cross-ownership rules introduced to prevent vertical monopolies and unfair competition

Foreign investors may hold up to 85% stake, with 15% reserved for local ownership

REACTION

ISPs oppose new revenue-sharing and social fund provisions

Operators warn additional levies could wipe out profit margins entirely

with the regulator and contribute another 1 percent to the Social Obligation Fund, there will be no profit left," said Mohammad Aminul Hakim, president of the Internet Service Providers Association of Bangladesh (ISPAB).

"We will be forced to run at a loss," he added.

He urged the regulator to remove those two provisions from the draft, saying they would severely damage the broadband sector. "This contradicts the government's commitment to lowering internet prices and expanding connectivity, as such levies will ultimately increase costs for end users."

TWO TYPES OF LICENCES

The proposed framework

introduces two types of licences to accommodate different players in the market.

The Fixed Telecom Service Provider (FTSP) licence would cover nationwide operations, allowing companies to build, operate, and maintain fixed telecommunication networks across Bangladesh.

FTSP licensees could offer a wide range of services, including fixed broadband, domestic and international voice calls, leased lines, IP telephony, Internet of Things (IoT) services, and IP-based video services.

The District Fixed Telecom Service Provider (District FTSP) licence, designed to encourage

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Over half of private employees say financial stress hurts productivity

Study finds

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More than 56 percent of private sector employees in Bangladesh say financial stress is hurting their productivity, according to a new study released by MetLife Bangladesh.

The Employee Benefit Trends Study, unveiled yesterday at a Dhaka hotel, also found that 41 percent of respondents link financial stress to mental health issues.

Conducted for the first time in Bangladesh, the study explores the priorities, challenges, and expectations of employees and employers in the private sector. It surveyed 571 employees and 142 employers across industries such as ready-made garments, banking, fast-moving consumer goods, telecom, and non-governmental organisations.

The findings show that over 53 percent of employees have no retirement plan, while nearly half want their employers' support to convert their savings into income.

Although 72 percent believe their organisations genuinely care about them, the study highlights significant gaps in employee well-being and advocacy.

FINDINGS

- 56% of workers link money stress to lower performance
- 41% say financial strain affects their mental health
- Study covers 571 employees and 142 employers across key sectors

MetLife said employers who demonstrate care through better benefits and a supportive workplace culture can enhance engagement and long-term retention.

While 78 percent of employees believe that insurance and wellness benefits, like mental health support, improve loyalty, such offerings remain limited in scope. This shortfall has created a trust deficit but also presents employers with an opportunity to stand out by providing meaningful support.

The study also found that 70 percent of employees would be more likely to use available benefits if they understood how their peers utilised them, underscoring the need for personalised and year-round communication.

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AKS now country's largest steel maker

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Abul Khair Steel Ltd (AKS) has inaugurated a new rebar rolling mill, taking its annual capacity beyond that of any other steelmaker in the country, a press release from the group said yesterday.

Located in Sitakunda in the southeastern division of Chattogram, the facility has an annual production capacity of 16 lakh tonnes of deformed bars or steel, pushing AKS's total steelmaking capacity to 30 lakh tonnes per year—the highest in the country.

This places AKS ahead of its closest competitor, BSRM, which has an annual capacity of 24 lakh tonnes.

With this, Bangladesh's steel production capacity has reached a new high of around 1.36 crore tonnes.

Constructed by SMS group, a German multinational engineering company, AKS said the new mill has achieved "a world-record rolling speed," which "reflects significant investment in advanced rolling technology and automation."

The commissioning comes at a time when the government is not investing heavily in infrastructure and the construction sector is suffering from a slowdown.

By strengthening local production, the plant is expected to reduce the country's dependence on imports, boost industrial employment, and support supply chain development

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