

# Star BUSINESS



## Cross-platform MFS rollout misses deadline

Key players not ready

### UPDATES

- bKash requested three more months for server complications
- upay needs 15 more days for system migration
- Rocket (DBBL) is still in the testing stage
- Nagad has been denied NPSB connectivity

BB first launched interoperability in 2020, but it was later suspended

MD MEHEDI HASAN

The eagerly anticipated interoperable digital transaction facility among mobile financial service (MFS) providers has not launched on schedule, despite an announcement by the central bank that it would go live on November 1. Industry insiders told The Daily Star that the service could not go live as key MFS operators are not yet ready, while Nagad, one of the country's largest providers, has not been permitted to participate.

still in the testing phase. upay has asked Bangladesh Bank (BB) for an additional two weeks. "We need another 15 days to launch the service due to system migration," said Md Abdullah Al Mamoon, director of UCB Fintech. "We will inform the central bank about our delay soon." bKash, on the other hand, has requested three more months as it is facing server-related complications, according to a senior official of BB's Payment

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In mid-October, Bangladesh Bank issued a circular stating that from November 1, customers would be able to send and withdraw funds between different MFS providers, banks, and payment service providers via the National Payment Switch Bangladesh (NPSB). **NO MAJOR MFS READY** As of yesterday, no major MFS providers were fully prepared to launch the service. Both bKash, the largest MFS provider in the country, and upay, the digital financial service of UCB Fintech Company owned by United Commercial Bank, have sought more time to launch the service. Rocket, Dutch-Bangla Bank Ltd's (DBBL) mobile banking service, is

Systems Department. Shamsuddin Haider Dalim, bKash's head of corporate communications and PR, said the provider is working with BB to adopt the latest version of the interoperability framework. "We are emphasising strong authentication and layered security features to enable seamless transactions and handle disputes, if any," he said, adding that the company hopes customers will be able to use the service in full "soon." Meanwhile, DBBL's Rocket is waiting for the regulator's nod. "We started live testing but are waiting for the central bank's green

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## Global firms see sales rise in Bangladesh but profits stay weak

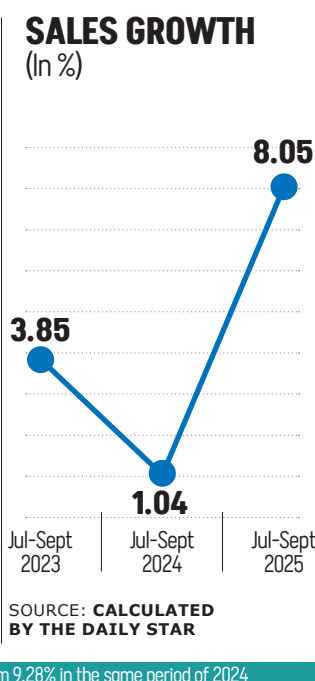
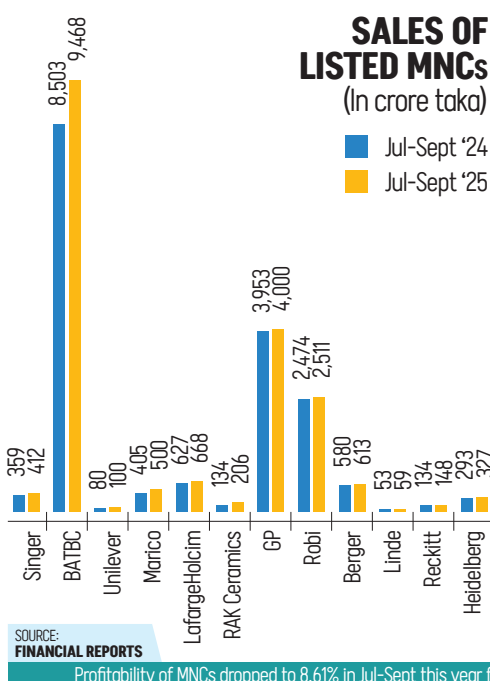
People are buying more again, but high inflation, costly raw material imports and political uncertainty continue to weigh on earnings

AHSAN HABIB and FEDA AL HOSSAIN

Things are improving for international companies running businesses in Bangladesh as consumer demand begins to recover. People are buying more products ranging from paints to tobacco and malted milk drinks. Even though sales have risen, profits have not grown much. Investment experts view the development as a sign of economic recovery. Multinational companies also expressed optimism about business prospects in the coming months.

According to financial reports by 12 multinational companies, their combined sales grew by 8 percent in the July-September period of this year. By comparison, their sales increased by 1 percent in 2024 and 3 percent in 2023.

However, profitability by the multinationals, which is measured as profit relative to sales, fell in the



SOURCE: FINANCIAL REPORTS. Profitability of MNCs dropped to 8.61% in Jul-Sept this year from 9.28% in the same period of 2024.

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current fiscal year, due mainly to higher raw material costs and finance charges. Combined profitability fell from 9.28 percent in the first quarter of 2024 to 8.61 percent in Q1 of FY26, according to the financial reports. The multinational companies are Grameenphone, British American Tobacco, Robi, LafargeHolcim, Berger Paints, Marico, Singer, Heidelberg Cement, RAK Ceramics, Reckitt Benckiser, Unilever Consumer Care Limited, and Linde Bangladesh. The companies say their sales were

hit last year amid nationwide student-led protests, violent crackdowns, curfews, and the eventual fall of the government. On the other hand, they say low growth in 2023 was caused by a severe dollar shortage and stubbornly high inflation. Despite the decline in profitability, the combined profits of the multinationals rose slightly to Tk 1,637 crore in the first quarter of fiscal year 2025-26, up from Tk 1,633 crore in Q1 of FY25. In these accounts, profits of Linde

Bangladesh were excluded due to an exceptionally high one-off gain in the previous year. Iqbal Chowdhury, CEO of LafargeHolcim Bangladesh, told The Daily Star that high sales growth this year partly reflects the low base from the previous period. "In some cases, inflation and volume growth also contributed to sales growth, which differs from sector to sector," he said. For example, in the cement industry, sales volumes increased

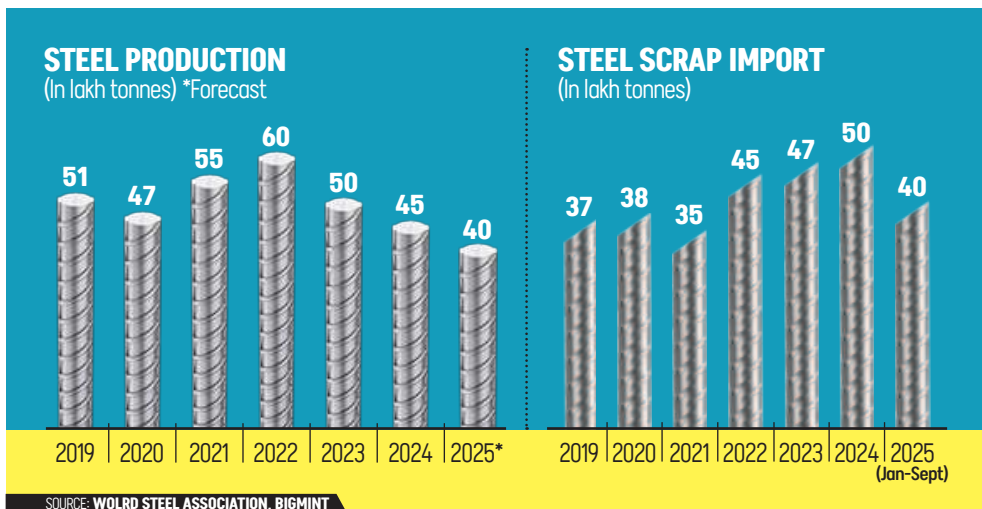
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## Steel demand weak for three years

BigMint projects a turnaround in FY27

JAGARAN CHAKMA

In the past three years, the steel business has been a casualty of economic and political crises, according to BigMint. The India-based market intelligence firm says demand for steel, a proxy for economic vibrancy and growth, may take two years to normalise. Steelmakers say the timeline of the local steel industry adequately mirrors the major internal and external shocks the economy experienced in the past years. First came Covid-19, then the Russia-Ukraine war-led disruptions to the scrap market. On the home front, a weakening taka, belt-tightening in public spending and other macro stresses added an extra layer to the situation. The political changeover in August last year complicated the already tough conditions for



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steelmakers further as development spending nosedived. Meanwhile, prolonged high inflation, higher interest rates and political uncertainty dampened the real estate business and private sector construction. Currently, the local steel industry can produce 1.36 crore tonnes per year, while demand has fallen to just 45 lakh tonnes, according to BigMint. It says that despite the current slump, optimism persists. The World Bank, while projecting 4.8 percent economic growth in FY2025-26, said the rate may rise to 6.3 percent in FY 2026-27. "Currently, all eyes are on the general elections in February 2026. Several infrastructure projects are in the pipeline, and the steel industry is waiting for execution to start," it adds.

By 2027, another 30 lakh tonnes of capacity is expected to be added to the overall capacity. However, industry insiders say continued investment in steelmaking without demand alignment poses significant risks. In 2025, crude steel production is forecast to fall by 11 percent year on year, following a 10 percent drop in 2024. Industry insiders said if this downturn continues, the sector could shrink to a handful of dominant players. Such consolidation would hurt competition and push aside the smaller mills that helped shape the industry. Recently, one of the leading manufacturers, Abul Khair Steel (AKS), has expanded its capacity with a new plant producing 16 lakh tonnes of deformed bars annually. This has raised its total capacity to 30 lakh tonnes a year, making it the largest producer in the country. BSRM follows with a capacity of 24 lakh tonnes. Tapan Sengupta, deputy managing director of BSRM, said, "The industry is

limping along." "Unless government spending, particularly on development projects, increases, the sector would not regain its vibrancy," he said. Sengupta said the BigMint report accurately reflects current conditions, adding that prolonged inactivity in construction and infrastructure has taken a heavy toll on steel consumption. Sumon Chowdhury, chairman of RRM Steel and secretary of the Bangladesh Steel Manufacturers Association (BSMA), said, "Production has been adjusted in line with market realities due to slow construction activity and liquidity constraints." Chowdhury said these challenges are not unique to Bangladesh. Many developing economies are facing similar conditions. He said excess capacity remains the most pressing threat. While annual capacity has reached 1.36 crore tonnes, demand has slumped to around 45 lakh tonnes, compared with 75 lakh tonnes during the peak of mega projects.

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## Govt launches major reforms to boost SMEs

STAR BUSINESS REPORT

The interim government has taken a number of measures to transform the small and medium enterprise (SME) sector into the main driving force of the Bangladesh economy, the Chief Adviser's Office (CAO) said in a statement yesterday. As part of the measures, the government has scrapped the rule that required entrepreneurs to keep 10 percent of export proceeds in banks on a compulsory basis. It has also sent a proposal to Bangladesh Bank (BB), requesting the maintenance of a foreign currency quota of a minimum of \$3,000 annually for entrepreneurs to enable them to conduct international business. The decisions were taken at meetings of the Investment Coordination Committee, chaired by Lutfe Siddiqi, special envoy on international affairs to the CA.

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Bangladesh Bank Governor Ahsan H Mansur and National Board of Revenue Chairman Md Abdur Rahman Khan attended the meetings, along with representatives from the government and private sectors. The CA's office said decisions were taken to design SME-friendly products, conduct a feasibility study on providing loans of up to Tk 5 lakh without a trade licence, and review the interest rate on loans for small businesses. The statement said a number of decisions — such as strengthening the NBR's monitoring to expedite and simplify the sample clearance process — are under implementation.

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## Max 5 SIM cards per NID from next year

MAHMUDUL HASAN

From January next year, one person will be allowed to register and use a maximum of five personal SIM cards under a single national ID (NID), according to a decision by the Bangladesh Telecommunication Regulatory Commission (BTRC). At present, each citizen can register up to 10 SIM cards under one NID. The regulator took the decision at a recent coordination meeting, where members discussed the current law and order situation and concerns raised by the home ministry over the use of SIM cards in criminal activities, according to a document.

**At present, each citizen can register up to 10 SIM cards under one NID**

Once approved, the BTRC will instruct mobile network operators to enforce the rule for all new registrations starting in 2026.

This marks the second major tightening of Bangladesh's SIM registration policy within a year.

Earlier, in April 2025, the BTRC decided to reduce the ceiling from 15 SIMs to 10 per NID, a move that has already come into effect, with a 45-day grace period for users to deregister excess numbers.

The regulator has also launched a nationwide campaign urging subscribers to comply by October 30.