

# star BUSINESS



## BB receives 13 applications for digital bank

Applicants include bKash, Robi, and Akij

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Thirteen entities, including mobile financial service providers, telecom operators, commercial banks, and large conglomerates, have applied to the Bangladesh Bank (BB) for a digital bank licence.

Several applicants have foreign partnerships, while some have prior experience operating digital banks abroad. The list includes entities formed in collaboration with bKash, Robi, Banglalink's parent company VEON, and Akij Resource.

bKash, one of the country's leading mobile financial service providers, applied for "bKash Digital Bank".

VEON and Square have jointly applied for "Nova Digital Bank". Telecom operator Robi submitted an application for "Boost", while conglomerate Akij Resource applied for "Munafa Islami Digital Bank".

Other applicants include Japan Bangla Digital Bank by DBL Group, British Bangla Digital Bank PLC, Digital Banking of Bhutan by DK Bank, Amar Digital Bank by 22 microfinance institutions, 36 Digital Bank PLC by 16 individuals, Amar Bank by a group of NGOs, App Bank by a UK-based investor, Moitri Digital Bank PLC by microfinance institution ASA, and Upokari Digital Bank by IT Solutions Ltd.



Digital banks will be an internet and entirely app-based service. Customers will not be able to use services from physical branches.

These banks will provide services 24 hours a day, seven days a week. To facilitate transactions, they may offer virtual cards, QR codes, and other technology-based solutions. However, they will not be allowed to issue physical cards.

Customers will be able to use ATMs and agents of other banks. Digital banks, however, will not be able to open letters of credit or provide loans to medium and large-scale industries. They may offer only small loans.

In a statement, VEON highlighted its experience serving more than 40.7 million monthly users across Pakistan, Kazakhstan, and Uzbekistan, and said it has a strong record of promoting financial inclusion through simple, secure, and accessible digital solutions.

In Bangladesh, the company intends to replicate this model by supporting small businesses, advancing digital payment innovation, and ensuring underserved

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## FDI grows 19% in FY25, defying global post-uprising trend

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Despite a fiscal year (FY) that opened with a mass uprising and a change of government, Bangladesh's foreign direct investment (FDI) increased 19.13 percent in FY2024-25.

Net FDI inflow reached \$1.69 billion, up from \$1.42 billion in FY2023-24, the Bangladesh Investment Development Authority (BIDA) said in a press release yesterday.

Commenting on the figures, BIDA Executive Chairman Ashik Chowdhury said, "FDI usually decreases after political unrests. In this case, the opposite has occurred."

"From policy formulation to institutional coordination involving the Bangladesh Bank, National Board of Revenue, and other agencies, along with engagement from the private sector, this result reflects combined efforts," he said.

"All problems have not been resolved, but steps have been taken to assist investors. BIDA will soon publish a full-year performance report," he added.

World Bank data from

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## Next govt must commit to time-bound business climate reforms

Top business leaders tell The Financial Express roundtable

STAR BUSINESS REPORT

The next elected government must make a clear, time-bound commitment to implementing reforms aimed at improving the business climate and reducing the cost of doing business, said top business leaders yesterday.

They also urged the interim government to seek a deferment of Bangladesh's graduation from the Least Developed Country (LDC) status by at least three years.

The demands came at a roundtable on the business climate and reforms, organised by The Financial Express in Dhaka. Shamsul Huq Zahid, editor of The Financial Express, chaired the event.

"Whoever comes to power in the next election, and the election must happen, they must come with a clear commitment," said Abul Kasem Khan, chairperson of Business Initiative Leading Development, a public private dialogue platform.

"Their reforms and deregulation must be time-bound. We want to know what they will do in one month, in three months, in six months, not in five years," he said. "We no longer want vague promises; we want to know what will be done within the next year," he said.

At the event, Inamul Haq

Khan, senior vice-president of the Bangladesh Knitwear Manufacturers and Exporters Association, said Bangladesh must secure at least a three-year deferment of the LDC graduation.

"This extension is essential to ensure the economy's sustainability, competitiveness, and resilience in the post-graduation era," he said.



Abul Kasem Khan

Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association, urged the government to formally apply for a deferral.

"Let us request that the United Nations review the current situation, to analyse and investigate," Hatem said.

"If, after that, they conclude Bangladesh is ready for graduation,

then fine, we will accept it and move forward. But at least let us make the request," he added.

"I firmly believe that if the UN reviews the situation, they will conclude Bangladesh is not ready to graduate for another 10 years," he said.

Taskeen Ahmed, president of the Dhaka Chamber of Commerce and Industry, expressed deep concern over the ongoing energy crisis.

"We talk about energy security, but there is no predictability or consistency," he said.

"Even when our officials go abroad to attract investment, they keep saying 'My country has this, my country has that,'" he said.

"But no matter how much you say, when someone actually comes to invest, the first thing they'll do is ask two private sector businessmen 'What's your situation?'" said Ahmed.

"So how long will we keep telling lies?" he asked.

Showkat Aziz Russell, president of Bangladesh Textile Mills Association, said, "You're desperate for foreign investment, but you already have domestic investors like us, we generate revenue and employment."

He warned, "Right now, we don't see an environment conducive to investment. Even foreigners are losing confidence. READ MORE ON B2

## Exports fall for third month in Oct as US tariffs bite

The sector's crown jewel, garment exports, fell 8.39%

REFAYET ULLAH MIRDHA

Merchandise exports from Bangladesh remained on a declining trend for the third consecutive month in October compared to the corresponding month a year ago.

October shipments dropped 7.43 percent to \$3.82 billion, largely due to weak performance in the garment sector, according to the Export Promotion Bureau (EPB).

The decline follows September exports of \$3.63 billion, down 4.61 percent from a year earlier, and August exports of \$3.92 billion, down 2.93 percent. Only in July did exports post a year-on-year rise of 24.90 percent, at \$4.77 billion.

Despite the short-term decline, exports in the July-October period increased marginally by 2.22 percent year-on-year to \$16.13 billion.

According to EPB data, in October, garment exports, the crown jewel of the sector, alone fell 8.39 percent to \$3.01 billion, with knitwear down 10.76 percent to \$1.65 billion and woven garments down 5.33 percent to \$1.36 billion.

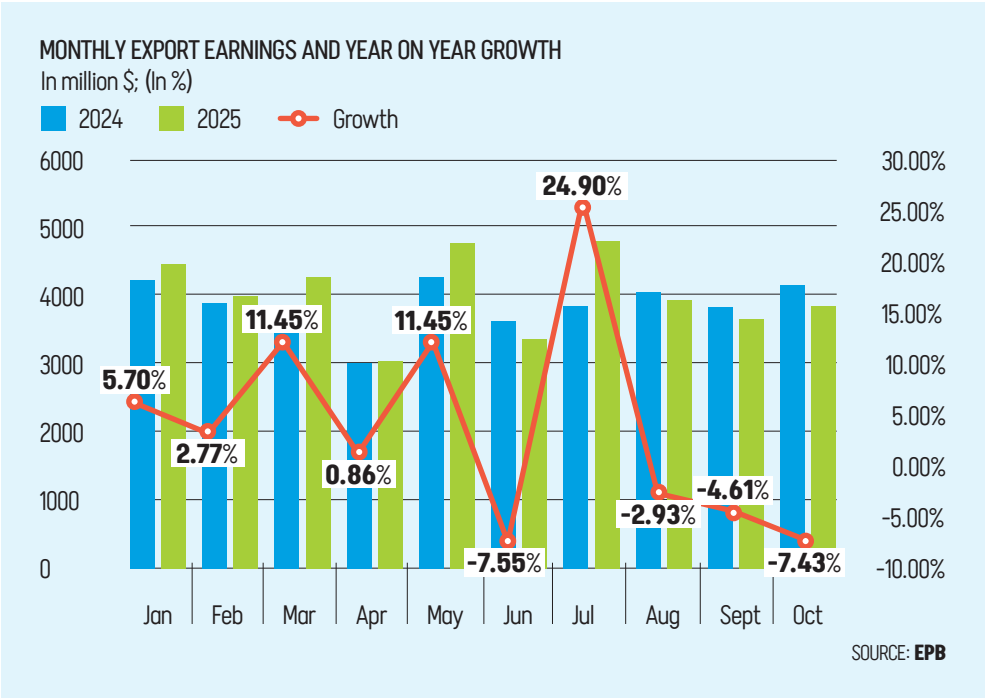
However, in the July-October period, garment shipments rose slightly by 1.40 percent to \$12.99 billion. Knitwear contributed \$7.23 billion, marking a 0.42 percent increase, and woven garments \$5.75 billion, a 2.66 percent increase.

INFLATION, TARIFF IN THE WEST TO BLAME

Analysts attribute the recent slump to sluggish demand for major products such as apparel and shoes in key markets including Europe and the United States, where high inflation and the recent high reciprocal tariffs imposed by the Trump administration have dampened orders.

"The demand for apparel slowed as US retailers and brands built up inventories earlier during the April-August period, when US President Trump announced a 90-day pause to the huge reciprocal tariff, effectively keeping the rate at only 10 percent," said Faisal Samad, director of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Additional domestic challenges have compounded the slowdown, including gas supply disruptions in industrial units, high bank interest rates, and a fire at



Dhaka airport that affected shipments.

The spillover is being felt beyond garments, particularly in sectors that rely on the same global demand cycle.

Shamim Ahmed, president of the Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA), said the plastic sector has also been experiencing a slowdown this year.

"We're observing a downward trend across most segments in the plastic industry, except for plastic bags, which show some positive growth," Ahmed said. "It's evident in the data, nearly every category is underperforming."

He attributed the slump to a weaker global market. "When global demand drops, it directly affects our export orders. On top of

that, we are struggling to stay competitive due to higher interest rates at home."

Export earnings in the plastic sector fell from \$102 million during the same period last year to \$98.35 million this year, a reduction of about \$5 million. "Five million dollars may not sound huge in isolation, but when you consider the scale, it's significant," Ahmed said.

Among sub-sectors, plastic waste products registered negative growth, while tableware and kitchenware showed modest improvements.

However, Ahmed said, "There is no specific reason we can pinpoint yet. It seems to be largely due to a decline in overall orders."

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## Regulatory coordination vital to revive banking sector: experts

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Reviving the banking sector requires coordinated action among all relevant government bodies and data-driven resolution of weak banks to rebuild investor trust without relying on government support, experts said yesterday.

Speaking at a roundtable on the issue, organised by Policy Exchange Bangladesh (PEB) in Dhaka, they underscored the need for a unified approach involving the Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), National Board of Revenue (NBR), Ministry of Finance, and Ministry of Law.



Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank, said strong coordination between the central bank and the BSEC is essential for transparent restructuring and called for a clear roadmap.

"Transparency in all actions will improve confidence," he said, adding that while recapitalisation is vital for financial stability, improving governance is equally important.

"Independent directors have become dependent. This should be changed," he added.

Md Mahbubur Rahman, additional managing director of City Bank, suggested adopting different strategies for banks based on their financial health.

"The revival of some banks is questionable. They should not be treated the same as others," he said, stressing the need to follow international best practices.

Hassan O Rashid, CEO of Prime Bank, warned that rising non-performing loans (NPLs), governance lapses, and poor coordination among regulators, including Bangladesh Bank, the BSEC, and the NBR, are deterring investment and undermining market confidence.

He called for restoring governance, ensuring realistic

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## Internet prices may rise under proposed guideline

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The proposed regulatory and licensing guidelines for broadband service providers could increase internet costs for users by at least 20 percent due to new fees and charges.

The Internet Service Providers Association of Bangladesh (ISPAB) made the comment yesterday at a press conference at a city hotel.

The trade body organised the event to express its views on the draft guideline for issuing licences for Fixed Telecom Service Providers (FTSPs), recently prepared by the Bangladesh Telecommunication Regulatory Commission (BTRC).

The ISPAB opposed the proposed guideline.

Under the guideline, FTSPs would have to share 5.5 percent of their revenue with the government and contribute another 1 percent to the Social Obligation Fund.

The cost of purchasing bandwidth for FTSP operators is also expected to rise by around 14 percent, said the ISPAB.

The government is moving in the wrong direction, said ISPAB President Aminul Hakim.

He said the BTRC currently receives 21.45 percent of the sector's revenue, including from submarine cables, international internet gateways, and international terrestrial cable operators, under revenue-sharing arrangements and social obligation contributions.

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