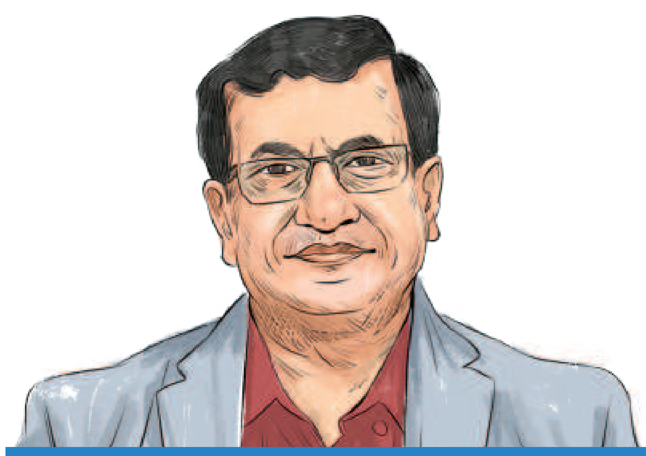


Md Rashedul Karim Munna

Intent was good, but poor execution failed plastic ban

Says president of diversified jute goods producers' association

JAGARAN CHAKMA

In 2002, in a revolutionary move, Bangladesh became the first country to ban thin plastic bags. Needless to say, it failed to achieve any tangible success. More initiatives in the later years also ended with similar results. Following the political changeover in 2024, the interim government renewed a crackdown on plastic, with Environment Adviser Syeda Rizwana Hasan ordering a ban on polythene bags in supermarkets and grocery stores from October last year. A year later, it appears that crackdown yielded little result yet again.

According to Md Rashedul Karim Munna, president of the Bangladesh Jute Diversified Products Manufacturers and Exporters Association, the problem lies not in intent but in execution.

"Without strong coordination across ministries, support for plastic producers to transition, and mass awareness among consumers, the ban risks falling short just as similar efforts have in the past," Munna told The Daily Star in an exclusive interview recently.

As part of the anti-plastic efforts, the government has recently banned three single-use plastic items, including straws and cotton buds, within the Secretariat from October 2, 2025.

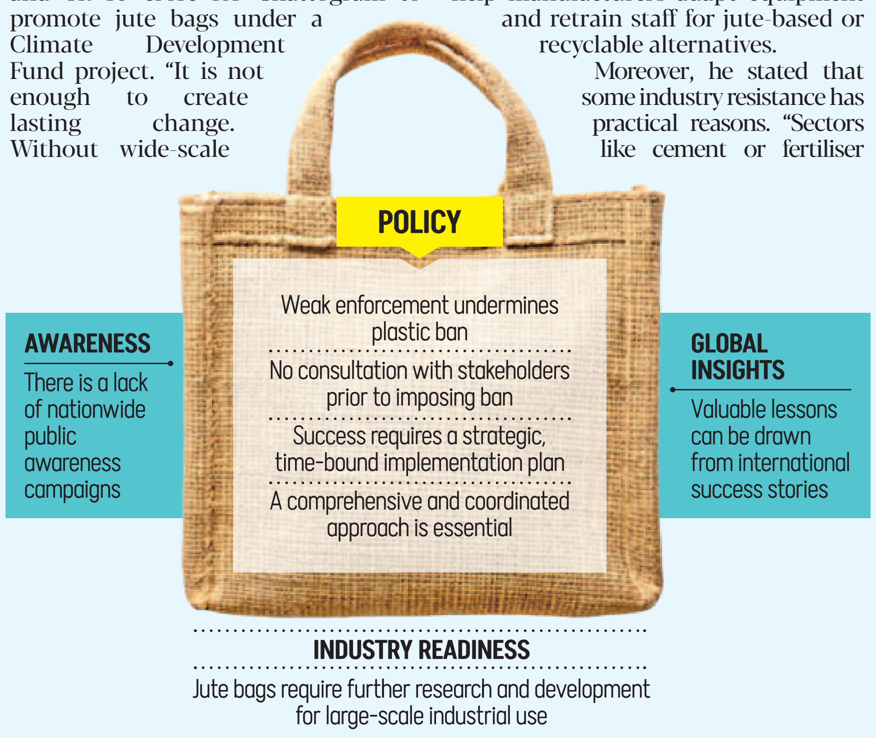
Munna praised the government's intent but warned that symbolic actions cannot replace a comprehensive strategy. "Announcements alone won't bring results unless backed by serious planning."

He pointed out that more than 100 countries, including EU members and Australia, have successfully implemented bans or restrictions on single-use plastics.

"What these countries did differently is they prepared the population," he said. "They ran awareness campaigns, increased taxes on harmful materials, and offered financial support to businesses producing alternatives."

In contrast, he noted that Bangladesh relied on policy declarations and limited pilot projects.

For example, the government allocated Tk 15 crore for Dhaka and Tk 10 crore for Chattogram to promote jute bags under a Climate Development Fund project. "It is not enough to create lasting change. Without wide-scale awareness and real alternatives, people will always fall back on plastic."



He also pointed to the absence of a transition plan for workers in the plastic manufacturing sector.

"The people making plastic products are not our enemies. If we support them to switch to alternatives, they will consider it. Right now, they feel left out of the conversation," he said, adding that this is helping fuel underground and illegal production.

He also said the bans are usually imposed without prior consultation with plastic sector stakeholders.

The diversified jute goods producer stressed the need for targeted financial support, training, and subsidies to help manufacturers adapt equipment and retrain staff for jute-based or recyclable alternatives.

Moreover, he stated that some industry resistance has practical reasons. "Sectors like cement or fertiliser need coated bags to prevent leakage. Regular jute bags don't work for them," he explained, calling for government-backed R&D and technical support to modernise packaging systems.

"People will not change their habits unless they understand what's at stake. And it's not just the environment, there are serious health risks tied to plastic use," he said, linking growing prevalence of cancer, kidney and liver issues to toxins and microplastics leaching into the environment and food.

He called on researchers and the media to educate the public. "If people realise that avoiding plastic protects their health and their children's future, they will start making the switch."

According to Munna, the key to success lies in a long-term, strategic action plan with clear targets and deadlines. On top of this, there needs to be improved coordination between the environment, industry, commerce, and customs ministries.

"Right now, the environment ministry is taking the lead, but implementation is weak because others are not aligned," he said. "Without proper enforcement and accountability, this will become just another paper policy."

He recommended giving enforcement bodies clear authority and resources, and improving waste management systems to support recycling.

When asked why stronger action has not yet been taken, Munna pointed to the lack of public pressure and political will. He remains hopeful, however, that change is possible.

"We don't want to be opponents of the plastic industry. We want to help them transition," he said. "If there is awareness, support, and enforcement, this can be a success story like the garment industry's transformation after Rana Plaza."

He cited examples like Coca-Cola and other global brands moving toward recyclable packaging, arguing that even large corporations are shifting, and Bangladesh can too.

"The time to act is now. With smart planning, we can protect our environment, promote local industries, and safeguard public health – all at the same time," he said.

Can litigation help banks tackle default loans?

MAMUN RASHID

Though I spent my banking life with foreign banks, I was mostly half-hearted about knowing the courtroom performance of local lawyers. Many were seen arriving without having done enough homework before defending their clients.

Bangladesh banking is now at a critical juncture. With non-performing loans (NPLs) rising sharply, the question is whether stronger legal action by banks can help reverse the trend. The burden of bad loans is far heavier than in many other countries. The NPL ratio reached more than 20 percent of total loans by December 2024. More alarmingly, that ratio rose to 24 percent by March 2025 and even higher in June 2025. In state-owned commercial banks, the figure peaked at 43 percent in the second quarter of fiscal 2025.

By contrast, in Asia more broadly, the average NPL ratio is much lower. For example, banks in India reported a gross bad-loan ratio of around 2.3 percent in March 2025. In China, the ratio stood at just 1.56 percent at the end of June 2024. These comparisons underline the scale of the challenge. If other countries maintain NPLs in the 1-3 percent range, then Bangladesh, at 20-25 percent, is operating with a huge volume of distressed loans.

If government reforms alone are not sufficient, then banks must ask themselves what more they can do. Litigation and recovery processes emerge as essential parts of the solution. When borrowers stop servicing loans, steps such as court filings, asset seizures and legal enforcement become necessary. Bangladesh now has specialised money loan courts under the Money Loan Court Act 2003, along with directives by the central bank requiring banks to build stronger legal divisions. But having a court system is one thing; using it effectively is another.

When a bank spots early signs of a troubled loan, swift escalation to its legal team matters. If the legal division lacks qualified staff or monitoring systems, cases may drag. Delay means that defaults deepen, collateral values may decline, and recoveries shrink. In contrast, when a bank legal team and its panel lawyers coordinate seamlessly, reviewing in depth, filing early, tracking hearings and executing judgments, the cost of delay drops and bad loans start to shrink. International research shows that high NPLs hurt bank assets and income growth.

The regulator has prescribed specific standards. Banks must appoint chief legal officers with law degrees and experience. At least one-third of legal department staff must hold legal qualifications and banking experience. Panel lawyers must be enrolled advocates with an active practice. These requirements aim to strengthen the legal machinery inside banks. Yet structural challenges persist, including delays in filing, weak coordination between internal teams and outside counsel, overloaded courts and the increasing classification of loans under newer, stricter regulations. For example, the classification period is being reduced to three months from March 2025.

What does this mean for the banking sector? A high NPL level restricts banks' ability to lend. The Bangladesh Bank has noted that the bad loan surge is limiting banks' credit capacity. If banks are saddled with large unrecovered loans, then they must set aside more provisions, profitability suffers, capital buffers are eroded, and economic growth slows. For this reason, litigation must be treated not as a one-off measure but as part of the overall risk-management structure: monitor early, escalate quickly, litigate efficiently, recover assets and redeploy capital into new lending.

Litigation can reduce default loans, but only if banks strengthen their legal divisions, embed recovery procedures into their operations, coordinate with courts and lawyers, and act with speed and precision. Government and regulatory reforms may set the stage, but banks are the ones who must use it. If internal legal strength aligns with external legal infrastructure, then the tide of defaults can be stemmed and the economy can breathe easier. What is needed now is decisive commitment from bank boards and senior management, a clear push to invest in legal capabilities, enforce accountability and prioritise rapid recovery.

The writer is the chairman of Financial Excellence Ltd

Bitcoin on thin ice after sinking in flight from risk

REUTERS, *Singapore/London*

Bitcoin dropped to a seven-month low on Friday, closing in on the $80,000 level below which some analysts say much heavier losses are likely for the world's largest cryptocurrency.

Bitcoin fell to $80,553, and ether hit a four-month low, as cryptocurrencies led a broad flight from riskier assets, spurred by investor worries over lofty tech valuations and uncertainty over near-term US interest rate cuts.

Cryptocurrencies are often viewed as a barometer of risk appetite and their slide highlights how fragile the mood in markets has turned in recent days, with high-flying artificial intelligence stocks tumbling and volatility spiking.

Bitcoin is down 12 percent for the week. Its slide follows a stellar run this year that propelled it to a record high above $120,000 in October, buoyed by favourable regulatory changes towards crypto assets globally.

But analysts say the market remains scarred by a record single-day slump last month that saw more than $19 billion of positions liquidated.

As it plunged through $100,000 last week and headed for $80,000 on Friday, some analysts said bitcoin was reaching levels that corporate and institutional investors on average paid for their tokens, and where they might have to sell to prevent losses.

Bitcoin has erased all its year-to-date gains and is now down 12 percent for the year, while ether has lost close to 19 percent.

"If it's telling a story about risk sentiment as a whole, then things could start to get really, really ugly, and that's the concern now," Tony Sycamore, a market analyst at IG, said of the fall in bitcoin.

CRYPTO TREASURIES

The plunge on Friday will compound problems for so-called crypto treasury companies, which have been big buyers of bitcoin and other cryptocurrencies this year.

These companies hold the crypto on their balance sheets in the hope the price rises. Standard Chartered has estimated that a drop below $90,000 for bitcoin could leave half of these companies' holdings "underwater" - a term which typically refers to holding assets worth less than what was paid for them.

Analysts say the companies could be forced to raise new funds or sell down their crypto holdings, putting further downward pressure on prices.

Listed companies collectively hold 4 percent of all the bitcoin in circulation, and 3.1 percent of ether, Standard Chartered estimates.

"The procyclical nature of bitcoin treasury companies is fully obvious now, if it wasn't obvious six months ago," Brent Donnelly, president at analytics firm Spectra Markets, said in a note.

China's largest US soybean buy in two years buoys prices

REUTERS, *Chicago*

The largest US soybean sales to China in more than two years this week could be just the beginning of an accelerated buying program by Beijing after the world's top importer shunned US supplies for months due to a trade war with Washington.

Even if purchases fall short of the 12 million metric tons that US Treasury Secretary Scott Bessent announced, the uptick in sales has buoyed crop prices.

That triggered a flurry of sales by farmers who were holding their crop hoping for such an uptick. Some Chinese traders also cashed in after booking long positions when prices slumped, but any American farmers who sold their crop before the Chinese purchase deal was announced did not benefit.

It remained unclear how quickly China would reach the target that US officials said Beijing has agreed to. The confirmed purchases of nearly 1.6 million metric tons in three days sent US prices sharply higher to a steep premium over shipments from rival exporter Brazil. That has made US soybeans uncompetitive for other importers like Turkey and Vietnam.

It also creates a problem for Beijing, which does not now need more beans after major purchases of South American crops. China must empty some of its national reserves to make space for the US shipments.

Bessent and Agriculture Secretary Brooke Rollins said China had agreed to buy 12 million tons by the end of this year after President Donald Trump met in October with Chinese President Xi Jinping in South Korea.

Last week, Trump said the purchases would take place before spring. Beijing has not officially confirmed the volume commitment, but Bessent said the deal could be inked by late next week.

In past years China has accounted for 50 percent to 60 percent of all US soybean exports, so timing of the purchases is likely to steer soybean prices at least until an official agreement is signed.

"Do I believe China will take 12 million metric tons? I do," said Dan Basse, president of consultancy AgResource Co. "Do I think China will take 12 million tons by the end of the year? Not a chance."

The US Department of Agriculture has confirmed 1.584 million tons in sales to China over three days this week, the largest single-week tally since early November 2023, according to USDA data. Traders and analysts said total sales may be closer to 2 million to 3 million tons after a minimal volume was sold ahead of the Trump-Xi summit with other recent purchases below the USDA's daily reporting threshold.

CBOT soybean futures rallied to their highest point since June 2024 on news of the sales, and the benchmark price was up nearly 12 percent from mid-October ahead of the meeting in South Korea.

This US price rally coincided with a drop in costs for Brazilian soybeans, widening the US premium to Brazil to around 50 cents per bushel for January shipments, or more than $1.1 million per 60,000-ton cargo. The premium for US shipments in February was as high as $1.10 per bushel, according to traders.

A surge in futures open interest during the rally suggested that Chinese importers were among those taking long positions in the market, betting prices would rise. The positions locked in lower prices before they booked physical sales. Futures have retreated as Chinese traders liquidated those long positions, traders said.

"They have actually bought the futures a long time ago, likely when January beans were around $10 a bushel and prior to Xi meeting with Trump and announcing the trade deal. So they have been long the futures this entire time and are now announcing cash purchases, which means they are actually selling their long futures, which in turn is putting pressure against the January soybean futures," said Brian Hoops, analyst with Midwest Market Solutions. READ MORE ON B2

A soybean grower stands in a soy field on his farm in Waterman, Illinois. In past years, China has accounted for 50 percent to 60 percent of all US soybean exports. PHOTO: REUTERS/FILE

India trade unions condemn new labour codes

REUTERS, *Mumbai*

Ten large Indian trade unions condemned the government's rollout on Friday of new labour codes, the biggest such overhaul in decades, as a "deceptive fraud" against workers.

The unions, aligned with parties opposing Prime Minister Narendra Modi, demanded in a statement late on Friday that the laws be withdrawn ahead of nationwide protests they plan to hold on Wednesday.

One of the trade unions, Centre of Indian Trade Unions, organised protest marches on Saturday in the eastern city Bhubaneswar, where hundreds of workers gathered and burnt copies of the new labour codes.

Modi's government implemented the four labour codes, approved by parliament five years ago, as it seeks to simplify work rules, some dating to British colonial rule, and liberalise conditions for investment. It says the changes improve worker protections.

While the new rules offer social security and minimum-wage benefits, they also allow companies to hire and fire workers more easily.

Unions have strongly opposed the changes, organising multiple nationwide protests over the past five years.

The Labour Ministry did not immediately respond on Saturday to a Reuters request for comment on the union demands. The government has held over a dozen consultations with unions since June 2024, an internal ministry document on the labour codes shows.

The rules allow longer factory shifts and night work for women, while raising the threshold for firms that need prior approval for layoffs to 300 workers from 100, giving companies greater flexibility in workforce management.