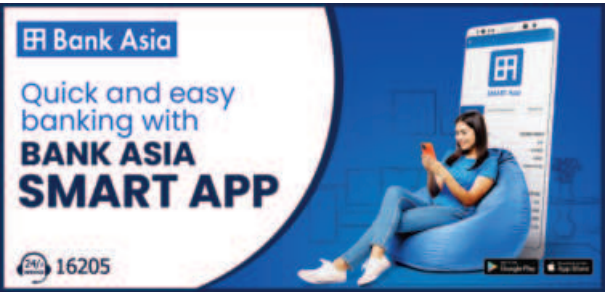


star

BUSINESS



Govt goes heavy on bank borrowing as private demand falls

AHSAN HABIB

The government has increased its reliance on bank financing in recent months as revenue collection struggles to keep pace with spending, while private sector credit growth remains at one of its lowest levels in decades.

According to the Bangladesh Bank (BB), outstanding bank loans to the government rose 24.45 percent in September compared with a year earlier, reaching Tk 5.65 lakh crore.

By contrast, loans to the private sector increased by just 6.29 percent year-on-year to Tk 17.56 lakh crore, down slightly from 6.35 percent in August. In September 2024, private sector lending stood at Tk 16.52 lakh crore.

This marks the slowest pace of expansion in at least 20 years, showing how businesses are holding back on fresh investment amid high borrowing costs, uncertainty ahead of the national election, and subdued consumer demand.

IPDC ডিপোজিট | ১৬৫১৯

Towfiqul Islam Khan, additional research director at the Centre for Policy Dialogue (CPD), said the government currently has “very lean” fiscal space because revenue collections have repeatedly missed projections.

Official figures show that the National Board of Revenue (NBR) fell short of its collection target for the 13th consecutive year in the last fiscal year.

NBR’s overall receipts reached Tk 3.7 lakh crore in FY25, leaving a shortfall of Tk 92,626 crore against the revised target.

In the July-September quarter of FY26, the revenue board’s collection rose 20 percent to Tk 75,554 crore, according to provisional data. However, it missed its quarterly target of Tk 99,900 crore, leaving a shortfall of more than Tk 24,000 crore.

From July to October, revenue collection grew 15 percent year-on-year to Tk 103,400 crore, but the gap against the target remained around Tk 33,300 crore, according to the NBR.

With limited funds from savings instruments and little scope for external borrowing, Khan said the government has been forced to rely more heavily on the banking system.

“For now, the banks have become the only option,” he said.

Khan also noted that the high level of government borrowing limits the central bank’s ability to reduce policy rates to stimulate private investment, READ MORE ON B3

HSBC to honour top exporters today

STAR BUSINESS REPORT

HSBC Bangladesh will honour the country’s top exporters today for their leadership and ongoing contributions in promoting Bangladesh globally and supporting sustainable growth.

The British multinational bank will present the HSBC Export Excellence Awards in four categories at a ceremony in a Dhaka hotel this evening. This is the ninth time HSBC is recognising Bangladesh’s leading exporters.

The awards are supported by the Ministry of Commerce and the British High Commission in Dhaka.

Winners are selected based on their contribution to exports and the wider economy, as well as their performance in diversity, responsibility, sustainable business practices, governance, and compliance.

Commerce Adviser Sk Bashir Uddin is expected to present the awards, while British High Commissioner to Bangladesh Sarah Cooke and Bangladesh Bank Governor Ahsan H Mansur are likely to attend.

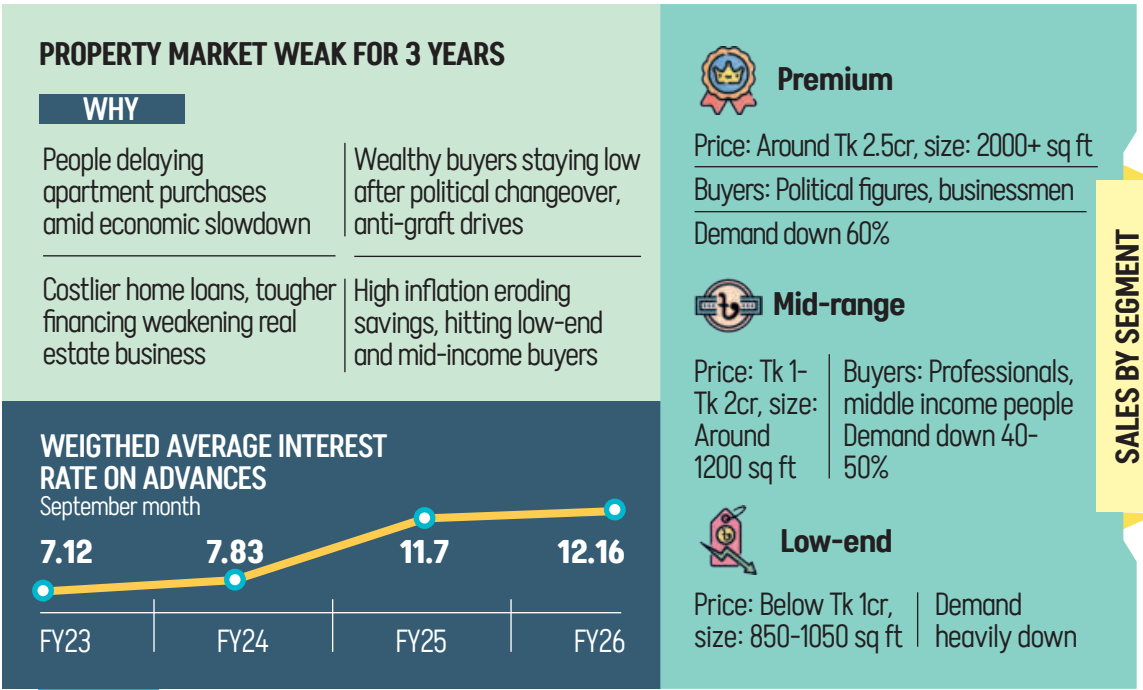
HSBC announced the awards in August and invited applications.

Commenting on the initiative, PRAN-RFL Group Chairman and CEO Ahsan Khan Chowdhury

READ MORE ON B3

Mid-range apartments prop up ailing property market

Premium segment buyers largely missing after the political changeover, while low-end customers beaten out of market



JAGARAN CHAKMA

Sales of mid-segment apartments now appear to be the saviour of a property market that has been struggling for nearly three years amid economic turbulence and political uncertainty

Realtors say they once sold around 1,000 units a year, but annual sales have fallen by half after gradual fall over the years.

Even so, upper-middle-income

families and professionals continue to buy flats priced between Tk 1 crore and Tk 2 crore. These homes, mostly in Dhaka and Chattogram, are roughly 1,200 square feet in size.

“The upper-middle-income group still shows some interest,” said Aysha Siddiqua, executive director for brand and communication at real estate developer bti.

Commercial banks also

report a stable flow of home loan applications thanks to buyers in this segment.

Meanwhile, demand in the premium market has fallen sharply, according to Shihab Ahmed, chief sales officer at Shanta Holdings.

He said sales in that category, mostly driven by political figures and businesspeople, have dropped by more than 60 percent.

READ MORE ON B3

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Jamuna Bank offers Tk 800cr bond with 12.65% return

STAR BUSINESS DESK

Jamuna Bank PLC has announced that it will raise Tk 800 crore through the issuance of its fifth subordinated bond, offering investors a secure, long-term investment option with an attractive rate of return.

The seven-year bond will be redeemed in five equal annual instalments starting at the end of the third year, the bank said in a press release.

Structured in line with international standards and regulatory requirements, the bond carries a floating coupon rate.

As of November 2025, the annual return stands at 12.65 percent, making it more lucrative than many traditional

fixed-income instruments such as government treasury bonds and fixed deposits.

The bank organised a launch event inaugurated by Md Belal Hossain, chairman of Jamuna Bank PLC.

"This subordinated bond not only enhances the bank's Tier-II capital but also offers investors an opportunity to diversify their portfolio with a low-risk, stable-income instrument.

It reflects our focus on innovation, customer convenience and long-term financial stability," Hossain said.

Mirza Elias Uddin Ahmed, managing director and CEO of the bank, along with directors, divisional heads and branch managers, also attended the event.



Md Belal Hossain, chairman of Jamuna Bank PLC, attends the launch of the bank's fifth subordinated bond issuance programme in Dhaka recently. PHOTO: JAMUNA BANK

Syed Mizanur Rahman appointed MD of Meghna Bank

STAR BUSINESS DESK

Syed Mizanur Rahman, a seasoned professional with almost three decades of experience in the financial services sector, has been appointed the managing director of Meghna Bank PLC, effective from December 4, 2025.

Prior to this appointment, Rahman was serving as managing director and CEO of AB Bank, according to a press release.

He started his professional career with Novartis, previously known as Ciba-Geigy (Bangladesh) Limited, in 1993, and subsequently served at Youngone and Beximco before joining the banking industry.

He has previously worked at Dhaka Bank, IPDC, Bank Al-Falah and United Commercial Bank in key positions. Over the years, Rahman has acquired extensive knowledge in different segments of the banking industry, with a distinct focus on branch banking, retail, process transformation, business development and corporate communication.

Rahman completed his MBA from the Institute of Business Administration at the University of Dhaka.



Syed Mizanur Rahman

Prime Bank releases sustainability, climate reports



Chowdhury Liakat Ali, director of the Sustainable Finance Department at the Bangladesh Bank, unveils "Sustainability Report" and "Climate Action Report", released by Prime Bank PLC, at The Westin Dhaka yesterday. Hassan O Rashid, chief executive officer of Prime Bank PLC, was present. PHOTO: PRIME BANK

STAR BUSINESS DESK

Prime Bank PLC yesterday released its Sustainability Report and Climate Action Report, reaffirming its commitment to responsible and climate-conscious banking.

Chowdhury Liakat Ali, director of the Sustainable Finance Department at the Bangladesh Bank, inaugurated the launching programme as the chief guest at The Westin Dhaka, according to a press release.

Ali addressed the gathering, offering encouraging words, guiding the bank on its sustainability journey, and outlining the regulator's expectations for commercial banks.

At the event, Hassan O Rashid, chief executive officer of Prime Bank PLC, emphasised the bank's long-term sustainability goals and strategic alignment with global climate priorities.

"This report reflects our continued journey in embedding sustainability into our core business and our collective responsibility to support a greener future," he stated.

Prime Bank showcased its diverse CSR programmes focusing on climate resilience, underscoring its role in fostering sustainable development across communities.

Through the publication of these reports, Prime Bank demonstrates its dedication to transparency, accountability and leadership in climate action, aligning with both national and global sustainability agendas, the release added.

Faisal Rahman, additional managing director of Prime Bank, and Ziaur Rahman, deputy managing director and chief risk officer, along with senior officials from the Bangladesh Bank Sustainable Finance Department, representatives from international partners and CSR collaborators, were also present.

Eastern Bank launches 'EBL Priority Next Gen'

STAR BUSINESS DESK

Eastern Bank PLC (EBL) has launched a new service, titled "EBL Priority Next Gen", a bespoke banking segment created for the next generation of achievers— young visionaries poised to carry forward the values, ambition and legacy of EBL's Priority families.

Ali Reza Iftekhar, managing director of Eastern Bank PLC, inaugurated the service at Le Meridien Dhaka in the capital recently, according to a press release.

Iftekhar said, "Everything we have built—every milestone—has been shaped by trust, excellence and an unwavering commitment to our customers. Today, as we welcome the next generation, we reaffirm our promise to evolve and innovate financial experiences that

match their lifestyle, ambitions and vision for the future."

EBL Priority Next Gen offers a thoughtfully curated suite of lifestyle privileges, personalised wealth solutions, wellness benefits, global conveniences and seamless travel experiences crafted to match the pace, passion and purpose of tomorrow's leaders.

From dedicated relationship support to gourmet indulgences, from premium lounges to everyday lifestyle enhancements, EBL Priority Next Gen is designed to elevate the way its members live, move and succeed.

The launching event, themed "Prive", brought together young achievers, innovators and emerging leaders, celebrating a generation that dreams differently, moves faster and embraces opportunity with confidence.



Ali Reza Iftekhar, managing director of Eastern Bank PLC, inaugurates a new service, titled "EBL Priority Next Gen", at Le Meridien Dhaka in the capital recently. PHOTO: EASTERN BANK

Pubali Bank releases sustainability & impact report



Mohammad Ali, managing director and CEO of Pubali Bank PLC, unveils the bank's first-ever "Annual Sustainability & Impact Report 2024" at its head office in Dhaka recently. PHOTO: PUBALI BANK

STAR BUSINESS DESK

Pubali Bank PLC has released its first-ever "Annual Sustainability & Impact Report 2024", marking a milestone in its commitment to transparency, accountability, and responsible

banking.

Carrying the tagline "Green Financing: Leads to Sustainability", the report is fully aligned with the globally recognised IFRS S1 and S2 sustainability disclosure standards, according to a press release.

Mohammad Ali, managing director and CEO of Pubali Bank PLC, unveiled the report as the chief guest at the bank's head office in Dhaka recently.

The publication highlights the bank's progress across key environmental, social, and governance (ESG) indicators, outlining strategic initiatives and its contributions to community development and environmental stewardship.

This initiative further solidifies Pubali Bank's position as a leader in sustainable finance in Bangladesh, particularly following its recognition in 2024 as one of the country's most sustainable banks by Bangladesh Bank.

By adopting IFRS sustainability standards, the bank aims to provide stakeholders with high-quality, comparable, and reliable disclosures that support meaningful assessments of long-term value creation and impact.

Pubali Bank PLC, a leading private commercial bank in Bangladesh, continues to strengthen the nation's economic foundation through its focus on sustainable finance, technology-driven solutions, and strong governance practices.



Md Mahbub Alam, additional managing director of Southeast Bank PLC; Syed Mohammad Kamal, country manager for Bangladesh at Mastercard; Pranav Mehta, managing director of PepsiCo Bangladesh; and Sayeeful Islam, managing director of SSL Wireless, jointly inaugurate a co-branded SME credit card in Dhaka yesterday. PHOTO: MASTERCARD

Mastercard launches co-branded SME credit card with Southeast Bank, SSL Commerz

STAR BUSINESS DESK

Mastercard, in collaboration with Southeast Bank PLC and SSL Commerz, has launched a co-branded SME credit card designed exclusively for PepsiCo's distributor Transcom Beverages Limited in Bangladesh.

This marks PepsiCo's first collaboration of its kind, bringing a seamless digital payment solution to its distributors.

The new card aims to empower distributors with easy access to credit, a seamless and secure digital payment experience, and efficient financial management tools, along with up to 45 days of free credit facilities.

The card will be uniquely tailored for distributors, offering a secure credit usage policy that strengthens credit management while enhancing their purchasing power and driving greater financial inclusion.

Md Mahbub Alam, additional managing director of Southeast Bank PLC; Syed Mohammad Kamal, country manager for Bangladesh at Mastercard; Pranav Mehta, managing director of PepsiCo Bangladesh;

and Sayeeful Islam, managing director of SSL Wireless, jointly inaugurated the card in Dhaka, according to a press release.

Commenting on the collaboration, Alam said, "Southeast Bank has always been dedicated to empowering businesses through innovative financial solutions. This co-branded card will help PepsiCo distributors manage finances more efficiently while promoting digital payment adoption."

Kamal said, "By connecting businesses to our global network and digital tools, we are not just facilitating transactions; we are driving transformation in an increasingly connected economy."

At the event, Mehta said, "This co-branded SME credit card will not only provide financial convenience but also strengthen the business ecosystem by offering our partners access to modern digital financial solutions."

Islam said, "By integrating our robust digital payment infrastructure with this co-branded SME credit card, we aim to boost distributors' financial agility and help them grow with confidence."

Trust Bank signs deal with CG Runner BD

STAR BUSINESS DESK

Trust Bank PLC recently signed an agreement with CG Runner BD Limited, the official distributor of BYD in Bangladesh.

Ahsan Zaman Chowdhury, managing director and chief executive officer of Trust Bank PLC, and Hafizur Rahman Khan, chairman of Runner Group, signed the agreement at the latter's corporate head office in Tejgaon, Dhaka, according to a press release.

Under this agreement, BYD customers can avail themselves of Trust Bank auto loans at a special rate with a waived processing fee, along with other value-added offers.

Senior officials from both organisations were also present at the ceremony.



Hafizur Rahman Khan, chairman of Runner Group, and Ahsan Zaman Chowdhury, managing director and chief executive officer of Trust Bank PLC, pose for a photograph after signing the agreement at CG Runner BD's corporate office in Tejgaon, Dhaka recently. PHOTO: TRUST BANK

India central bank cuts rates

AFP, Mumbai

India's central bank cut interest rates on Friday and signalled more could be on the way as low inflation provided room to help cushion the world's fifth-largest economy against US President Donald Trump's tariff blitz.

The decision also comes after the rupee hit a record low against the dollar this week -- having dropped around five percent in 2025 -- owing to ongoing worries about the lack of a trade deal with Washington and impact of the levies on the country's goods.

The Reserve Bank of India (RBI) cut the benchmark repo rate, the level at which it lends to commercial banks, 25 basis points to 5.25 percent after a unanimous vote by its monetary policy committee.

Some analysts had expected officials to stand pat, given that the bank had already cut rates more than 100 basis points this year and economic growth hit a six-quarter high in July-September.

But a majority had argued that easing price pressures and mounting risks to India's economic outlook stemming from Trump's tariffs justified a reduction.

With US tariffs sitting at 50 percent, exporters are warning of cancelled orders and widespread job losses, while analysts say the tolls could knock up to 80 basis points off economic growth this year.

And while Indian officials remain optimistic of finalising the first phase of a trade deal by the end of the year, neither side has announced a breakthrough.

National SME Product Fair begins today

SME Foundation is organising the 12th edition of the show



An SME entrepreneur is talking with visitors at the SME Fair 2024.

PHOTO: STAR/FILE

STAR BUSINESS REPORT

The 12th National SME Product Fair is set to begin today, highlighting Bangladesh's growing small and medium enterprise (SME) sector with a focus on expanding market access, fostering innovation, and promoting local entrepreneurship.

Organised by the SME Foundation, the eight-day event will take place at the Bangladesh-China Friendship Conference Centre in Dhaka's Sher-e-Bangla Nagar.

At its core, the fair aims to provide market exposure for locally produced SME goods, facilitate business networking, and connect entrepreneurs directly with consumers, financiers, and policymakers.

Officials say the initiative is designed not only to showcase domestic products but also to equip SMEs with the tools, knowledge, and financing opportunities needed to scale up in a competitive environment—both locally and internationally.

"Many SME entrepreneurs face challenges in marketing their products despite high-quality production. This fair serves as a platform to bridge that gap," said Md

Musfikur Rahman, chairperson of the SME Foundation, according to a press release issued by the Foundation.

More than 350 SMEs are expected to exhibit at this year's fair, with 60 percent being women-led enterprises.

Exhibitors will span a wide range of sectors, including apparel, handicrafts, leather, agro-processing, ICT services, light engineering, and herbal products, the press release said.

It added that the fair also aims to enhance financial inclusion through daily banker-entrepreneur matchmaking events, where nearly 30 participating banks and financial institutions will guide entrepreneurs on accessing SME loans. In some cases, on-site loan applications may be accepted.

To strengthen knowledge sharing, six thematic seminars will be held between December 8 and 10, covering topics such as export diversification, innovation, halal certification, IP rights, blended finance, and skills ecosystem development. These sessions aim to inform entrepreneurs about regulatory, technical, and financing pathways critical for sustainable growth.

A key highlight of the fair will be the

presentation of the National SME Entrepreneur Awards 2025, recognising six outstanding entrepreneurs in the micro, small, medium, and startup categories.

Since its inception in 2012, the SME Foundation has organised 11 national and 93 regional fairs, supporting over 5,000 entrepreneurs. According to the foundation, past fairs have generated Tk 57 crore in direct sales and Tk 93 crore in product orders.

The event's chief patron is The City Bank, with other sponsors including BRAC Bank, Eastern Bank, Bank Asia, IDLC Finance, LankaBangla Finance, United Finance, and IPDC Finance. Only locally produced goods will be allowed for display and sale, with no foreign or imported items permitted.

By combining exhibition, financial support, training, and policy dialogue, the fair continues to position itself as a key national initiative to elevate Bangladesh's SME ecosystem—a sector seen as crucial for job creation, inclusive growth, and industrial diversification.

The fair will remain open to visitors until December 14, from 10 am to 9 pm daily—with no entry fee.

Mid-range apartments keep struggling property

FROM PAGE B1

Premium flats are generally over 2,000 square feet and cost more than Tk 2.5 crore.

Developers say wealthy buyers are either in hiding or keeping a low profile following the mass uprising that removed the Awami League government in August last year.

They also noted that the interim government's move to remove the option to legalise undeclared income by investing in property has further deteriorated investment.

That provision had previously encouraged part of the wealthy class to purchase large homes.

"People are hesitant to spend under the current economic climate," according to Siddiqua. "Uncertainty is directly affecting apartment sales."

At the lower end of the market — flats measuring 850 to 1,050 square feet and costing less than Tk 1 crore — demand has

weakened due to persisting high inflation and bank interest rates.

Apartment sales boomed in fiscal year 2022-23 (FY23) after the Covid pandemic, when pent-up demand pushed the market to a peak. The momentum faded the following year as the wider economy began to show signs of distress.

EVEN THE MID-RANGE DIGESTS A HIT

The mid-range segment may now be propping up the sector, but it has not escaped the property slowdown.

Sales have fallen by 40 percent to 50 percent compared with the FY23, said Ahmed of Shanta Holdings.

He described this category as the main source of cash flow for developers and the lifeline of the entire industry. "When this segment suffers, the entire sector faces trouble."

Meanwhile, bti's Siddiqua said demand for

homes has not vanished, but has shifted and become concentrated among mid-range buyers. Low-end customers remain somewhat absent from the market.

She said buyers in the mid segment expect competitive prices, but developers find it difficult to meet that expectation due to the high cost of land and construction materials.

Siddiqua added that discounts are rarely offered publicly. "In real estate, any negotiation on price typically happens one-on-one with the customer."

Despite the fall in sales, especially in the low and high brackets, banks say demand for home loans has stayed stable.

The head of mortgage at a leading private bank said mid-range buyers remain active and group housing initiatives are becoming more common, with professionals joining together to buy land and

build homes.

Current home loan interest rates range from 11 percent to 12 percent. The maximum tenure is 25 years, with a ceiling of Tk 2 crore, the official said.

NEW PROJECTS DECLINE

Liakat Ali Bhuiyan, senior vice president of the Real Estate and Housing Association of Bangladesh (REHAB), said the industry agrees that sales have fallen sharply.

"The market is likely to remain stagnant until uncertainty over national-level decisions is resolved," he said.

The new Detailed Area Plan (DAP 2022-2035) has also affected the sector, as the Rajdhani Unnayan Karttripakkha (Rajuk) has reduced building height and floor area ratios in many locations.

Bhuiyan said this has slowed new projects and stalled some ongoing developments.

Ahmed of Shanta Holdings said declining sales have put many small and mid-sized developers under financial pressure.

He added that high lending rates and liquidity shortages in banks are making it difficult for companies to raise capital.

According to Anup Kumar Sarker, senior executive director of Concord Group, diversified companies are coping better, while those focused on narrow segments face greater challenges.

Sarker said no one can predict when the sector will recover. Once demand returns, however, prices may rise.

REHAB' Bhuiyan said fewer new projects mean supply is shrinking. "Every year there is a natural demand in the market, but when the supply drops below that threshold, pressure builds up, eventually impacting prices."

HSBC

FROM PAGE B1

"Recognition motivates exporters to achieve more. We welcome this kind of challenge, where exporters compete to outperform each other globally. Such competition is healthy for the country's economic future."

PRAN-RFL Group received the HSBC Export Excellence Award in 2022.

Chowdhury added that recognition from a global trade bank encourages ambition, diversification, and innovation. The group exports at least 20 categories of products, including food, garments, footwear, and plastics, and shipped \$550 million worth of goods last year.

Bangladesh's US wheat intake rises to 239,586 tonnes

STAR BUSINESS REPORT

Bangladesh has received the fourth consignment of wheat from the United States (US) bought under a state-to-state contract.

A ship, MV Lowlands Patrasche, carrying 60,950 tonnes of the grain, arrived on Thursday at Chattogram port.

With this, total shipments of wheat from the US stand at 239,586 tonnes so far.

The first shipment of 56,959 tonnes arrived on October 25, followed by 60,802 tonnes on November 3 and 60,875 tonnes on November 15, according to a press release.

Bangladesh started importing wheat from the US this year on a government-to-government agreement, aiming to protect Bangladesh's exports to America and reduce the trade deficit, which is currently in Bangladesh's favour.

Last week, the Advisers' Council on Government Purchase gave approval to the food ministry to procure another 220,000 tonnes of wheat from the US under a government-to-government arrangement to strengthen public food stocks and ensure a sufficient supply for social safety net programmes.

Gold gains on Fed rate cut optimism

REUTERS

Gold prices rose on Friday as mounting expectations of a US Federal Reserve rate cut next week buoyed sentiment, while silver soared to a record high.

Spot gold was up 1 percent to \$4,212.16 per ounce at 1:36 p.m. ET (1836 GMT), but was on track for a 0.4 percent weekly loss.

US gold futures for February delivery settled unchanged at \$4,243 per ounce.

"The market is increasingly confident that the central bank is going to cut (rates) and in response to that, we've seen the US dollar weaken a little bit and that's accretive for gold," said Bart Melek, global head of commodity strategy at TD Securities.

US economic data showed the core Personal Consumption Expenditures (PCE) Price Index rose 0.3 percent in September, with the annual increase slowing to 2.8 percent from 2.9 percent in August.

This followed private payroll data revealing the sharpest decline in over two and a-half years last month. Dovish commentary from several Fed officials has further fueled expectations of monetary easing.

CME's FedWatch tool indicates an 87.2 percent probability of a 25 basis-point rate cut at the Fed's December 9-10 meeting.

Gold is projected to trade between \$4,200 and \$4,500 this year, and between \$4,500 and \$5,000 next year, depending on the Fed's decisions, said Alex Ebkarian, COO at Allegiance Gold.

Meanwhile, physical gold demand in India and China eased this week as buyers wait for a correction in spot prices.

Silver rose 2.6 percent to \$58.59 an ounce, up 4 percent for the week, after touching a record \$59.32 earlier.

"(Silver is) following the pathway of gold and many investors still believe that silver is quite cheap in relative terms," Melek said, citing structural deficits and rising demand for electrification as supportive factors.

The white metal has rallied 98 percent so far this year, fueled by supply deficits and its designation on the US critical minerals list.

Govt goes heavy on bank borrowing

FROM PAGE B1

as inflation remains elevated.

The Bangladesh Bank (BB) has kept its policy rate at 10 percent since October 2024, aiming to bring inflation down to 6.5 percent by next June. The 12-month inflation rate stood at 8.02 percent in October.

Recently, BB Governor Ahsan H Mansur said the central bank would consider cutting rates once inflation falls below 7 percent.

"Inflation is tied to the overall money supply, not just private sector credit growth," Khan said, which means an aggressive rate cuts could worsen price pressures.

Businesses are facing higher lending costs at a time when sales and investment plans are slowing, he added.

The economist noted that although the government is curtailing project expenses, prolonged delays ultimately raise overall costs and can undermine project viability.

"The government is in a limbo. Unless domestic revenue improves and public spending becomes more efficient, the debt position will continue to deteriorate," he said.

These concerns were also mentioned in the latest monthly economic outlook from the General Economics Division (GED) of the Planning Commission, released last week.

The GED review noted that the state's growing dependence on bank borrowing must be reduced through stronger revenue mobilisation.

It also highlighted

that sluggish private borrowing is influenced by cautious bank lending and heightened political and economic uncertainty.

Monzur Hossain, a member of the GED, said slow private borrowing has broader implications for the economy because private investment is the main driver of job creation, while government borrowing can have a crowding out effect.

He added that investment decisions rarely depend on a single factor, but high lending rates make expansion more difficult. Past credit data had been inflated due to money laundering disguised as loans, a practice that no longer occurs.

Besides, he said several banks currently struggle with insufficient liquidity to support new lending.

Ashikur Rahman,

principal economist at the Policy Research Institute (PRI) of Bangladesh, said private investment appetite remains muted, reflected in import data for capital machinery and industrial raw materials.

Although letters of credit (LCs) for these items rose slightly in July-September, this followed steep declines last year, showing that overall investment plans remain subdued.

According to the central bank, LC openings for capital machinery in July-September grew 23 percent year-on-year to \$472 million, compared with \$384 million in FY24, down 41 percent from \$651 million a year earlier.

LC openings for intermediate goods rose 1.59 percent, up from a 7.22 percent decline in the previous fiscal year, while

industrial raw materials increased 5.73 percent, slightly higher than the 4.66 percent growth previously.

Rahman added that banks have become more selective due to mounting non-performing loans (NPLs), making them hesitant to extend new credit.

He expects this cautious approach to persist for at least another six months.

The economist dismissed the idea that government borrowing is crowding out private lending, arguing that firms themselves are borrowing less.

"Banks are lending to the government because it is safe, and the government needs funds because its revenue is weak. For the moment, this is not creating a major problem," he said.

Advertorial

Nestlé Bangladesh Successfully Holds HMO Luminary Summit Uniting Leading Global And Local Expts In Bangladesh



Nestlé Bangladesh recently organized the HMO Luminary Summit, a groundbreaking two-day scientific symposium that brought together leading experts and researchers of health science from across the country. This prestigious event aimed to foster collaboration and share insights on the latest advancements in Human Milk Oligosaccharides (HMO) research and its impact on human health.

The summit featured interactive group sessions, case studies, and knowledge-sharing opportunities, enabling participants to explore practical applications of HMO research. A key highlight was the presentation by renowned pediatrician Dr. Randy Urtula from the Philippines, who shared expert perspectives on the role of HMOs in infant nutrition. His insights sparked engaging discussions, reinforcing the importance of continued education and collaboration in health care.

By creating a platform for scientific exchange and strengthening networks among researchers and experts, the HMO Luminary Summit underscores Nestlé Bangladesh's commitment to advancing health outcomes through education and innovation. The event concluded with a call to action for experts from relevant field to integrate HMO research into practice, ensuring improved health outcomes for infants and children across Bangladesh.

MONTHLY BUSINESS REVIEW

FOREIGN OPERATORS FOR LALDIA AND PANGAON TERMINALS

- Agreements have been signed to assign foreign operators for Laldia and Pangaon container terminals
- The operators will get full tax break for 10 years
- Denmark-based APM Terminals will build and operate the Laldia terminal in Chattogram for 30 years
- Switzerland-based Medlog will manage Pangaon terminal in Keraniganj for 22 years
- The interim government insists that the agreements will protect national interests
- But political parties and activists question why an interim authority with a short mandate rushed to take such long-term and sensitive decisions

DEFAULT LOANS HIT 36%, HIGHEST IN 25 YEARS

TOTAL VS. DEFAULTED LOANS (SEPTEMBER)

Tk 18.03 lakh crore

TOTAL DISBURSED LOANS

Tk 6.44 lakh crore

DEFAULTED LOANS

(around 36% of the total)

ONE-YEAR INCREASE

Tk 3.61 lakh crore

DEFAULTED LOANS INCREASED in just one year.

END OF SEPTEMBER: 36%

YEAR EARLIER: 16.93%

MAJOR BORROWERS DEFAULTED

S Alam

Beximco

Orion

Abdul Monem

AnonTex

Sikder Group

Following the fall of the Awami League government in August last year.

INTEGRATED FERTILISER DEALER

Appointment and Distribution Policy 2025

- Govt introduced the policy with effect from November 16
- New policy will ensure discipline in fertiliser distribution
- Deliver fertiliser to farmers on time
- Make fertiliser available at govt-fixed prices
- Around 2,000 problematic dealers identified for review
- New policy aims to save Tk 3,000cr-Tk 4,000cr annually through reforms

SAMMILITO ISLAMI BANK

all set to start operations

- The bank is scheduled to launch in the first week of December 2025.
- Administrative operations have already begun at its head office in Sena Kalyan Bhaban, located in Dhaka's Motijheel.
- Depositors will be able to withdraw up to Tk 2 lakh immediately. Thereafter, they can withdraw a portion of their deposit every three months.
- On November 26, Bangladesh Bank approved an additional Tk 350 crore in liquidity support for the five banks.
- Staff of the five banks may face salary and benefit cuts.

NINE NBFIS TO BE LIQUIDATED

- Bangladesh Bank has approved the liquidation of nine non-bank financial institutions (NBFIs).
- The nine institutions are: FAS Finance, Bangladesh Industrial Finance Company, Premier Leasing, Fareast Finance, GSP Finance, Prime Finance, Aviva Finance, People's Leasing, and International Leasing.
- These nine account for 52% of the sector's total defaulted loans.
- Bangladesh Bank can now shut down the institutions, appoint liquidators, sell their assets, and distribute the proceeds to claimants.

REMITTANCE & EXPORTS

In November, exports fell for the fourth month while remittance rose 31% Y-O-Y

Bad loans as percentage of TOTAL LOANS

FAS Finance	99.93	Aviva Finance	82.64
Fareast Finance	98.13	Prime Finance	77.71
BIFC	97.30	Premier Leasing	75.20
International Leasing	95.97	GSP Finance	58.49
People's Leasing	95		

Bangladesh on Track for LDC Graduation

The government, in a recent report, states that Bangladesh remains on track for sustainable graduation from the least developed country (LDC) category.

The report was submitted to the UN Committee for Development Policy (UNCDP) in early November.

The report comes at a time when businesses have called for a deferment of graduation by up to six years.

Bangladesh is projected to lose around \$8 billion in exports after graduation due to the loss of duty-free and quota-free market access.

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