

# star BUSINESS



## Tk 4 lakh crore default loans stuck in lawsuits

MD MEHEDI HASAN

More than Tk 4 lakh crore in defaulted loans remain locked in over 2.22 lakh cases in money-loan courts, putting further strain on the already fragile banking sector and dragging on the wider economy.

Bangladesh Bank data show that as of June, 222,341 cases involving Tk 407,435 crore were pending across the courts.

Recently, a growing number of banks have filed cases in money-loan courts against major loan defaulters, including S Alam Group, Beximco Group, and Nassa Group.

Over just the last three months, the number of lawsuits rose by 2,708, while the amount tied up in litigation surged by Tk 86,674 crore, the data show.

At the end of March, pending cases stood at 219,633 with Tk 320,761 crore under dispute, according to figures compiled by the central bank's Law Department.

Despite the surge in lawsuits, central bank officials say the strategy has yielded limited success as case disposal rates remain far lower than the pace at which new cases are being filed. Between April and June, courts disposed of 11,944 cases, enabling banks to recover Tk 2,910 crore. During the same period, lenders filed 14,652 new cases involving Tk 96,904 crore.

In the January-March quarter of this year, banks disposed of 10,064 cases and recovered Tk 1,833 crore.

Bankers and industry insiders say many of the disputed loans involve irregularities or fraud, and that repeated waivers and rescheduling schemes have failed to bring defaulters back to repayment. Although banks are legally required to file cases to pursue recovery, progress remains slow due to systemic bottlenecks.

The number of money-loan courts is insufficient, they said, and delays are compounded by shortages of judges and by banks not providing lawyers with timely documentation, including collateral papers.

The consequences are mounting. A central bank report warned that the vast sums trapped in litigation are inflicting heavy losses on lenders and weighing on the overall economy.

Md Omar Faruk Khan, managing director of Islami Bank Bangladesh, recently said the bank would adopt a tougher stance against major defaulters, including S Alam Group, noting that its own stock of bad loans has approached Tk 100,000 crore.

The bank has already filed several cases in this regard.

To accelerate recoveries, the Bangladesh Bank has instructed lenders to act under Section 12(3) of the Money Loan Court Act 2003, including issuing auction notices and seeking expedited hearings to vacate High Court stay orders.

Banks have also been advised to file civil miscellaneous petitions with the Appellate Division's Chamber Judge to lift such stays and clear the way for resolution.

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## Rising food prices push inflation to 8.29% in Nov

Economists warn of raising further

MD ASADUZ ZAMAN

Inflation in Bangladesh rose to 8.29 percent in November, driven largely by higher food prices, highlighting persistent pressures on households, especially those with low or fixed incomes.

The figure, released yesterday by the Bangladesh Bureau of Statistics (BBS), is



PHOTO: AZAHAR UDDIN

## Four exporters receive HSBC excellence awards

Business leaders seek stability as policymakers push diversification and promise stronger support for global expansion



Right to left, Enayetur Rahman, CEO of Ulkasemi Pvt Ltd; Md Saleudh Zaman Khan, MD of NZ Tex Group; Md Mahub ur Rahman, CEO of HSBC Bangladesh; Ahsan H Mansur, governor of Bangladesh Bank; Md Abdul Jabbar, MD of Flamingo Fashions Ltd; Sk Bashir Uddin, commerce adviser; MA Rahim, vice-chairman of DBL Group; Sarah Cooke, British high commissioner to Bangladesh; and Helal Ahmed, DMD of Janata Jute Mills and Sadat Jute Industries, pose for a photo at the HSBC Export Excellence Awards 2025 ceremony at the Radisson Blu Dhaka Water Garden yesterday.

PHOTO: HSBC

### STAR BUSINESS REPORT

The Hongkong and Shanghai Banking Corporation Limited (HSBC) in Bangladesh has recognised four local companies with the HSBC Export Excellence Awards for their contribution to the country's export growth and global trade competitiveness.

The award recipients are Flamingo Fashions Limited, NZ Tex Group, Janata Jute Mills Limited and Sadat Jute Industries Limited, and Ulkasemi Pvt Limited.

The awards were handed over at an event at the Radisson Blu Water Garden Hotel in Dhaka yesterday. The programme was

organised in partnership with the commerce ministry and the British High Commission in Dhaka, while KPMG Advisory Services was the technical partner.

Mohammad Enayetur Rahman, chief executive officer and president of Ulkasemi, Md Saleudh Zaman Khan, managing director of NZ Tex Group, Md Abdul Jabbar, managing director of Flamingo Fashions Limited, and Helal Ahmed, deputy managing director of Janata Jute Mills Limited and Sadat Jute Industries Limited, received the awards.

Commerce Adviser Sk Bashir Uddin attended the event as the chief guest. British High Commissioner to Bangladesh Sarah

Cooke joined as the special guest. Bangladesh Bank Governor Ahsan H Mansur, HSBC Bangladesh Chief Executive Officer Md Mahub ur Rahman and representatives from a wide range of sectors were also present.

This year's winners were chosen based on several factors, such as annual contribution to national exports and the wider economy, diversity, responsibility, sustainable business practices, strength in governance, and regulatory compliance, HSBC said in a statement.

Flamingo Fashions Limited received the Export Excellence award in the ready-made

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## Mobile traders call off blockade as regulator agrees to NEIR reforms



Mobile handset sellers under the banner of the Mobile Business Community Bangladesh (MBCB) demonstrate outside the Bangladesh Telecommunication Regulatory Commission (BTRC) calling for a six-month to one-year delay in the rollout of the National Equipment Identity Register (NEIR) system. PHOTO: STAR

### STAR BUSINESS REPORT

Mobile phone traders have suspended their blockade in front of the Bangladesh Telecommunication Regulatory Commission (BTRC) until tomorrow after the regulator agreed to reform the National Equipment Identity Register (NEIR) system.

However, traders said all mobile phone shops across the country will remain closed until a final decision on the reforms is made.

The decision to suspend the blockade was announced around 8:45pm yesterday following assurances from BTRC Chairman Maj Gen (retired) Md Emdad-ul-

Bari during a meeting with the stakeholders.

Senior officials, including executive heads of posts, telecommunications and information technology ministry, finance ministry, commerce ministry, National Board of Revenue, and representatives of the Mobile Phone Manufacturers Association and the Mobile Business Community Bangladesh, attended the meeting.

The BTRC chairman said a joint meeting will be held at the commission to resolve all complications surrounding the NEIR system.

Abu Sayeed Pias, secretary of the

Mobile Business Community, which is leading the protest, said they were hopeful that the discussions would pave the way for an effective solution to the NEIR issue and help restore stability in the market.

Earlier in the day, mobile phone traders staged a sit-in in front of the telecom regulator's headquarters and blocked roads in Dhaka's Agargaon, demanding a delay in the rollout of NEIR and lower import taxes on mobile phones.

The protest caused severe traffic congestion and made access to nearby hospitals, including Bangladesh Shishu Hospital and Institute, the National Institute of

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## Climate change reducing RMG productivity

Finds BIDS study

### STAR BUSINESS REPORT

Climate change is already denting production in Bangladesh's garment factories as rising temperatures reduce worker productivity, according to a study presented yesterday.

The research, titled "Global Value Chains and Climate Change Governance: Garment Producers' Futures", said excessive heat inside factories poses a major barrier to social upgrading.

Mohammad Harunur Rashid

Bhuyan, senior research fellow at the Bangladesh Institute of Development Studies (BIDS), carried out the work with Rachel Alexander. He presented the findings at a session of the Annual BIDS Conference on Development in Dhaka.

The study noted that climate refugees are increasingly taking up jobs in the garment sector. As their numbers rise, more may enter the workforce, which "may have negative impacts on wages".

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## Economic expansion slowed in Nov: PMI

### STAR BUSINESS REPORT

Bangladesh's economic expansion might have lost steam in November after two consecutive months of expansion, according to the latest Purchasing Managers' Index (PMI) released yesterday.

Bangladesh's PMI fell by 7.8 points in November from October, reaching 54.0, indicating slower expansion across all major economic sectors.

The PMI is a key economic indicator that shows future trends. Readings above 50 indicate expansion, below 50 indicate contraction, and 50 signals no change. It helps businesses, investors, and policymakers track production, employment, and new orders.

The slower growth in November was seen across all key sectors – agriculture, manufacturing, construction, and services – according to a report by the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), and Policy Exchange Bangladesh (PEB) published yesterday.

M Masrur Reaz, chairman and CEO of PEB, said the PMI shows "economic growth is losing momentum due to weak global demand, low export competitiveness, falling domestic demand, and businesses holding back investments ahead of the national elections."

He added that despite a yearly decline in exports, month-to-month export growth and ongoing agricultural harvests helped maintain overall expansion.

The agriculture sector expanded for the third month, though at a slower pace. New business, employment, and input costs grew more slowly, while business activity expanded faster. Order backlogs contracted at a slower rate.

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