DHAKA FRIDAY DECEMBER 26, 2025, POUSH 11, 1432 BS • starbusiness@thedailystar.net

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# Soybean imports from US surge 310% in Sept-Dec

REFAYET ULLAH MIRDHA

Bangladesh has massively increased soybean imports from the United States over the past four months, thanks to attractive prices and private sector efforts to narrow the trade gap with Washington.

Between September and the first week of December, the country imported 754,681 tonnes of American soybeans, a rise of 310 percent compared with the same period last year, according to the US Soybean Export Council (USSEC).

The increase occurred during the first 11 weeks of the new marketing year, which runs from September to August.

The price advantage followed a temporary halt in American soybean purchases by China earlier this year, in protest against higher reciprocal tariffs on Chinese goods.

The pause left US farmers with surplus stock and depressed prices. By the time Beijing resumed buying in October under a new trade agreement, Bangladeshi importers had already seized the opportunity.

Bangladesh's private sector has also stepped up imports of US cotton, wheat and liquefied natural gas under commitments to reduce the bilateral trade gap.

Following intense negotiations, the Trump administration in August cut reciprocal tariffs on Bangladeshi goods to 20 percent from 37 percent imposed in April 2025.

The US-Bangladesh trade relationship has grown considerably over recent decades, although the balance remains heavily in Dhaka's favour. In 2024, US exports to Bangladesh totalled $2.3 billion, while imports from Bangladesh reached $8.4 billion.

**KEY POINTS**

- Private sector boosted imports to help narrow trade gap
- Local firms pledged over $**1.25**b in US soybean and soybean meal purchases for next year
- Brazilian soybean imports fell sharply over the past **6-7** months

Jim Sutter, chief executive of USSEC, said in November that US soybeans and soybean meal are the largest American agricultural exports to Bangladesh.

He added that Bangladesh's leading soy-processing firms and meal importers recently signed a Letter of Intent worth $1.25 billion to purchase US soybeans and soybean meal over the coming year.

Sutter described the agreement as "a landmark" that highlights sustainability and supply chain resilience.

"Participants are collaborating with USSEC to advance sourcing standards, technical engagement, and growth of the protein-feed ecosystem in Bangladesh," he said.

Bangladesh produces only about 7 percent of its annual soybean demand, relying on imports for the remainder.

Sutter said the country now has a large and modern crushing industry that supplies most of its soybean meal and oil needs. Bangladesh maintains a zero percent import tariff on soybeans and soybean meal, providing a stable trade environment.

In the 2023-24 marketing year, the US accounted for 32 percent of Bangladesh's soybean imports and 3 percent of its soybean meal imports. Industry leaders expect these shares to rise sharply under recent agreements.

Md Taslim Shahriar, deputy general manager of Meghna Group of Industries, said Bangladesh has reduced soybean imports from Brazil over the past six to seven months in favour of US supplies.



# Banking crisis laid bare in 2025, lasting fixes hinge on next govt

**BANKING REPAIRS UNDERWAY**

**STARTING POINT**

Severely weakened banking system after years of irregularities

High inflation, weak credit growth, rock-bottom confidence

**LIFTING THE LID**

- NPLs at Tk **6.44** lakh crore, nearly **36**% of total loans
- Over a dozen banks with default ratios above **50**%
- Large corporates drove much of the new defaults

**PATCHWORK REPAIR**

Mergers and liquidation
- Five troubled shariah-based banks moved into merger
- Nine non-banks lined up for liquidation

Governance clean-up
- Tighter scrutiny of bank loan books
- Updated loan classification rules introduced

Legal groundwork
- Bank Resolution Ordinance: Framework to resolve failing banks, protect depositors
- Deposit Protection Ordinance: Insurance ceiling doubled to Tk **2** lakh, covering **93**% of depositors
- Change to Bangladesh Bank Order: Amendments to strengthen central bank autonomy

**YEAR-END MACRO REALITY**

- Inflation near **8**%, above target
- Policy rate at **10**%, lending rates **16**%-**17**%
- Record $**30.04**b remittances stabilised reserves, taka

MD MEHEDI HASAN

When bankers entered the new year and opened their books for 2025, many quickly realised that the scale of long-buried damage was too large to hide any longer.

Years of political interference, widespread lending irregularities, loan scams and an overall lax regulation had hollowed out the balance sheets.

What followed was not a recovery year, but somewhat of a reckoning. The interim government took bold steps to confront the financial sector crisis, pushing through a bank merger, non-bank liquidations, new laws and tighter supervision.

Yet by the end of the year, the financial sector readings tell a sobering story. Bad loans are at a record high, depositor confidence is shaken, and reforms are still constrained by old power structures.

These constraints became painfully clear as the year progressed, culminating in alarming data by the third quarter.

As of September, non-performing loans (NPLs) in the banking sector surged to Tk 6.44 lakh crore, nearly 36 percent of total outstanding credit. This was more than double the ratio a year earlier, and the highest level since 2000.

Besides, more than a dozen commercial lenders reported default ratios above 50 percent, showing that distress was no longer confined to a handful of weak institutions.

Large corporate groups accounted for a massive share of new defaults, especially after the fall of the Awami League government in August 2024.

The rise in bad loans came amid a broader macroeconomic squeeze.

Inflation remained high at around 8 percent, well above the central bank's target, while private sector credit growth slowed to record lows as lenders pulled back.

Throughout the year, new investment remained stalled, as borrowing costs climbed with the central bank holding the policy rate at 10 percent -- the highest among neighbouring economies.

Lending rates reached 16 percent to 17 percent, further dampening business activity. Confidence, already fragile, eroded further as depositors started to question the safety of their savings.

Faced with mounting stress, the interim government opted for emergency repair rather than incremental change.

The most discussed move was the merger of five troubled shariah-based lenders into the state-run Sammilito Islami Bank PLC.

Licensed on 30 October, the new bank became the largest Islamic lender in the country overnight, with paid-up capital of Tk 35,000 crore, including Tk 20,000 crore from the government.

The merger dominated public attention throughout the second half of the year. Depositors rushed to branches, overwhelming staff and triggering chaos in several locations. Although the Bangladesh Bank provided liquidity support multiple times, withdrawals continued, while many customers were unable to access their funds.

Four of the banks -- First Security Islami Bank, Social Islami Bank, Union Bank and Global Islami Bank -- had been dominated by the controversial S Alam Group, while EXIM Bank was controlled by Nazrul Islam Mazumder of Nassa Group.

This ownership concentration highlighted how political patronage had shaped the crisis.

Authorities assured depositors that their money would eventually be recovered, but the central bank governor made clear that general shareholders would receive nothing, declaring their scrips worthless.

Alongside the merger, the banking regulator moved to shut down nine troubled non-bank financial institutions. Together, these actions marked a break from the long-standing practice of keeping weak institutions alive through regulatory indulgence.

**THE REWIND**

To support the reform initiatives, the government also strengthened the legal framework for crisis management.

The Bank Resolution Ordinance 2025 gave authorities the power to intervene in failing banks, protect depositors and impose losses on shareholders. The central bank set up a dedicated Bank Resolution Department to implement the law.

In November, the Deposit Protection Ordinance 2025 doubled the insured deposit ceiling from Tk 1 lakh to Tk 2 lakh, covering about 93 percent of depositors nationwide.

Governance reform, however, proved more contentious.

Bangladesh Bank Governor Ahsan H Mansur initiated steps to amend the Bangladesh Bank Order 1972 to strengthen central bank autonomy and align it with global standards.

The draft proposal included removing bureaucrats from the board and reducing political influence. Resistance from within the bureaucracy and the finance ministry quickly followed, slowing progress.

Economists argued that genuine independence of the central bank would require abolishing the Banking and Financial Institutions Division under the finance ministry, but officials opposed the idea.

By year-end, the push for BB's autonomy had slowed, leaving the future of reform uncertain without strong political backing.

Meanwhile, other regulatory measures advanced more quietly.

The central bank updated loan classification rules, conducted asset quality reviews to assess the actual health of bank balance sheets and prepared to shift toward risk-based supervision.

Moving away from checklist inspections toward continuous risk monitoring, a key condition of the International Monetary Fund (IMF) for its ongoing loan programme, is scheduled for full implementation in January 2026.

Draft amendments to the Bank Company Act, which are intended to tighten eligibility for bank owners and directors, were prepared but left for the next elected government as the country entered the election cycle.

While banking reforms dominated headlines, the external sector offered some relief.

A crackdown on illegal money transfer channels like hundi and hawla helped stabilise the foreign exchange market, while lower import costs eased pressure on reserves.

Expatriate Bangladeshis sent a record $30.04 billion in remittances in the fiscal year 2024-25, the highest ever in a single fiscal year.

Gross foreign exchange reserves rose to $32.57 billion by mid-December, up from $24.94 billion a year earlier, reversing the sharp decline seen under the previous regime.

In 2025, new technologies also began to appear in the banking conversation, though more as a promise than a right-now solution.

Some banks rolled out early AI-powered services, and the Bangladesh Bank reopened applications for digital bank licences, attracting interest from telecom operators, financial institutions and conglomerates.

These initiatives signalled a longer-term shift but did little to address the immediate crisis of governance and asset quality.

Now, as the country ends 2025 and prepares to enter another new year, one conclusion stood out. The outgoing year did not fix the banking sector, but it stripped away illusions.

The true scale of bad loans was revealed, political protection weakened, and the first tools for orderly resolution were put in place. Whether these patchwork repairs evolve into lasting reform will depend on political will after the election and the willingness to confront entrenched interests. For now, the system remains fragile, repaired but far from healed.

# Auditor doubts Central Pharma's survival amid cash strain

AHSAN HABIB

Stock investors of Central Pharmaceuticals have been unsettled after the auditor of the listed drug maker issued an adverse opinion, warning of significant uncertainty over the company's ability to continue operating as a business amid persistent financial distress and regulatory lapses.

In its audit report for the year ended June 2025, the auditor said the company's future was uncertain due to years of losses, growing unpaid liabilities and weak cash generation, raising doubts about its ability to meet obligations.

Mohammad Shibbir Hossain, a partner of Ashraf Uddin & Co, said Central Pharmaceuticals' retained earnings -- the accumulated profits or losses over the years -- have fallen close to its paid-up capital, indicating that past losses have eroded most of the funds invested by shareholders.

Although the company has stated that it has adequate resources to continue operations for the foreseeable future, the auditor said management has failed to raise fresh funds or generate sufficient cash from its core business to pay its current liabilities.

The audit report also noted that the company has not repaid outstanding bank loans and that the National Board of Revenue (NBR) has raised substantial tax claims against it.

In addition, production costs exceeded sales revenue, mainly due to high fixed expenses and limited utilisation of production capacity.

The auditor further flagged regulatory risks, noting that Central Pharmaceuticals has not renewed its drug manufacturing licence.

The company has also failed to pay key statutory and regulatory fees, including Dhaka Stock Exchange listing fees and Central Depository Bangladesh Limited fees, exposing it to penalties, suspension of trading or possible delisting.

**RISKS**

- Years of losses
- Growing unpaid liabilities
- Weak cash generation

"These situations indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern," the auditor said.

In audit terms, a going concern refers to a company's ability to continue operating and meet its obligations in the normal course of business.

The company's financial statements did not adequately disclose these risks, prompting the issuance of an adverse opinion – the most severe form of audit opinion, which indicates that the accounts do not present a true and fair view of a company's financial position.

Shares of Central Pharmaceuticals sold at Tk 8.50 on the Dhaka Stock Exchange on Wednesday. Central Pharmaceuticals raised funds from the stock market in 2013 on expectations of strong growth. The audit warning has heightened concerns among small investors.

Jakir Hossain, a retail investor, said he bought the stock in 2018 after reports suggested the company might be taken over by a large business group. The acquisition never materialised, and the share price later fell sharply, leaving him with a large unrealised loss.

"I was already disappointed as the company has paid only a 1 percent dividend so far. Now this audit opinion has made the disappointment even worse," he said.

Responding to the auditor's observations, Md Tajul Islam, company secretary of Central Pharmaceuticals, said, "Our production is going on, and we have full confidence that the company will remain active."

He said retained earnings were still Tk 7 lakh to Tk 8 lakh below the paid-up capital of Tk 119 crore. "The company reported losses last year, resulting in negative earnings per share, but production and operations would continue," he added.

Regarding the licence issue, Islam said renewal was an ongoing process, and the company was working to complete it.

He acknowledged that some dues to the NBR remained outstanding, but said management hoped the company would not be shut down.

# Beximco Pharma trading suspended on London bourse

STAR BUSINESS REPORT

Beximco Pharmaceuticals has announced that trading of its global depositary receipts (GDRs) on London's Alternative Investment Market (AIM) will be suspended from January 2, 2026, due to delays in publishing its annual financial results for the year ended June 30, 2025.

A GDR is a financial instrument issued by a depositary bank that represents shares in a foreign company. GDRs enable international companies to access investors worldwide by listing on local stock exchanges outside their home markets.

**The drug maker said it would not be able to publish its final results and annual report by December 31, 2025, the deadline stipulated under AIM Rule 19**

In a disclosure on December 19, the Bangladesh-based drug maker said it would be unable to publish its final results and annual report by December 31, 2025, the deadline stipulated under AIM Rule 19.

The company attributed the delay to its inability to hold a board meeting required to approve the accounts, owing to an ongoing legal dispute in the High Court over the Bangladesh Securities and Exchange Commission's move to appoint nine additional independent non-executive directors to Beximco's board.

Following the fall of the Sheikh Hasina-led government in August 2025, the BSEC proposed the appointment of the independent directors, a decision that Beximco challenged in court.

According to the company, the High Court is currently in recess, and the case will need to be reheard from the beginning before a newly constituted bench following a restructuring of High Court benches in 2025. As a result, a ruling is not expected before January 2026 at the earliest.

Despite the suspension of GDR trading on AIM, Beximco said its shares would continue to trade normally on the Dhaka Stock Exchange and the Chittagong Stock Exchange.

The company added that it would continue to make all necessary disclosures in line with AIM rules during the period of suspension.

Beximco Pharmaceuticals declared a 40 percent cash dividend for the year ended June 30, 2026. In the first two quarters of fiscal year 2024-25, the company reported earnings per share of Tk 7.87.

Each GDR of Beximco Pharmaceuticals last traded at £42.50 on December 24, 2025. The company's GDRs were originally issued on September 19, 2006.