DHAKA MONDAY DECEMBER 29, 2025, POUSH 14, 1432 BS ● starbusiness@thedailystar.net

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State firms' classified loans doubled in FY25

BJMC accounted for 88% of all classified loans

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Classified loans of state-run firms more than doubled in fiscal year 2024-25 (FY25), with the Bangladesh Jute Mills Corporation (BJMC) accounting for nearly 88 percent of the total amount.

According to the Bangladesh Economic Review, classified loans of state-run firms rose to Tk 429 crore at the end of FY25, up from Tk 199 crore a year earlier. Of that amount, BJMC alone held Tk 377 crore, equivalent to 87.88 percent of the total, up sharply from Tk 131 crore in the previous fiscal year.

The surge highlights the continued non-performance of BJMC, even after the government shut down 25 state-owned jute mills in 2020, citing persistent losses, high production costs and inefficiencies.

In April 2021, BJMC, which manages all government-owned jute factories and industries in Bangladesh, invited private investors to lease out 17 mills for periods ranging from five to 20 years in an effort to reduce fiscal pressure.

More than a dozen mills have since been handed over to private operators under lease agreements. However, the remaining operational mills continue to incur losses, keeping BJMC's loan classification under stress.

Among other state-run enterprises, Bangladesh Agricultural Development Corporation (BADC) had the second-highest classified loans, unchanged at Tk 21 crore during the year, the data showed.

At the end of June 2025, the outstanding debt of state-run enterprises rose by more than 33 percent year-on-year to Tk 63,357 crore.

BADC, which supplies agricultural inputs such as seeds and fertilisers, remained the largest debtor, with its outstanding debt increasing by around 30 percent to Tk 18,059 crore.

Bangladesh Petroleum Corporation (BPC) -- responsible for importing, distributing, and marketing petroleum products -- emerged as the second-largest debtor. During FY25, its outstanding debt surged to Tk 9,579 crore from just Tk 175 crore a year earlier.

Outstanding debt at the Trading Corporation of Bangladesh (TCB) rose by 76 percent to Tk 7,339 crore. Loans to the Bangladesh Power Development Board -- responsible for planning, developing, and operating the nation's power infrastructure -- climbed to Tk 5,243 crore from Tk 1,187 crore.

Spinners blame India for dumping yarn as imports surge 137%

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LOCAL SPINNERS

Sit on Tk 12,000cr unsold stock | Compete with \$2.5 per kg Indian yarn with \$3 rate | Struggle with raw material shortages | Saw 50 mills shut in recent years

YARN IMPORTED FROM INDIA

\$2b in FY25 | \$950m in Apr-Oct 2025 | 137% year-on-year growth

IMPORT OVERRELIANCE

Threatens \$23b investment in primary textile sector

Poses risks to entire local apparel industry

MILLERS DEMAND

Restricting imports of selected Indian yarn types | 10% cash support for garments using local yarn | Expanding EDF, lowering bank interest, providing loan grace periods

Facilitating US cotton stockpiling

Local spinning mills are left with Tk 12,000 crore of unsold stock as cheap yarn from India floods the market, according to the Bangladesh Textile Mills Association (BTMA).

BTMA leaders say yarn imports from the neighbouring country rose 137 percent during the April-October period this year, as Indian traders are dumping it in Bangladesh at more than \$0.30 per kilogramme below domestic prices.

As a result, nearly 50 local spinning mills have closed in recent years after failing to survive the competition, said BTMA President Showkat Aziz Russell.

Speaking at a press conference at Gulshan Club in Dhaka yesterday, he added that one of his own mills has shut down, while another is struggling to stay afloat.

"These mills had an investment of Tk 500-Tk 700 crore each, and it is difficult to start them anew," he said.

The BTMA president said Bangladesh should reduce its dependence on Indian yarn. In the past, India stopped cotton exports to Bangladesh without any prior notice, causing severe losses for local spinners.

"If Bangladesh depends heavily on Indian yarn, they may stop supplying it suddenly, putting our garment sector in trouble," he said.

In April this year, Bangladesh imposed a ban on importing yarn from India through land ports to protect local textile producers from cheaper Indian yarn and promote domestic production. But the restriction does not cover imports through sea routes.

At the press conference, millers said they do not want a complete ban on Indian yarn. Rather, they advocated for reducing the bilateral trade gap, which now heavily favours New Delhi.

Besides, they called for import bans on certain yarn types abundantly produced domestically.

In his speech, Russell said the Indian economy is protective in nature. He said that once his company exported Royal Crown Cola to Kolkata, but the Indian government raised tariffs on the product within 15 days, affecting the business.

According to him, the total investment in the garment and primary textile sectors is more than \$75 billion, including \$23 billion in the primary textile sector. Combined, the two sectors contribute \$40 billion in exports.

His recommendations included facilitating warehousing for cotton merchants to allow stockpiling of US cotton for use in local mills, as promised by Dhaka during reciprocal tariff negotiations.

At the programme, other millers said they cannot compete with cheap Indian yarn, currently priced at \$2.50 per kilogramme, while local mills must sell at \$3 per kilogramme due to shortages of raw materials such as cotton.

They called for at least 10 percent cash incentives for garment exports that use locally spun yarn, an increase in the Export Development Fund (EDF) at lower interest rates, and reduced bank lending rates.

Former BTMA director Razeeb Haider described the influx as an act of "economic aggression", designed to "pressure" Bangladesh's primary textile sector. "Because of low prices, international clothing brands are also choosing Indian yarn over local yarn, severely affecting the spinning sector," he said.

Haider, managing director of Outpace Spinning Ltd, said that in fiscal year 2025-26, \$2.0 billion worth of yarn was imported from India, with local mills using 1,600 tonnes daily. From April to October 2025, imports reached \$950 million, a 137 percent increase year-on-year.

Bangladesh has become the largest destination for Indian yarn exports, receiving 44 percent of the total, while Cambodia ranks second at 21 percent, he added.

Former BTMA president A Matin Chowdhury said India provides incentives at multiple stages, from cotton growers to factories and exporters, making Indian yarn highly competitive.

Another former BTMA president, Mohammad Ali Khokon, said that Indian control of Bangladesh's backward linkage industries could eventually extend to the garment sector.

Return filing deadline extended till Jan 31

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The deadline for individual taxpayers to file income tax returns has been extended by another month, pushing the new cut-off date to January 31.

In an office order issued yesterday, the National Board of Revenue (NBR) said it will accept returns for the tax year 2025-26 until January 31, citing "public interest" as the reason for the extension.

The original deadline was November 30 this year. The revenue authority had earlier extended it to December 31, continuing a familiar pattern.

In previous years too, the November deadline was often pushed back by a month.

Currently, there are around 1.25 crore holders of taxpayer identification numbers (TIN) in Bangladesh. As of yesterday afternoon, 29.20 lakh taxpayers had submitted their returns for the ongoing tax year, according to the revenue board.

For the current tax year, filing income tax returns online has been made mandatory. The online filing requirement, however, has been relaxed for several categories of taxpayers.

These include people aged 65 and above, persons with disabilities or special needs, Bangladeshis living abroad, legal representatives submitting returns for deceased taxpayers, and foreign nationals working in Bangladesh.

Members of these groups may still choose to file online if they wish.

Last year, after multiple deadline extensions, February 15 was set as the final date for individual taxpayers. Returns can still be filed after the deadline by paying a penalty.

A year without job security

Layoffs outpaced hiring, while employment shifted toward low-quality informal activity

MD ASADUZ ZAMAN

Bangladesh is ending 2025 with little sign of recovery in its job market, as factory closures, mass layoffs, weak private investment and sluggish economic growth combined to deepen employment stress across both the formal and informal sectors.

Joblessness has been a persistent problem for years and helped shape the mass uprising in August 2024 that led to the ouster of the Awami League-led government. A year and a half after that political changeover, employment

THE REWIND

indicators suggest expectations of a rebound have not been realised.

While full-year data are yet to be available, an internal government survey shows that nearly 245 factories shut down between August 2024 and July 2025, affecting around 100,000 workers.

During the same period, about 937 new factories began operations across Dhaka, Narayanganj, Narsingdi, Chattogram, Gazipur and Mymensingh, indicating that some investment took place despite the turbulence.

However, Syed Sultan Uddin Ahmmed, executive director of the Bangladesh Institute of Labour Studies (BILS), said these were mostly small-scale ventures.

"These were not large investments. Very few were large factories. What increased was the number of smaller, less significant units," he said.

"There has been no meaningful rebound," he added.

Export-oriented industries were hit hardest, along with their backward and forward linkages, Ahmmed said, citing the impact of the reciprocal tariff imposed by the United States, financial weakness and operational challenges.

As formal employment shrank, many displaced workers drifted into informal activities. "We are seeing a sharp rise in battery-run rickshaws and motorcycle ride-sharing drivers," said Ahmmed, who also headed the Labour Reform Commission.

The year saw several large factory shutdowns. In September, Nassa Group, one of the country's leading garment manufacturers, permanently closed its 16 factories in Dhaka, Gazipur, Chattogram and Cumilla after failing to sustain operations amid severe financial and operational crises following the ouster of the Awami League government.

The closures laid off more than 12,500 workers in the ready-made garment sector. The group's Chairman, Nazrul Islam Mazumder, who was close to the previous government, is now behind bars.

Beximco Group, another major industrial employer, also continued to shed jobs. In February, Beximco Limited announced fresh layoffs affecting nearly 8,000 workers across five manufacturing units at its industrial park in Gazipur, citing a lack of work orders.

This followed earlier layoffs of nearly 40,000 workers across 15 apparel units towards the end of 2024.

Similar to Nassa Group, Beximco Group Vice-Chairman Salman F Rahman is now in jail. Rahman was an influential adviser to the former prime minister and was arrested after the fall of the Awami League government.

In response to factory closures and unpaid wages, the government adopted a firmer stance than in the past. For the first time, authorities initiated steps to issue Interpol Red Notices against owners who left the country without clearing workers' dues.

According to the Ministry of Labour and Employment, interest-free loans amounting to Tk 704.45 crore had been disbursed from the central fund and the Finance Division to clear outstanding dues at 11 companies, including Beximco and Nassa.

Nearly 33,000 workers at the Beximco Industrial Park and Beximco Group received payments, while 17,134 workers from the Nassa Group were also paid.

BILS Executive Director Ahmmed described these interventions as commendable but insufficient, arguing that a coordinated strategy was needed to prevent factory closures in the first place.

Weak investment further constrained job creation. Private sector credit growth fell to a four-year low of 6.23 percent in October 2025, down from 8.30 percent a year earlier, according to Bangladesh Bank data.

The slowdown reflected weak demand for capital machinery, limited business expansion and persistent operational challenges.

JOB MARKET 2025

Fewer new jobs, shrinking formal employment, and high graduate unemployment amid slowing growth and fragile investor confidence

At a glance

245 factories shut down (Aug 2024-Jul 2025) / 100,000 workers affected | **Major layoffs**: Beximco Group (Around 48,000 workers since late 2024) | **Major closures**: Nassa Group (16 factories) | 937 new factories opened (Mostly small, low-scale units) | Private sector credit growth: 6.23% (Oct 2025, four-year low)

Govt intervention

Tk 704.45 crore disbursed as interest-free loans

About 50,000 workers at Beximco and Nassa received dues

Interpol red notices pursued against fleeing owners

Online job market

Job postings (Jan-Sep 2025): 60,312

Previous year: 55,372

Demand weak, entry-lev el jobs scarce

Where jobs shifted

Rising informal work: Battery-powered rickshaws; motorcycle ride-sharing

Online job market data offered limited relief.

Bdjobs.com reported that job postings declined during the first half of 2025 before improving slightly after July and August. In the first nine months of the year, postings rose to 60,312 from 55,372 in the same period a year earlier.

"Overall, 2025 has been a difficult year for job seekers," said AKM Fahim Mashroor, founder and chief executive officer of Bdjobs.com.

"On the Bdjobs platform, we saw a decline in job postings during the first six months of the year. The situation improved slightly after July and August, but the job market remains largely stagnant," he said.

Mashroor said the biggest challenge was for fresh graduates, as the number of entry-level jobs remained far below the number of graduates entering the labour market each year.

Some job seekers said government recruitment showed slight improvement.

"The number of government job circulars was comparatively higher in 2025, as the previous year was marked by prolonged turbulence," said Abdul Mannan, a graduate student at Jahangirnagar University.

The publication of recruitment notices for several posts that had remained vacant for a long time generated renewed hope among job seekers, he said.

Yet competition remained intense.

"Almost every week, I sit for competitive job exams in Dhaka," said Md Ekramul Haque, a mathematics graduate from Sirajganj Government College. "But the competition is intense. Last week, I sat for an office assistant exam under the Ministry of Public Works, where there were only 161 posts, but more than one lakh candidates applied."

"Although there were some signs of recovery from the 2024 crisis early in the year, the economy soon lost steam," Rizwanul Islam, former special adviser for the employment sector at International Labour Organization, said.

"Continued declines in real wages created a double whammy for the poor and low-income groups," he said. "From jobless growth, we have now moved to a growthless and jobless economy. It is effectively a two-year holiday for the economy."

MA Razzaque, chairman of the Research and Policy Integration for Development (RAPID), said, "Generating employment has become a major challenge because the economy slowed significantly."

Manufacturing growth in earlier years failed to translate into meaningful job creation, and now manufacturing itself has weakened, leaving little scope for expansion while employment in the sector has declined, he said.

"There are two key problems: new employment is not being created, and existing employment is overwhelmingly informal, dominated by low-productivity activities. Graduate unemployment is also very high."

He said the next elected government would need direct state intervention in several areas to generate jobs in the short term, stressing that the state must become more effective.

BB buys \$3b from banks so far in FY26

STAR BUSINESS REPORT

Greenback purchases by the Bangladesh Bank (BB) from the local interbank market have crossed the \$3 billion mark in the ongoing fiscal year, reflecting continued intervention by the central bank to shore up foreign exchange reserves.

In its latest round, the central bank bought \$115 million from three commercial banks at an exchange rate of Tk 122.30 per dollar yesterday, officials said.

The transaction will be settled today, with the cut-off rate also fixed at Tk 122.30.

With the latest purchase, Bangladesh Bank's total dollar acquisition in December rose to \$920.50 million.

Cumulatively, the central bank has purchased \$3.05 billion so far in the current fiscal year 2025-26, according to Bangladesh Bank data.

57,000 tonnes of US wheat arrive

STAR BUSINESS REPORT

Bangladesh has received nearly 57,000 tonnes of wheat from the United States under a second government-to-government contract, the food ministry said yesterday.

A ship, MV Evita, arrived at Chattogram port carrying 56,920 tonnes of wheat, marking the first consignment of 220,000 tonnes to be imported under this deal.

Earlier, under the first government-to-government contract, Bangladesh imported 220,000 tonnes of wheat from the US.

The government initiated these agreements earlier this year to help reduce the bilateral trade deficit and secure favourable tariffs for Bangladesh's exports to the US market.