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World Bank cuts Bangladesh growth forecast for FY26

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The World Bank (WB) has cut its forecast for Bangladesh's economic growth from its June prediction by 0.3 percentage points for the current fiscal year (FY) 2025-26 amid persistent inflation, falling exports and sluggish investment.

In its Global Economic Prospects report released yesterday, the multilateral lender projected the economy will expand by 4.6 percent in the year ending June 2026.

The revision follows the Bangladesh Bureau of Statistics (BBS) report showing gross domestic product (GDP) grew 4.5 percent in the first quarter of FY26, up from 2.58 percent in the same quarter last year, driven by industrial and agricultural activity.

Economists described the growth as a sign of recovery but stressed the challenge lies in sustaining it.

Last month, the Asian Development Bank (ADB) also downgraded its forecast, citing weak investment ahead of the general election and slower export growth, projecting GDP growth at 4.7 percent, down from 5 percent in September.

The WB report noted subdued credit demand and slower business activity, but expected the economy to pick up to 6.1 percent in FY27 as private consumption strengthens and inflationary pressures ease.

Reduced political uncertainty after next month's election and the anticipated implementation of structural reforms by a new government are projected to boost industrial activity, public spending, and investment, it also said.

The report said inflationary pressures are anticipated to soften in Bangladesh, leading to monetary policy easing.

"In Bangladesh, the exchange rate has stabilised since mid-2025, partly reflecting the adoption of a more flexible currency regime in May," the WB also said.

The report highlighted some risks. Further trade restrictions or heightened global policy uncertainty could dampen exports and economic activity.

The WB report said although openness to global trade is relatively limited in the region's economies, the risk is higher in those with larger exposure to the United States, including Bangladesh and Sri Lanka, than in other regional economies.

Bangladesh's exports fell 2.19 percent year on year in July-December FY26, according to the Export Promotion Bureau.

The WB, meanwhile, also slashed GDP growth projections for Maldives, Bhutan and Nepal for the year 2026 from its forecast made in June last year. It maintained growth projections for India for the year unchanged and revised upwards the forecast for Sri Lanka.

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NBR flags gold supply despite low imports

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National Board of Revenue Chairman Md Abdur Rahman Khan yesterday questioned how gold remains widely available in Bangladesh's market despite little to no formal imports.

At a meeting with the Bangladesh Jewellers Association (Bajus), he said formal imports are not taking place as expected, even though several initiatives have been taken to formalise the trade and bring discipline to the sector.

"The market is still full of gold, though official data show no significant imports. These issues pose a major obstacle to establishing financial discipline, the rule of law, and good governance in the country," he said at a programme at the NBR headquarters.

He said there was a time when jewellery and gold imports were completely prohibited, yet the metal continued to enter the country through unofficial channels.

"To formalise the trade, the government later introduced a gold policy and created legal import opportunities, including lowering duties," he said.

"Even after that, we see that formal imports are not happening as expected."

He added that some NBR officials might be involved in facilitating illegal imports.

At present, overseas travellers visiting Bangladesh can bring a gold bar of 117 grammes by paying Tk 5,000 per 11.664 grammes, or one bhori, as customs tariff under the NBR's baggage rules. The total duty per gold bar stands at over Tk 50,000.

Formal commercial importers are required to pay a duty of Tk 20,000 per gold bar, Khan said.

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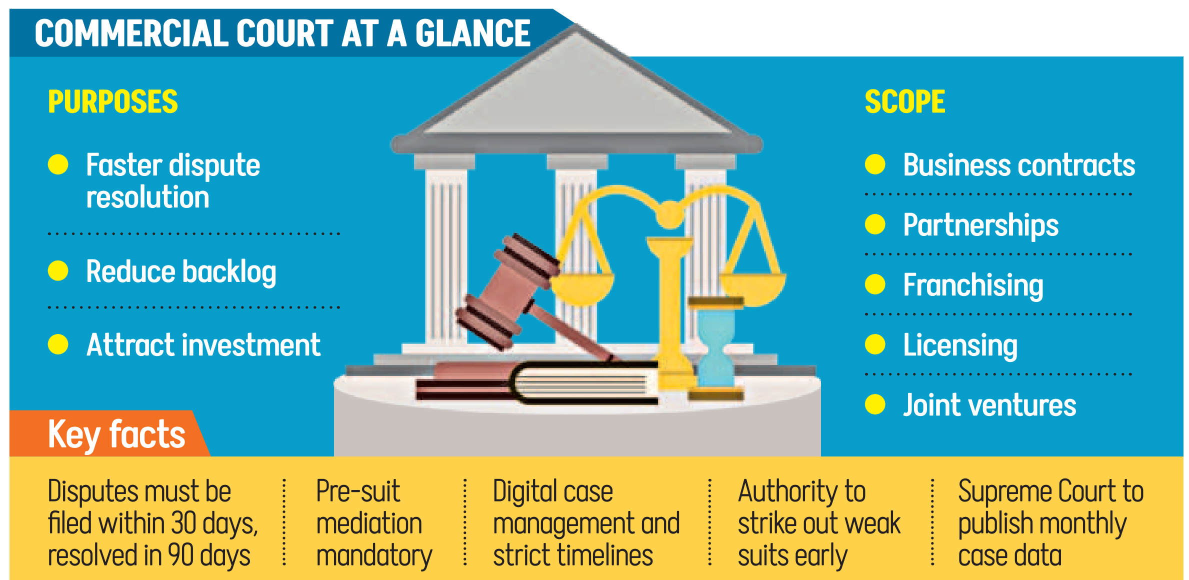
Commercial courts introduced to settle business disputes faster

Ordinance sets strict timelines, dedicated benches, and digital management to tackle slow contract enforcement, case backlog and attract foreign investment



JAGARAN CHAKMA

The government has introduced commercial courts aimed at speeding up business dispute settlements, a move officials and investors say would help improve the country's investment climate.

In this regard, an ordinance was issued by the Ministry of Law, Justice and Parliamentary Affairs on January 1. It came into immediate effect.

Business leaders and legal experts have welcomed the dedicated legal arrangement as a long-overdue reform, especially at a time when weak contract enforcement continues to weaken investor confidence and add pressure to an already stretched civil court system.

The Dhaka Chamber of Commerce and Industry (DCCI) described the ordinance as a landmark step that responds to a long-standing demand from the private sector for faster and more predictable dispute resolution.

"This ordinance marks a decisive step toward overcoming chronic weaknesses in contract enforcement," said DCCI President Taskeen Ahmed. "We have consistently advocated for the establishment of specialised commercial courts, and this development reflects meaningful progress."

Contract enforcement in Bangladesh has remained slow for years, a problem that frequently features in global assessments of the business environment. According to World Bank data, the country ranks 189th out of 190 economies in enforcing contracts, placing it among the weakest performers worldwide.

According to World Bank data, pending cases have doubled over the past 15 years, leaving disputes worth an estimated $3.5 billion unresolved. The number of pending cases rose from 4.44 million in September 2024 to 4.65 million by June 2025, highlighting the strain on the judicial system.

Ahmed said the ordinance directly targets the causes of delay through time-bound procedures, stricter case management and limits on adjournments.

He said these weaknesses were not adequately addressed by existing laws such as the Code of Civil Procedure, 1908, the Artha Rin Adalat Act, or the Arbitration Act, 2001.

The chamber urged the government now to focus on implementation, including the creation of well-resourced commercial benches, clear procedural rules, judicial training and effective coordination with arbitration and alternative dispute resolution mechanisms.

"Efficient commercial dispute resolution is vital to improving the investment climate," Ahmed added. "International experience from countries like India, Singapore, the UK, and Malaysia shows that dedicated commercial courts significantly enhance competitiveness and investor confidence."

If enforced properly, the DCCI believes the ordinance could strengthen contract enforcement, attract foreign direct investment and support Bangladesh's transition towards a more export-oriented and private sector-driven economy.

Foreign investors have also welcomed the initiative. Rupali Chowdhury, president of the Foreign Investors' Chamber of Commerce and Industry (FICCI), said the absence of reliable domestic dispute resolution has long been a concern for international businesses.

"This ordinance, which provides for the establishment of commercial courts and addresses related procedural matters, seems very effective -- particularly for foreign investors," she said. "I believe this will expedite dispute resolution significantly."

She said the initiative went beyond a routine legal change and could address uncertainty faced by foreign companies.

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Bourses gain full power in assessing IPOs

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The Bangladesh Securities and Exchange Commission (BSEC) has granted stock exchanges a central role in evaluating companies seeking listing on the country's capital market, a role absent in previous years.

Under the amended Public Offer of Equity Securities Rules, stock exchanges now have full authority to visit company facilities and request additional documentation before issuing recommendations on initial public offerings (IPOs), BSEC spokesperson Abul Kalam said at a press briefing yesterday in Dhaka.

Only companies that receive positive feedback from a stock exchange will be considered for IPO approval after scrutiny by the BSEC from now on.

Companies facing a negative recommendation may appeal directly to the commission, which will make the final decision after hearing all parties, the rules also state.

Under the previous rules, many companies got their IPO approvals from the BSEC, ignoring stock exchange recommendations over the last decade. Most of them are performing poorly in the share market currently.

"The changes do not mean that the BSEC is passing its responsibility to the stock exchange. The commission is incorporating a global practice of allowing stock exchanges to make their own decision on which company can be listed in their board," he added.

The amended rules also address long-standing concerns from companies. For instance, firms now need to submit only five

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Ramadan import rush leaves lighter vessels in short supply

Mother ships waiting for 10-20 extra days at outer anchorages for unloading

DWAIPAYAN BARUA, *Ctg*

An unusually high number of mother vessels carrying food imports has created congestion at Chattogram port's outer anchorages, causing a severe shortage of lighter vessels and delaying the unloading of cargo.

In recent weeks, the shortage of lighter vessels has worsened. Mother ships carrying commodities such as wheat, lentils, chickpeas, raw sugar, and edible oil are now overstaying at anchorages for 10-20 days.

Big traders in the port city said many businesses rushed to ship in food items this year ahead of Ramadan, taking advantage of relaxed import rules and improved dollar stocks. Seasonal importers without their own storage facilities are either taking longer to move goods into the supply chain or leaving cargo on the lighter vessels for extended periods.

"Most of the Ramadan stocks have already been imported and moved to the supply chain," said Satyajit Das Barman, head of business (Grains and Logistics) at TK Group, a major Chattogram-based conglomerate.

As of yesterday, over 90 mother vessels were at Chattogram and Kutubdia anchorages, almost double the usual 40-50. More than half are carrying food commodities, while the remainder transport industrial raw materials such as cement clinker, slag, limestone, ball clay, scrap, coal, and fertiliser.

Shipping agents said many ships are receiving fewer lighter vessels than required, with some left without any allocation on certain days.

At its latest berthing meeting on Tuesday, the Bangladesh Water Transport Coordinating Cell (BWTCC) could allocate only 59 lighter vessels to the same number of mother ships, leaving at least 30 large vessels without any unloading support.

Lighter vessels ferry cargo from mother ships anchored in the Bay. They transport imported goods from Chattogram to ports across the country. PHOTO: RAJIB RAIHAN

Cargo agents usually need three to four lighter vessels to unload one mother ship in a day, but the authorities can now provide only one or none for many ships.

The backlog is already pushing up costs. MV Pacific Jesmin, carrying 58,955 tonnes of raw sugar, arrived at the outer anchorage on December 30. Only 27,000 tonnes had been unloaded by yesterday.

Belayet Hossain, proprietor of the ship's local agent Litmond Shipping, said, "If enough vessels were allocated, the ship could finish unloading in 10-12 days, but now it may need to stay for another 12 days."

Another vessel under the same agent, MV Ince Kastamon, carrying 55,000 tonnes of wheat imported by Abul Khair Group, arrived on January 7 but received one lighter vessel for unloading only during Tuesday's berthing meeting.

Hossain said the ship may take a month to complete unloading, with demurrage adding over $20,000 a day to import costs.

BWTCC Convener Shafiq Ahmed said 631 lighter vessels transporting imported cargo from Chattogram are currently at 50 different destinations across the country.

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Private sector flourished under Khaleda Zia's leadership

Former FBCCI leaders say

STAR BUSINESS REPORT

Top former leaders of the Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) paid tribute to former prime minister Khaleda Zia, highlighting her key role in developing the private sector and promoting economic liberalisation.

"The private sector flourished under Khaleda Zia's leadership, with policies that empowered entrepreneurs and strengthened business institutions," said former FBCCI president MA Kashem at a doa mahfil held yesterday at the FBCCI office in Dhaka.

"After independence, it was under President Ziaur Rahman and later Begum Khaleda Zia that the business community gained real momentum," he added.

Kashem, also the founder chairman of Southeast Bank, called her legacy "truly unforgettable" and credited her for laying the foundation for today's successes in industry, banking, and education.

Mir Nasir Hossain, another former FBCCI president, described Khaleda Zia as a national leader who went beyond party lines and respected the business community.

Recalling his meetings with her in 2005, he praised her support for economic reforms, particularly the introduction of VAT, which strengthened the country's revenue system.

"Without VAT, our economy would not have reached its current fiscal strength," he said, urging future governments to uphold the policy's principles.

Former FBCCI vice president Abul Kashem Haider expressed concern over the chamber's lack of elected leadership. "Without democratic representation, a truly business-friendly environment cannot be achieved," he said.

He also praised Khaleda Zia's contributions to industrial growth, especially in garments and textiles.

FBCCI Administrator Md Abdur Rahim Khan urged everyone to work toward the peaceful and prosperous Bangladesh envisioned by leaders like Khaleda Zia.

"May Allah grant her the highest place in Jannah," he added.