

star BUSINESS



RMG exporters oppose move to curb yarn imports

STAR BUSINESS REPORT

Local apparel exporters have opposed the commerce ministry's recommendation to remove duty benefits on certain yarn imports under the bonded warehouse facility.

They argue that such restrictions would force them to spend more on locally produced yarn, which eventually will reduce the global competitiveness of the country's ready-made garments at a time when export growth is slowing.

The commerce ministry recently recommended the National Board of Revenue (NBR) to scrap duty benefits on imported yarn of 10 to 30-count, a medium-to-coarse range widely used in knitwear production.

The move is meant for protecting

spinners should expand capacity and modernise production rather than depending on an "artificial duty shield".

BGMEA Director Faisal Samad said they are relying more on Indian yarns because of their competitive prices. "In this case, shorter lead-time is not a major factor," he said.

Leaders at the press conference criticised the commerce ministry for not consulting with them before making the decision. They said that officials of the Bangladesh Trade and Tariff Commission (BTTC), which operates under the commerce ministry, held meetings with them.

BKMEA President Mohammad Hatem said that no decision on duty withdrawal was made during discussions with BTTC officials.

The garment makers said they

WHY DO APPAREL EXPORTERS OPPOSE BOND FACILITY REMOVAL?
Costs for local yarn will rise
Export competitiveness will erode

YARN COST GAP
Imported yarn: \$2.50-\$2.60 per kg
Local yarn: around \$3.00 per kg
Price gap: 30-40 cents per kg
Absorbable gap: up to 20 cents per kg

EXPORT PERFORMANCE
Garments exports down 2.63% in Jul-Dec period last year
Monthly exports down 14.23% in Dec in 2025

EXPORTERS PROPOSE
5% cash incentive for local yarn use
Reliable gas, power for spinners
Corporate tax relief for spinners
Low-interest loans for spinning mills

local spinners, who claim they were sitting on Tk 12,000 crore of unsold stock as of December last year amid a surge of Indian yarn.

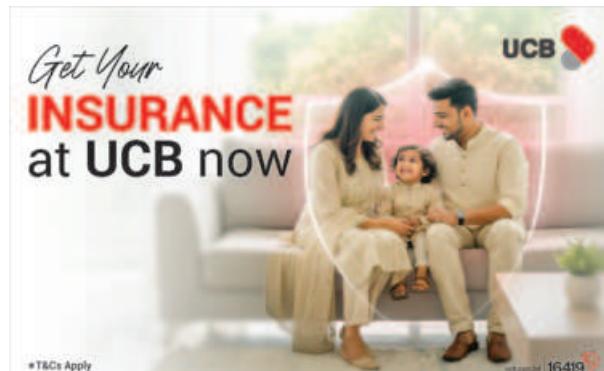
At a joint press conference at Pan Pacific Sonargaon Dhaka yesterday, leaders of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) said local

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would be willing to purchase local yarn even if it cost 20 cents more per kilogramme. Currently, the price differences range from 30 to 40 cents per kilogramme.

Acting BGMEA President Selim Rahman said the price of widely used 30 count yarn ranges from \$2.50 to \$2.60 per kilogram internationally, compared with \$3 per kilogram for locally produced yarn.

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Govt to sell Nassa Group property to clear workers' dues

Says Adviser M Sakhawat Hussain

STAR BUSINESS REPORT

The government has decided to sell properties owned by Nassa Group to clear outstanding wages and service benefits for its workers, Labour and Employment Adviser M Sakhawat Hussain said on Sunday.

A sale of assets will be carried out in accordance with court directives, the adviser said at an Advisory Council Committee meeting on reviewing conditions of industrial units in Beximco Industrial Park, held at the Secretariat.

Nassa Group has so far paid Tk 76 crore to workers by selling company shares through a court-appointed administrator, a ministry press release quoted him as saying.

The group has also made down payments to eight banks under instructions from the Bangladesh Bank.

Remaining payments to another 15 banks and the settlement of outstanding worker arrears will be addressed through the sale of Nassa Group assets via open and competitive processes, following court guidance.

The group, which employed more than 30,000 workers in textile and garment operations and also has stakes in banking and real estate, faced financial turmoil after its chairman, Nazrul

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BSEC rejects Tk 2,100cr bank bonds cleared by BB

AHSAN HABIB

The stock market regulator has rejected bond issuance proposals worth Tk 2,100 crore from several banks that had earlier received no objection certificates from the Bangladesh Bank (BB).

According to official documents from earlier this month, Southeast Bank, Al-Arafah Islami Bank, Meghna Bank, and ONE Bank are among the lenders whose bond proposals were rejected.

BB, the regulator of the banking sector, had earlier issued no objection certificates after assessing the banks' capital adequacy and leverage position, liquidity profile, asset quality, stress test outcomes, repayment capacity, and governance standards.

However, the Bangladesh Securities and Exchange Commission (BSEC) said it rejected the proposals because the banks' "financial performance, particularly liquidity and profitability, is not satisfactory".

A no objection certificate from the BB is a mandatory requirement for banks seeking to issue bonds, but it does not guarantee approval by the stock market regulator.

According to a senior merchant banker,

the central bank's NOC signals that a bond proposal complies with prudential regulations and does not pose systemic risk to the banking system.

"It means the proposal has passed the most critical checkpoint for banking stability," he said, adding that BB focuses

"After the merger of five banks, there is growing fear that bond subscribers could lose their investments if a bank's financial condition deteriorates,"
Saiful Islam
President of the DSE Brokers Association of Bangladesh

mainly on whether a bond could weaken a bank or create broader financial stress.

The BSEC, by contrast, assesses the proposal from the perspective of the capital market, with emphasis on investor

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Stocks rise for second day ahead of election

STAR BUSINESS REPORT

The country's stock market rose for the second day in a row yesterday, indicating growing investor confidence as the upcoming national election nears.

The DSEX, the main index that tracks all listed companies on the Dhaka Stock Exchange (DSE), gained 56 points, or 1.12 percent, to reach 5,091 yesterday. On Sunday, it had jumped 76 points, or 1.56 percent.

The DS30, which tracks the 30 largest and most actively traded companies (often called "blue-chip" stocks), rose 25 points, or 1.33 percent, to 1,964, according to DSE data.

The DSES, a sharia-compliant index for companies that follow Islamic finance principles, also climbed 14 points, or 1.40 percent, to 1,023.

A stock market analyst said many investors had been cautious in recent months because of uncertainty about the political situation.

"Now, they are gaining confidence that the election will happen smoothly, and a political transition will take place soon," he explained.

He added that after a political change, the country's economic outlook could improve, benefiting the profits of listed companies. "This optimism has contributed to the rising trend in the stock market."

Market activity also picked up. The total turnover, the value of all shares traded, rose 25 percent to Tk 593 crore. Out of all traded stocks, 268 went up in price, 72 went down, and 54 stayed the same.

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EBL is a Superbrand

16230



Russia gifts 30,000 tonnes of fertiliser to Bangladesh

STAR BUSINESS REPORT

Russia has handed over 30,000 tonnes of muriate of potash (MOP) fertiliser to Bangladesh as a gift under the framework of the World Food Programme (WFP).

Uralchem, a leading fertiliser manufacturer in Russia, delivered the fertiliser at a ceremony held yesterday at the Bangladesh Agricultural Research Council in Dhaka.

Agriculture Adviser Lt Gen (retd) Md Jahangir Alam Chowdhury said that ensuring a stable supply of food and fertiliser has become a major challenge in today's global context.

He added that the adverse effects of climate change, international market volatility, and other global crises are strongly affecting the agricultural sector.

"Under such circumstances, international cooperation and partnerships are more important than ever," the adviser said, calling yesterday's initiative a clear example of constructive global collaboration.

He also said that the Bangladesh Agricultural Development Corporation now holds 10.35 lakh tonnes of non-urea fertilisers, the highest since its establishment in 1961, and that significant progress has been made in agriculture during the tenure of the interim government.

Dmitry Konyaev, chief executive officer of Uralchem JSC, said mineral fertilisers are essential for food security as they ensure reliable crop yields.

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Risk management now critical for treasury functions: HSBC

STAR BUSINESS DESK

Effective risk management has become a critical priority for treasury functions as organisations navigate an increasingly dynamic global environment, said Rohit Rozario, managing director and regional head of Business Management and Controls for Asia Pacific at Global Payments Solutions, HSBC.

He made the comments at a roundtable discussion, titled "Treasury in Transition: Navigating Emerging Risk in Treasury Function", organised by The Hongkong and Shanghai Banking Corporation Limited (HSBC) Bangladesh, in Dhaka recently, according to a press release.

"In today's dynamic world, effective risk management in treasury functions has never been more critical," he said, adding that organisations must balance resilience with agility by managing liquidity, strengthening operational continuity and anticipating disruptions before they arise.

The programme highlighted key market developments and emerging risk trends in the treasury landscape and was attended by finance and treasury professionals from local and multinational organisations.

Newaz Musharraf, country head of Global Payments Solutions at HSBC Bangladesh, said treasury functions of corporate clients are evolving from transactional roles



Rohit Rozario, managing director and regional head of Business Management and Controls for Asia Pacific at Global Payments Solutions, HSBC, poses for a group photograph with participants of the roundtable discussion, titled "Treasury in Transition: Navigating Emerging Risk in Treasury Function", in Dhaka recently.

PHOTO: HSBC

to more strategic ones.

"As complexities rise and margins compress, treasury teams are increasingly focusing on reducing financing and operational costs, supporting business expansion and ensuring accurate cash-flow

forecasting," he added.

HSBC continues to leverage its global network, digital platforms and deep market expertise to help businesses navigate complexity and unlock new opportunities for sustainable growth, the release said.

Bangladesh Krishi Bank celebrates \$3.13b remittance milestone in 2025



PHOTO: BANGLADESH KRISHI BANK

Nazma Mobarek, secretary to the Financial Institutions Division (FID), attended the programme as the chief guest. In her speech, she said remittances are one of the key driving forces of the national economy.

She added that Bangladesh Krishi Bank has earned the trust and confidence of expatriate Bangladeshis, enabling the bank to achieve this notable success, which will significantly contribute to the country's overall economic development.

"This remarkable achievement has been made possible through the dedication of the bank's officers and employees, the provision of modern banking services and a strong sense of responsibility toward expatriate Bangladeshis," said Sanchia Binte Ali, managing director of Bangladesh Krishi Bank, while presiding over the programme.

She also expressed her commitment to maintaining the positive momentum in the future.

The bank awarded top performing managers for their outstanding contributions throughout the year.

Md Azimuddin Biswas, additional secretary of the FID; Md Abdur Rahim and Mohd Khaleduzzaman, deputy managing directors of BKB; and representatives of various exchange houses and microfinance institutions, along with senior executives, CBA leaders, officers and employees of the bank, were also present.

Trust Bank opens Alikadam branch in Bandarban

STAR BUSINESS DESK

Trust Bank PLC recently opened its new "Alikadam Branch" at Alikadam Bazar, Alikadam in Bandarban.

Ahsan Zaman Chowdhury, managing director and chief executive officer of Trust Bank PLC, inaugurated the branch as the chief guest, according to a press release.

Md Mahboob Hossain, senior

executive vice-president and head of the business division of the bank, attended the ceremony.

Brig Gen (retd) Md Mamun Rashid, senior executive vice-president and head of the general services and security division of the bank, was also present, along with senior officials of the Bangladesh Army, businessmen, local dignitaries, senior officials of the bank and other guests.



Ahsan Zaman Chowdhury, managing director and chief executive officer of Trust Bank PLC, inaugurates the bank's new "Alikadam Branch" in Alikadam, Bandarban recently.

PHOTO: TRUST BANK



Government of the People's Republic of Bangladesh
Office of the Principal
Sylhet Polytechnic Institute, Sylhet-3100
Website: <https://sylhet.polytech.gov.bd>
E-mail: principalsylhetpoly@gmail.com

Accelerating & Strengthening Skills for Economic Transformation (ASSET) Project

Memo No: 57.03.9131.349.04.07.007.25-67

Date: 19/01/2026

e-Tender Notice

e-Tender Notice will be invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for following procurement.

Tender ID No.	Package No	Package Description	Tender Publication Date and Time	Tender Closing & Opening Date and Time	Remarks
121632	ASSET-SPI-25-26-WD-01	Refurbishment Work of Academic Building, Principal Room, Conference Room, Lab, Placement Cell, Classroom	19-Jan-2026 14:00:00	29-Jan-2026 16:00:00	Re-Tender

This is an online Tender, where only e-Tender will be accepted in the National e-GP Portal; and offline or hard copies will not be accepted. To submit e-Tender, registration in the National e-GP System portal (<http://www.eprocure.gov.bd>) is required. Further information and guidelines are available in the National e-GP Portal and from e-GP help desk (helpdesk@eprocure.gov.bd).


(Mohammed Rehan Uddin)
Principal (Additional Charge)
Phone: 02-9966-32529

GD- 139

North-West Power Generation Company Ltd
ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 Certified
(An Enterprise of Bangladesh Power Development Board)

Office of the Plant Manager (Superintending Engineer)
Sirajganj 225 MW Combined Cycle Power Plant (Unit-2)
Soydabad, Sirajganj.

Ref: 27.28.8878.201.07.001.21.17

Date: 19/01/2026

e-Tender Notice

The following e-Tender is invited in the National e-GP System Portal (www.eprocure.gov.bd):

Sl. No.	Tender ID	Brief Description of Tender	Publication Date	Last Selling Date & Time	Opening Date
1	1207119	Supply of cooling tower & HRSG related spares and consumables	08-Jan-2026	02-Feb-2026 15:00 PM	03-Feb-2026
2	1212009	Spare parts for fire detection system	19-Jan-2026	22-Feb-2026 10:00 AM	22-Feb-2026

This is an online tender where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (www.eprocure.gov.bd) is required. Further information and guidelines are available in the National e-GP System Portal and e-GP Help Desk (helpdesk@eprocure.gov.bd).


19.01.2026

Engr. Md. Abu Zafar Siddique
Plant Manager (Superintending Engineer)
Sirajganj 225 MW CCPP (Unit-2)
NWPGLC, Soydabad, Sirajganj.

Tapash, Khurshid made DMDs of Mercantile Bank



Tapash Chandra Paul Shah MS Khurshid

STAR BUSINESS DESK

Mercantile Bank PLC has promoted Tapash Chandra Paul and Shah Md Sohel Khurshid to the post of deputy managing director (DMD).

The new roles recognise their longstanding contributions, leadership excellence, and strategic impact on the bank's growth and governance.

Prior to their promotion, both were serving as senior executive vice presidents, according to a press release. Paul has also served as the bank's chief finance officer.

With over 25 years of diversified experience in the banking sector, he has played a pivotal role in shaping financial strategy, risk governance, and the institutional research framework of Bangladesh.

Paul obtained both his honours and master's degrees from the University of Dhaka, and did an MBA.

Khurshid, a seasoned banking professional, brings extensive operational and leadership experience, having successfully served as chief credit officer, head of the corporate banking division, and head of various branches of Mercantile Bank.

He joined the bank in 1999.

Prior to that, he began his banking career as a probationary officer at United Commercial Bank PLC in 1991 and later served at Dhaka Bank PLC.

He completed both his honours and master's degrees from the University of Dhaka and earned an MBA from a private university.

Padma Bridge tolls now payable thru Nagad

STAR BUSINESS DESK

Nagad has launched a new service allowing users to pay Padma Bridge tolls instantly through their Nagad wallets.

To enable the facility, the mobile financial service (MFS) provider has integrated with the interoperable toll payment system, D-Toll, under the "EkPay" platform of the Access to Information (a2i) Programme, according to a press release.

Under the service, Nagad users can register for toll payments through the "Toll" option in the Nagad app. Customers are required to complete a simple registration process by providing their name, agreeing to the terms and conditions and submitting the information.

Users then need to attach their Nagad wallet by selecting the "Wallet Attach" option, accepting the request and entering their wallet number. An OTP will be sent to complete the wallet attachment process.

After linking the wallet, customers can top up the required amount by selecting the "Top-Up" option and submitting the transaction.

To link a vehicle for toll payments, users must provide the necessary vehicle details and complete OTP verification. Once registration is completed, Padma Bridge tolls can be paid seamlessly through Nagad.

Following registration, customers must verify their Bangladesh Road Transport Authority (BRTA)-approved RFID tags at the Mawa Toll Plaza.

Tighter loan classification reveals systemic banking flaws: ICCB

STAR BUSINESS REPORT

Recent regulatory moves forcing banks to more accurately recognise and report defaulted loans have laid bare deep weaknesses in the banking system, underscoring the need for stronger discipline, risk management and governance, the International Chamber of Commerce Bangladesh (ICCB) has said.

As these vulnerabilities come to light, it is essential to distinguish between wilful default and genuine business distress, the chamber observed in an editorial in the ICCB's latest News Bulletin (October-December 2025) published yesterday.

Viable enterprises should receive

structured support, while deliberate financial misconduct must be addressed firmly and transparently, it also said.

The ICCB said the banking system remains the backbone of Bangladesh's economic journey. It mobilises national savings, finances trade, supports entrepreneurship and underpins employment generation.

As the country moves towards upper-middle-income status, the strength, credibility and resilience of the banking sector will play an increasingly decisive role, the ICCB stated.

It noted that the effectiveness of the regulator will also shape future growth prospects and determine the economy's capacity to absorb shocks.

Describing high levels of non-performing loans (NPLs) as one of the most pressing structural challenges for the country, the chamber noted that total NPLs in the banking sector have exceeded Tk 6.44 lakh crore, accounting for about 35.7 percent of outstanding loans.

Such a large volume of bad loans is alarming by international standards, ICCB said, adding that it weakens bank balance sheets, erodes capital, constrains lending, raises borrowing costs and discourages new investment.

At the same time, NPLs increase risks to depositors and overall macroeconomic stability, the chamber further noted.

The editorial points to global experience showing that strong, professional and

independent central banks are critical to safeguarding financial stability.

The Bangladesh Bank plays a pivotal role not only in monetary policy, but also in prudent regulation, crisis management, payment systems oversight and maintaining confidence in the financial sector.

Over the past two years, the central bank has taken extraordinary measures, including liquidity support, guarantees and refinancing facilities, to preserve stability during periods of stress.

While such interventions are appropriate in times of volatility, the ICCB emphasised that emergency funding cannot substitute for robust governance and prudent lending.

BSEC rejects Tk 2,100cr

FROM PAGE B1
protection, disclosure quality, cash flow, and the issuer's ability to repay bondholders on time, said the banker, preferring anonymity.

He said subordinated bonds are an important tool for banks to strengthen tier-2 capital without diluting equity, improve maturity matching, and reduce reliance on short-term deposits.

"At a time when many banks are undergoing leadership changes, balance sheet clean-ups, and operational restructuring, bond financing can provide breathing space for a sustainable turnaround," he said.

Capital market representatives, however, defended the BSEC's cautious approach.

Saiful Islam, president of the DSE Brokers Association of Bangladesh (DBA), said the recent merger of five banks had heightened risks for bondholders, as merger schemes addressed depositor interests but offered no clear protection for bond investors.

"After the merger of five banks, there is growing fear

that bond subscribers could lose their investments if a bank's financial condition deteriorates," he said.

Islam also criticised credit rating agencies, saying they had failed to reflect the true financial health of banks, leaving bond investors exposed.

"Usually, investors rely on credit ratings when subscribing to bonds. But the rating agencies did not properly capture the risks," he said, adding that bond approvals should therefore be handled with greater scrutiny in the public interest.

He said that banks whose bond proposals were rejected might face short-term pressure, but they should consider raising capital through equity injection instead.

BSEC Spokesperson Abul Kalam said obtaining a no-objection certificate from the BB is only one of several conditions for bond approval.

"It does not mean that if the central bank gives an NOC, the BSEC must approve the bond," he told The Daily Star.

He said the commission approves debt securities in line with its own rules and regulations, and may

reject proposals if a bank's financial performance and cash flow are weak.

"If cash flow is not satisfactory, the bank may face difficulties in repaying bondholders. That risk has to be assessed independently," he added.

Bangladesh Bank Spokesperson Arif Hossain Khan said each regulator has a different perspective and operates within its own mandate. "The decision not to approve some bonds is entirely the BSEC's consideration, and it has the authority to do so," he said.

Contacted, Khwaja Sharhriar, chairman of Al-Arafah Islami Bank, whose bond issuance proposal was rejected by the stock market regulator, said the bank had been on a steady recovery path since the board was reconstituted.

He said liquidity conditions have improved, and the bank's overall financial position is strengthening gradually.

"We seek the continued support of the BSEC and firmly believe they will assist us in further strengthening the institution's strength for the sake of national development," he added.

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Online tax

FROM PAGE B1
resolve this, the government must integrate the individual online filing system with the national treasury to enable automated, intervention-free transfers."

"This is just unfair,"

said Mohammad Abdur Razzaque, chairman of NBR Chairman Md Abdur Rahman Khan. But he could not be reached by phone.

In a press briefing in the first week of January, Khan acknowledged a large amount of pending tax returns.

"This is the taxpayer's

rightful money. They often

borrow at high interest

to pay taxes, and making

them run from office to

office for refunds is deeply

unjust," said the NBR

chairman.

"Worldwide, filing a

tax return is a celebration

because taxpayers get

refunds. Here, refunds

are rare due to the hassle involved.

If the process is transparent and excess tax goes automatically to their bank account, compliance will improve, and more people will file returns."

For comment, The Daily Star approached NBR Chairman Md Abdur Rahman Khan. But he could not be reached by phone.

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RMG exporters oppose

FROM PAGE B1
In fiscal year 2022-23, imported yarn from India cost Tk 428.37 per kilogramme, yet the same quantity sold locally at Tk 389.18 per kilogramme. Rahman said spinning mills are running below capacity due to gas shortages, which limit their ability to meet demand.

He warned that withdrawing the bond facility would harm garment shipments. Apparel exports fell by 2.63 percent in July-December this fiscal year, with a 14.23 percent decline in December alone.

Rahman urged local millers to modernise production to diversify yarn types and meet buyer demand.

On Sunday, apparel exporters sent a letter to the finance ministry elaborating on their

concerns and mentioning almost the same demands they made yesterday.

At the press conference, garment manufacturers also proposed a number of alternatives to support the domestic spinning sector.

They suggested a 5 percent cash incentive for using local yarn to protect the \$25 billion invested in the primary textile sector from being undercut by cheaper Indian imports.

The exporters also urged the government to ensure adequate gas and power supply to industrial units, as most spinning mills are running at just 60 percent capacity due to utility shortages.

They called for corporate tax rebates for export-oriented yarn producers and low-interest loans to reduce production costs and improve competitiveness.

To maintain GSP Plus privileges in the post-LDC era, local value addition will need to reach 40 percent.

A commerce ministry letter to the NBR said that Bangladesh will need a two-stage transformation of garment items for entering key markets such as Europe, Australia, the UK, the USA, and Japan after graduating from least-developed country status in November.

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Bida expands one-stop service with 11 new institutions

STAR BUSINESS REPORT

The Bangladesh Investment Development Authority (Bida) yesterday signed memorandums of understanding with 11 institutions to bring them under its one-stop service (OSS) portal, expanding access to investment-related services through a single digital platform.

With the latest additions, the total number of institutions integrated with the OSS portal has risen to 52. The newly joined entities include four commercial banks -- Rupali Bank PLC, Dhaka Bank PLC, Bank Asia PLC, and Bengal Commercial Bank PLC -- and seven city corporations: Rajshahi, Khulna, Mymensingh, Barishal, Cumilla, Gazipur, and Narayanganj.

Under the agreements, these institutions will connect their services to the OSS portal, enabling local and foreign investors to complete key procedures such as opening bank accounts, obtaining trade

Bida launched the OSS portal in February 2019 following the enactment of the One Stop Service Act, 2018, and the OSS (Bida) Rules, 2020

licences, and securing city corporation permits online through one platform.

The signing ceremony was held at Bida's headquarters in Agargaon, Dhaka.

Bida Chairman Ashik Chowdhury, speaking as the chief guest, said the aim was to build a seamless digital system where entrepreneurs of all sizes could access all necessary government services with a single login.

He stressed the importance of strong data integration among government agencies, pointing out that developed economies have simplified investment processes by eliminating the need for businesses to submit the same information repeatedly to different offices.

"Digital transformation takes time, and full integration will not happen overnight," Chowdhury said. "But we are committed to this journey. Our focus is not only on launching systems, but also on ensuring they are used effectively by identifying user challenges, taking feedback, and continuously improving services."



PHOTO: STAR

A recent Bangladesh Bank report shows a notable rise in financial inclusion of the rural populace, especially in the agent banking sector. In this photo taken yesterday at the Isladi bus stand of Wazirpur Upazila in Barishal, a man receives service at an agent banking outlet.

Many left out as govt eyes full adult financial inclusion by June

Barriers caused by both demand- and supply-side factors, says BB

STAR BUSINESS REPORT

Low-income households, women, rural communities, and informal workers remain excluded from financial services due to deep-rooted barriers, even as the government aims to achieve financial inclusion for all adults by June 2026, according to the Bangladesh Bank.

In its Financial Inclusion Report 2024, published last week, the BB states that these barriers stem from both demand- and supply-side factors, limiting access and use of formal financial services and slowing inclusive economic growth.

"These must be addressed to ensure a more equitable, accessible, and resilient financial ecosystem," the BB said.

The report, however, notes that Bangladesh has seen substantial growth in digital financial services, driven by a 32 percent year-on-year increase in mobile financial services (MFS) transactions, reaching Tk 164,000 crore in 2024.

Agent banking has also expanded, with 85.6 percent of outlets located in rural areas.

The country now has over 4.2 crore microfinance accounts, and microfinance institutions disbursed Tk 262,000 crore in loans during FY2023-24, according to the BB.

Cooperatives, insurance providers, and capital market intermediaries are also contributing to financial inclusion.

Yet many barriers remain. Limited financial literacy, awareness, and digital skills prevent informed use of formal services. Rural populations face restricted smartphone access, poor mobile coverage, and low digital literacy, curbing the adoption of MFS and digital banking.

Besides, the report notes that informal

workers and small businesses struggle to access credit or digital payments due to a lack of documentation, collateral, or formal registration. Gender-based exclusion is another problem, it says, adding that women are underrepresented in account ownership and product usage.

As of December 2024, only 37.7 percent of women in Bangladesh owned a bank deposit account. "Socio-cultural norms, mobility restrictions, lack of documentation, limited control over financial resources, male-dominated decision making, and limited ability to use digital tools hinder their access to formal financial services," the report adds.

According to the report, high dormancy of accounts is another concern, as many accounts -- particularly those opened under social safety net programmes -- are used only once and then remain inactive.

"Despite increased access to basic transaction accounts, formal credit and structured savings remain out of reach for most low-income groups, farmers and micro-entrepreneurs due to structured processes, high costs or lack of tailored products," it adds.

The report also identified cultural and religious beliefs, reliance on informal lenders, documentation challenges and fear of debt that further discourage engagement with formal financial institutions.

Language barriers also persist, as many financial services remain available only in English and use technical terminology, limiting accessibility for less-educated groups and persons with disabilities.

The report also notes that low income, limited savings, economic uncertainty and a continued reliance on cash-based transactions restrict the transition to formal and digital financial services.

On the supply side, infrastructure gaps and high operational costs constrain service expansion, particularly in remote and disaster-prone areas such as chars, haors, coastal belts and hill tracts.

"Limited integration between banks, MFSPs and payment platforms leads to fragmented financial experiences. Users often maintain multiple accounts to bypass ecosystem limitations, increasing cost and complexity," reads the report.

It points to inadequate financial inclusion as another challenge, noting that limited disaggregated data hampers the design of targeted policies.

"The prevalence of a cash-based informal economy reduces the perceived need for formal financial channels," it states. Despite rising MFS transactions, cash remains the dominant mode of transactions in rural markets and informal trade.

The BB report cites overlapping mandates among financial sector regulators due to fragmented institutional coordination and inadequate use of technology.

"Some financial service providers continue to use legacy IT systems, resulting in slow manual processes. Attempts to deploy interoperable platforms and Bangla QR have seen minimal adoption due to poor usability, limited bank participation and weak promotion," states the BB.

The report on financial inclusion also blamed financial service providers for their "risk-averse behaviour".

"Some formal financial institutions remain highly risk-averse, often reluctant to extend credit to small-scale farmers, rural borrowers and low-income customers due to concerns over low profitability, defaults and collateral issues," it says.

What businesses expect from the 2026 election

ASIF IBRAHIM

As Bangladesh approaches the 2026 national election, the business community is examining political manifestos with greater urgency and realism. Years of inflationary pressure, foreign exchange stress, tighter credit and weakened investor confidence have taken a visible toll on enterprises and jobs. Against this backdrop, businesses are not persuaded by populist rhetoric or lofty slogans. What they want are credible, reform-driven commitments that can restore confidence and place the economy on a sustainable growth path.

At the top of business expectations is political stability anchored in a credible and peaceful election. For the private sector, uncertainty is not just a political inconvenience. It is a direct economic cost. Policy unpredictability delays investment, weakens risk appetite and disrupts long-term planning. Business leaders, therefore, look for firm commitments to the rule of law, institutional integrity and continuity in economic policymaking. Without these foundations, even the most ambitious development agendas will fall short.

Reducing the cost of doing business has emerged as a defining priority. Logistics costs in Bangladesh, estimated at 15-20 percent of GDP, are almost double the global average of 8-10 percent. This structural weakness undermines export competitiveness, raises domestic prices and discourages diversification. Election manifestos need to move beyond generic infrastructure pledges and set out time-bound reforms, including better port efficiency, lower congestion and modernised customs operations.

In this context, measures such as expanding rail and inland waterway transport, strengthening multimodal connectivity, introducing round-the-clock customs clearance and fully digitising trade processes are no longer optional. They are economic imperatives.

Ease of doing business remains another major concern. Enterprises continue to face a range of obstacles. Those include cumbersome licensing systems, overlapping regulations, discretionary enforcement and persistent delays in VAT refunds.

Frequent and abrupt changes in tax policy further undermine confidence and complicate financial planning. The business community is not asking for preferential treatment. What it needs is a rational, transparent and predictable regulatory environment. Policy consistency and simpler compliance matter far more than short-lived incentives.

Macroeconomic stability is equally central to business expectations. Persistent inflation has eroded purchasing power and pushed up input costs, while exchange rate volatility has complicated trade, pricing and debt management. Businesses expect clear commitments to fiscal discipline, effective inflation control and a more predictable exchange rate framework. Just as urgent is comprehensive reform of the banking sector. Weak governance and high levels of non-performing loans continue to restrict credit and raise systemic risk, with small and medium enterprises bearing the brunt despite their role in job creation.

Energy security remains a non-negotiable condition for growth. Reliable and competitively priced electricity and gas are essential for industrial productivity, export performance and future investment. Election manifestos must address not only generation capacity, but also efficiency, pricing transparency, timely connections and long-term planning aligned with industrial demand.

Ultimately, the business community expects manifestos to move beyond ambition and rhetoric. Credibility will be judged by clarity, coherence and execution.

Clear policy roadmaps, measurable targets, realistic timelines and mechanisms for accountability will determine whether political commitments are taken seriously. Businesses in Bangladesh are ready to invest, innovate and create jobs. What they seek from the 2026 election is decisive leadership and a genuine partnership for competitiveness, stability and long-term economic transformation.

The writer is a former president of the Dhaka Chamber of Commerce and Industry

India's central bank proposes linking BRICS' digital currencies

REUTERS, Mumbai/New Delhi

India's central bank has proposed that BRICS countries link their official digital currencies to make cross-border trade and tourism payments easier, two sources said, which could reduce reliance on the US dollar as geopolitical tensions rise.

The Reserve Bank of India (RBI) has recommended to the government that a proposal connecting the central bank digital currencies (CBDCs) be included on the agenda for the 2026 BRICS summit, the sources said. They requested anonymity because they were not authorised to speak publicly.

India will host the summit, which will be held later this year. If the recommendation is accepted, a proposal to link the digital currencies of BRICS members would be put forward for the first time. The BRICS organisation includes Brazil, Russia, India, China and South Africa, among others. The initiative could irritate the US, which has warned against any moves to bypass the dollar.

US President Donald Trump has previously said the BRICS alliance is "anti-American" and he threatened to impose tariffs on its members.

The RBI, India's central government and the central banks of Brazil and Russia did not respond to emails seeking comment. The People's Bank of China said it had no information to share on the subject in response to a Reuters request for comment; the South African central bank declined to comment.

IMF sees steady global growth in 2026 as AI boom offsets trade headwinds

REUTERS

The International Monetary Fund again edged its 2026 global growth forecast higher on Monday as businesses and economies adapt to US tariffs that have eased in recent months and a continued AI investment boom that has fueled asset wealth and expectations of productivity gains.

The IMF in its World Economic Outlook update forecast global GDP growth at 3.3 percent in 2026, up 0.2 percentage point from its last estimate in October. That's even with 3.3 percent growth in 2025, which will also beat the October estimate by 0.1 percentage point, the IMF said.

The global crisis lender forecast 2027 growth at 3.2 percent, unchanged from the previous forecast. It has revised global growth rates higher since last July in response to trade deals that have reduced President Donald Trump's tariff rates that peaked in April 2025.

"We find that global growth remains quite resilient," IMF chief economist Pierre Olivier Gourinchas told reporters, adding that the Fund's 2025 and 2026 growth forecasts now exceed predictions made in October 2024, before Trump was elected to a second term.

"So, in a sense, the global economy is

shaking off the trade and tariff disruptions of 2025 and is coming out ahead of what we were expecting before it all started," Gourinchas said.

He said businesses have been able to adapt to higher US tariff rates by rerouting supply chains, while trade agreements have lowered some duties and China has

shifted exports to non-US markets. The latest IMF forecasts assume an effective US tariff rate of 18.5 percent down from about 25 percent in the Fund's April 2025 forecast.

The IMF estimated US growth for 2026 at 2.4 percent, up 0.3 percentage point from October, due in part to a big push



Chinese made cars are seen at the port in Nanjing, in China's eastern Jiangsu province. The IMF in its World Economic Outlook update forecast global GDP growth at 3.3 percent in 2026.

from massive investment in artificial intelligence infrastructure including data centers, powerful AI chips and power. The IMF edged its 2027 growth forecast a tenth of a point lower to 2.0 percent.

The IMF also said technology investment was boosting activity in Spain, which saw 0.3 percentage point upgrade to its 2026 GDP forecast to 2.3 percent, and in Britain, where the IMF kept its forecast unchanged at 1.3 percent for 2026.

Gourinchas said the AI boom poses risks for heightened inflation if it continues at its breakneck pace. But he added that if expectations that AI driven productivity gains and profits are not realized, this could spark a correction in high market valuations that could crimp demand.

The IMF report lists AI as among risks that are tilted to the downside, along with disruptions to supply chains and markets from geopolitical tensions as well as new flare-ups in trade tensions.

A Supreme Court decision against Trump's broad tariffs under an emergency sanctions law, expected in coming days or weeks, "would inject another dose of trade policy uncertainty into the global economy" if Trump resurfaces new tariffs under other trade laws, Gourinchas said.