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 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."

He also congratulated the newly added institutions and thanked Bida officials for their efforts in implementing the OSS platform, calling it a key step towards creating a more investor-friendly regulatory environment.

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

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 data 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 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.

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.

PHOTO: AFP/FILE

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 resurrects new tariffs under other trade laws, Gourinchas said.