



Stock market reforms stuck in red tape

Chief adviser's directives raised hopes, yet state-run companies remain unlisted

AHSAN HABIB

Masudur Rahman, who has been investing in stock for nearly 20 years, was hopeful that at least a few state-run firms would be listed on the stock market soon, as the interim government directed authorities to do so. To his dismay, no new state-run companies were listed.

On May 11 last year, Chief Adviser Prof Muhammad Yunus gave five directives to revitalise the capital market. His directives included offloading shares of well-performing state-owned companies and listing them on the stock market, offering shares in multinational firms to the public, and offering incentives to non-listed companies that perform well, encouraging them to go public.

Around nine months have lapsed, yet the directive to list well-performing state-owned companies was not fulfilled.



Similar attempts to list state-run companies were taken by finance ministers working for the previous government, but they also could not make much headway.

"I thought the interim government would keep the bureaucrats under pressure this time, and they would be compelled to follow the directives," Rahman said.

As per the Dhaka Stock Exchange (DSE) data, Bangladesh Submarine Cables PLC (BSCPLC) was listed on the stock market back in 2012. Since then, no other state-owned companies entered the capital market.

During the last decade, many junk or low-performing companies entered, causing the share market to become highly volatile. The chief adviser at a meeting gave the five directives to officials, including the finance adviser, the finance secretary and the Bangladesh Securities and Exchange Commission (BSEC) chairman, to bring dynamism into the stock market.

Attempts were made by the authorities to complete the directives, but progress was stalled at some point, and none of the five goals were reached.

Shortly after the May meeting, the finance ministry ordered all relevant ministries to prepare their state-owned enterprises for listing.

Abul Kalam, spokesperson of the BSEC, said that to ensure offloading shares of state-run companies and multinational companies, a potential list has been made, and the Financial Institutions

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Stabilisation fund for stocks to stay in bank, be managed risk-free

STAR BUSINESS REPORT

The Capital Market Stabilization Fund (CMSF) will now have to keep all its funds in a bank account and manage them in a risk-free manner, according to a draft of the Capital Market Stabilisation Fund Ordinance published yesterday on the Financial Institutions Division website.

Established by the Bangladesh Securities and Exchange Commission (BSEC) in 2021, the CMSF holds undistributed cash and stock dividends, non-refunded public subscription money, and unallotted rights shares of listed securities.

The fund will be overseen by a seven-member board of governors, with the BSEC chairman serving as the board's chair

These assets are intended to be returned to shareholders or investors based on verified claims at any time. Until then, they are to be used to maintain stability in the capital market.

The new draft ordinance specifies that all funds must remain in a bank, while all shares must be held with the fund's own depository participant. Any costs will be covered from the fund's profits, keeping both the funds and shares intact.

The draft ordinance also protects the government, government officials, the BSEC chairman, commissioners and officials, and the fund's board of governors and staff from any legal action if losses occur while implementing the rules in good faith.

The fund will be overseen by a seven-member board of governors, with the BSEC chairman serving as the board's chair. Other members will include a BSEC

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Exports hold steady in January

Shipments fell slightly by 0.50% YoY to \$4.41b as cautious foreign orders ahead of polls weighed on export earnings

REFAYET ULLAH MIRDHA

The country's merchandise exports held nearly steady in January, with shipments totalling \$4.41 billion, down 0.50 percent year-on-year, according to Export Promotion Bureau (EPB) data.

A slow recovery in the global supply chain and cautious order placement by international clothing retailers ahead of the general election weighed on growth.

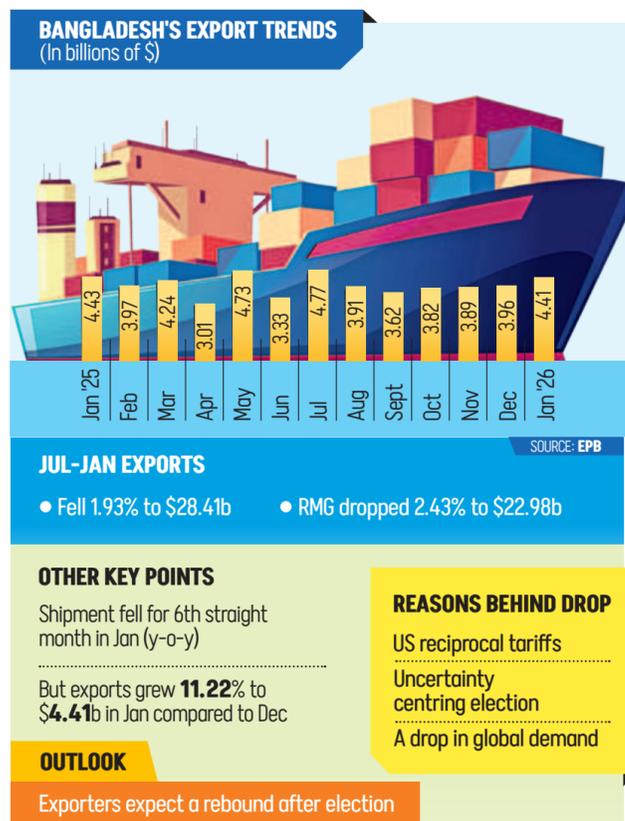
This was the sixth consecutive month exports remained on a downward trend, according to EPB. On a month-on-month basis, however, January shipments rose 11.22 percent from \$3.96 billion in December.

During the first seven months of the current fiscal year, exports declined 1.93 percent to \$28.41 billion compared with the same period last year.

During the July-January period of FY26, garment shipments, the key point of the country's trading might, fell 2.43 percent to \$22.98 billion. Knitwear exports dropped 3.13 percent to \$12.28 billion, while woven garment shipments fell 1.60 percent to \$10.69 billion.

Inamul Haq Khan, senior vice-president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), expressed hope for a rebound after the country's general election on February 12.

"Because the international clothing retailers and brands did not place their full work orders considering the



election year, it is a normal practice by the international retailers and brands usually before the election," he said.

"We are hopeful that a positive change in placing of work orders by the retailers and brands after the election," Khan told The Daily Star over phone yesterday.

Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said exports are expected to pick up strongly from June this year as retailers and brands begin placing orders after February.

Exporters say merchandise shipments from most major countries fell in recent months due to volatility in the global supply chain triggered by US President Trump's reciprocal tariffs on multiple nations.

The supply chain has been gradually stabilising as the tariffs have been fixed and implemented.

Performance among the top six export sectors outside garments, such as leather and leather goods, jute and jute products, agro and agro-processed items, home textiles, light engineering, and frozen fish, showed mixed results, EPB said.

Leather and leather goods, jute and jute products, home textiles, plastics, and light engineering recorded growth both year-on-year and month-on-month.

Among key destinations, the United States remained Bangladesh's top export market, with shipments worth \$5.24 billion in July-January. Exports to the US rose 1.64 percent over the same period, 3.59 percent year-on-year, and 2.24 percent month-on-month.

Exports to other leading markets, including the European Union, also showed positive trends.

Germany and the United Kingdom retained second and third positions, with earnings of \$2.85 billion and \$2.7 billion respectively.

Great Britain, Spain, and the Netherlands also recorded growth both year-on-year and month-on-month.

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Election rush lifts domestic air travel

RASHIDUL HASAN

With just over a week to go before Bangladesh heads to the polls on February 12, the country's domestic airlines are enjoying a rare boon. Passenger numbers on some key routes have risen by 5 percent to 10 percent.

The uptick is largely owed to top politicians and their entourages crisscrossing the country to campaign, with faster air travel becoming a more practical option for many.

With only one week left before campaigning officially ends on February 10, senior figures from the BNP and Bangladesh Jamaat-e-Islami have opted to fly instead of road journeys in their

efforts to reach voters of different parts of the country.

Both BNP Chairperson Tarique Rahman and Jamaat Ameer Shafiqur Rahman have lately conducted whistle-stop tours of the southern and northern districts.

The surge is most significant on Sylhet, Saidpur and Rajshahi routes, said officials of the country's three private airlines.

According to BNP sources, on January 28, a rally of Tarique Rahman in Rajshahi was postponed by a day because no airline seats were available.

Mofizur Rahman, managing director of Novoair, a private carrier, confirmed that demand has climbed by 5 percent

to 10 percent on the Sylhet and Saidpur routes thanks to what he calls the "national election fever".

His airline operates 22 daily flights from Dhaka to four destinations - Cox's Bazar, Sylhet, Chattogram and Saidpur.

Kamrul Islam, who handles public relations for US Bangla Airlines, the largest private operator in the country, reports similar gains.

Load factors, the proportion of seats filled, have risen by 5 percent to 10 percent on the Sylhet and Saidpur routes, he said.

He notes an additional curiosity: "Many non-resident Bangladeshis living in the United Kingdom are flying into Sylhet ahead of the

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Visitors are seen at a stall at the Bangladesh Light Engineering Expo 2026 in Dhaka yesterday. The fair, running from February 2 to February 4, are showcasing the latest technologies, components, machinery and innovative products from the country's light engineering sector.

PHOTO: ANISUR RAHMAN

BB buys \$4.15b so far in FY26

STAR BUSINESS REPORT

US dollar purchases by Bangladesh Bank from the forex market have surpassed \$4 billion so far in fiscal year (FY) 2025-26.

The banking watchdog yesterday bought \$218.50 million from 16 commercial banks at a cut-off rate of Tk 122.30 per US dollar, according to official data.

This is the first US dollar purchase by the banking regulator in February.

Overall foreign exchange purchases in the ongoing fiscal year have reached \$4.152 billion, reflecting continued efforts by the central bank to manage liquidity in the foreign exchange market and stabilise the exchange rate.

The central bank has been actively buying the American greenback from the market in recent months amid improved inflows and easing pressure on the foreign exchange market, officials said.

Light engineering fails to emerge as export frontier

Says commerce ministry official

STAR BUSINESS REPORT

After agriculture and readymade garments, light engineering should have been Bangladesh's next export frontier, but that transition has yet to take place, said Md Abdur Rahim Khan, additional secretary at the commerce ministry.

The sector has remained underdeveloped for decades, limiting the country's ability to diversify its export base, he said at the inauguration of the three-day 2nd Bangladesh Light Engineering Expo 2026, which began in Dhaka yesterday, according to a press release.

Bangladesh has failed to capitalise on the global potential of light engineering products, said Khan, who is also additional secretary and project director of the Export Competitiveness for Jobs (ECAJ) project.

He added that Bangladesh's graduation from least-developed country (LDC) status in November will gradually lead to the erosion of trade preferences, making capacity building, technological upgrading and effective policy implementation increasingly urgent.

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