



## Govt faces \$30b debt servicing bill

### IMF warns of growing risks

REJAUL KARIM BYRON

Bangladesh is set to spend over \$30 billion this fiscal year to service its debts, covering both principal repayments and interest on domestic and foreign loans, according to projections by the International Monetary Fund.

The global lender has warned that unless Bangladesh significantly improves its revenue collection, the country will face heightened "rollover

Public debt rises to \$188.79b, or 41% of GDP

Domestic debt servicing consumes 89.4% of revenues

Loan repayments outpace export earnings, revenue

#### SUGGESTIONS

Strengthen revenue collection

Diversify investor base for govt securities

Form liability management framework



There was heavy traffic in the capital starting from early morning yesterday, the first working day of the week. The number of vehicles on the streets jumped after the Ekushey February holiday. This gridlock was seen at Gabtoli, one of the city's entry points. PHOTO: PALASH KHAN

## RUNNING 3RD TERMINAL

### Fresh push made for deal with Japanese consortium

RASHIDUL HASAN

The Civil Aviation Authority of Bangladesh is likely to hold a meeting with the Japanese consortium to resume talks on finalising an agreement for the operation and maintenance of the Third Terminal at Hazrat Shahjalal International Airport.

The decision was taken at a high-level meeting, convened to review the status of the much-talked-about Third Terminal, chaired by Prime Minister Tarique Rahman at the Cabinet Division's special conference room yesterday.

Contacted by The Daily Star, a top CAAB official who was present at the meeting said, "CAAB is likely to sit again with the Japanese consortium as a last chance to finalise the deal and start operations at Terminal 3."

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risks", meaning the government may find it increasingly difficult and expensive to borrow new money to pay off its maturing debts.

In its Article IV Consultation Report published last month, the IMF estimated that public debt servicing would jump to \$30.59 billion this fiscal year, up from \$26.63 billion previously. This figure is expected to rise further to \$33.84 billion in the next fiscal year.

According to IMF data, Bangladesh's total public debt now stands at \$188.79 billion, rising to 41 percent in the 2024-25 fiscal year, up from 39 percent the previous year. This includes \$101.24 billion in domestic borrowing and \$87.55 billion in foreign loans.

In FY25, domestic debt repayments amounted to 4.2 percent of the GDP, while external debt servicing remained stable at 1.2 percent.

However, the strain on government coffers was severe. In the 2024-25 fiscal year, domestic debt stood at 22.6 percent of the GDP while servicing domestic debt consumed 89.4 percent of government revenues – a figure significantly higher than similar countries. Both ratios are expected to continue rising.

After falling to 0.3 percent of GDP in FY25, net domestic debt issuance is projected to average about 2 percent of the GDP over the forecast period, compared with a historical average of around 1 percent over the past decade.

"The elevated debt service-to-revenue ratio, including interest payments, poses significant rollover risks over the medium term," the IMF said in its report.

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## Home boss hints at police top brass shakeup

STAFF CORRESPONDENT

Home Minister Salahuddin Ahmed yesterday signalled that changes at the top posts of the police force may be imminent.

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## Iran willing to dilute uranium stockpile

### Say sources; fresh protests erupt in Iranian universities

AGENCIES

Iran is refusing to export its 300kg stockpile of highly enriched uranium, but is willing to dilute the purity of the stockpile it holds under the supervision of UN nuclear inspectorate the IAEA, Iranian sources have said.

The proposal will be at the heart of the offer Iran is due to make to the US in the next few days, as the US President Donald Trump weighs whether to use his vast naval build-up in the Middle

- ▶ Trump curious why Iran has not 'capitulated': Witkoff
- ▶ Aides urge Trump to focus on voters' worries, not Iran war

East to attack the country.

The news came as protests erupted on Saturday at Mashhad University of Medical Sciences and at least two

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## 'Govt moves to replace ICT chief prosecutor'

STAFF CORRESPONDENT

The government has reportedly decided to appoint a new chief prosecutor for the International Crimes Tribunal, replacing Tajul Islam.



Tajul Islam

Contacted last night, Tajul told The Daily Star that the government unofficially informed him about the move. He refused to make further comments until a gazette notification was issued.

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