

Star BUSINESS



BGMEA seeks export incentive funds to pay workers before Eid

STAR BUSINESS REPORT

Garment factory owners yesterday urged Bangladesh Bank (BB) Governor Ahsan H Mansur to release export incentive funds so factories can pay workers' wages and bonuses ahead of Eid-ul-Fitr.

Leaders of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) made the plea during a meeting at the BB office in Dhaka, warning that delayed disbursements are pushing factories into a severe liquidity crisis.

A large number of applications for cash incentives remain pending due to complexities in lien bank and central bank audit processes.

Around Tk 5,700 crore in textile and garment sector incentives remain unsettled in the ongoing fiscal year 2025-26, BGMEA said in a press statement, urging priority disbursement for small and medium-sized enterprises (SMEs) based on a list it has already submitted.

The association also requested special loan facilities equivalent to two months' wages to help factories meet Eid obligations – repayable within 12 months with a three-month grace period.

The BGMEA also called for the reintroduction of loan support under Packing Credit (PC) with the interest rate reduced to 7 percent; increasing the Pre-Shipment Credit Scheme fund from Tk 5,000 crore to Tk 10,000 crore; and extending the scheme's tenure until 2030.



The association's leaders told the BB governor that the garment industry is under significant strain from falling global demand, declining export prices, rising production costs, and geopolitical uncertainty.

The situation was compounded this month as public holidays around the national parliamentary elections and Language Movement Day reduced effective working days in the 28-day month to just 19, disrupting shipment schedules and squeezing factory finances further.

Under these circumstances, paying workers' wages and bonuses on time ahead of Eid-ul-Fitr has become a major challenge for entrepreneurs, the BGMEA statement said.

Ensuring timely payment of workers' dues is critical to maintaining stability in industrial areas and broader economic discipline, it noted, adding that swift policy action from BB is essential to protect the sector, its workers, and the wider economy.

The meeting was attended by BGMEA Senior Vice President Inamul Haq Khan and Vice President Md Shehab Udduza Chowdhury.



Demand for different fruit items usually rises during Ramadan as many people choose healthier options for iftar. With the import margin set at 100 percent, retail prices remain high. The photo was taken from Purana Paltan area in Dhaka recently. PHOTO: PALASH KHAN

Fruit imports face curbs despite dollar relief

Although foreign currency pressures have eased, 100% cash margin requirements keep supply tight and prices high

MD MEHEDI HASAN and SUKANTA HALDER

The dollar crisis has eased. Foreign exchange reserves have improved from the lows seen four years ago. But imported fruits still face a 100 percent cash margin for opening letters of credit (LCs).

The impact is visible at retail markets. A kilogramme of oranges now costs as much as Tk 330. Before the margin was raised in 2022, it was around Tk 180.

Before 2022, banks set margins based on their relationship with clients. Fruit importers could pay part of the value upfront and settle the rest later. Now they must deposit the full shipment value in cash when opening an LC. That locks up capital. Importers scale back orders, which eventually tightens supply and pushes up prices.

The 100 percent cash margin for fruit imports was introduced as part of the central bank's import tightening in the face of a fast-depleting foreign currency reserve. The move

reduced fruit imports, but it also pushed up retail prices.

After the fall of the Awami League government in August 2024, the foreign exchange market became more liquid thanks to stronger remittance inflows and better export performances. But import curbs on fruits remain in force, letting consumers feel the pinch.

Rabeya Hasnat, a housewife in the capital, regularly buys apples, grapes, oranges and tangerines for her children, along with local fruits.

She said that prices have risen sharply over the past two to three years. The rates should now fall as the dollar situation improves.

Rabeya said she tries to switch to local produce, but taste and preference make it difficult to replace common items like apples or grapes.

The numbers tell the story. Apples now sell for Tk 280 to Tk 400 a kilogramme. In 2022, they were Tk 220 to Tk 280. Grapes cost Tk

450 to Tk 600, up from Tk 400 to Tk 450. Tangerines sell for around Tk 320, compared with Tk 250 to Tk 270 earlier.

Faria Lira, another Dhaka resident, felt the shock while shopping for iftar on the first day of this Ramadan. A seller asked Tk 280 for three oranges. She walked away and bought 10 dates for Tk 100 instead.

Rising fruit prices, she said, are making it harder for middle-income families to include healthier options in iftar. Many are turning to cheaper fried snacks.

IMPORTERS CHALLENGE LUXURY LABEL

Nuruddin Ahmed, general secretary of the Bangladesh Fresh Fruits Importers Association, said the 100 percent margin has placed a heavy financial burden on legitimate traders.

When importers must deposit the full value in cash, their business costs rise. Many smaller traders cannot participate. Shipment volumes fall. The market becomes tighter.

READ MORE ON B3

TakaPay struggles to gain traction two years after launch

Bankers blame low awareness, limited usability, and lack of incentives for slow progress

SOHEL PARVEZ

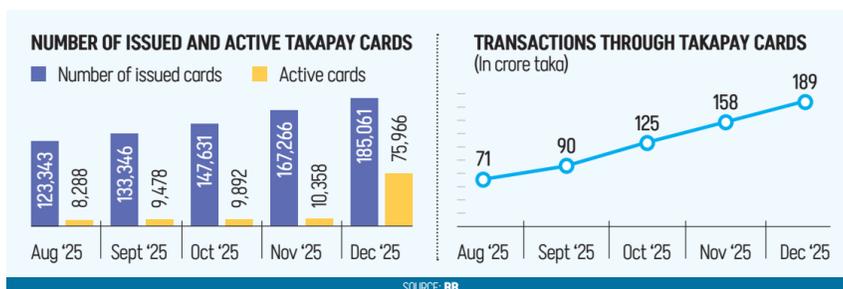
TakaPay card, the first-ever national debit card, has failed to secure a significant foothold in the two years since its launch by the central bank, aimed at reducing dependency on global payment networks such as Visa and Mastercard.

Data from the Bangladesh Bank (BB) showed a recent uptick in issuance and transactions through the TakaPay card. However, the number of cards, transactions and the amount of transactions still remain very low.

In December last year, Bangladesh recorded Tk 50,281 crore in transactions through local and foreign currency cards, the highest in six months. Of that, transactions through TakaPay were Tk 189 crore, which was less than half a percent of the total card-based transactions during the month.

The month before, transactions using the TakaPay card were Tk 157 crore, which was 0.33 percent of total transactions of Tk 47,536 crore through local and foreign currency cards.

Initiated by the central bank, the TakaPay card was launched in early November 2023 by the deposed prime minister, Sheikh Hasina, to save foreign currencies, at a time when the country was struggling to contain the fall of forex reserves. On October 31, 2023, Bangladesh's readily usable



Initiated by the central bank, the TakaPay card was launched in early November 2023 by the deposed prime minister, Sheikh Hasina, to save foreign currencies

forex reserves were below \$20 billion.

The initiative also came in line with other countries that have already issued their own currency cards. For example, Sri Lanka uses 'Lankapay', Pakistan has 'Pakpay', India employs 'RuPay' cards, and Saudi Arabia has 'Mada'.

Initially, three banks – Brac Bank, City Bank PLC and Sonali Bank PLC – joined the foray to issue the TakaPay card, which can be used for cash withdrawals from ATMs and point of sale machines,

and e-commerce transactions.

Later, 14 more banks joined. Yet, progress in the adoption of the card has been slow, mainly due to low awareness of the card among people, lack of push from banks, limited usability, and lack of benefits or incentives offered by the authorities to encourage users.

"Responses from customers have been slow. Not all banks are issuing the card," said Md Shalquat Hossain, deputy managing director and head of retail banking at Mutual Trust Bank PLC.

MTB PLC encourages customers to opt for the TakaPay card during the opening of accounts through its agent banking outlets. "Its annual fee is lower than that of cards issued by global payment gateways," he said.

A senior official of another private bank said the TakaPay card cannot be used for international

transactions. So, customers who travel abroad or purchase from foreign markets will not take the card, he said. Besides, ATMs of all the banks are not configured to allow transactions through the TakaPay card.

"Not all the ATMs accept the card. This limits the usage of the TakaPay card," he said. "To make the card lucrative, the authority should add some unique features to the card and motivate banks," he said.

Md Mahiul Islam, deputy managing director and head of retail banking at BRAC Bank, said his bank is also issuing the card through its agent banking network in suburban areas.

"We are offering the card to those who do not want to do foreign transactions," he said.

A senior official of the BB said the main rollout of the TakaPay

READ MORE ON B3

Jamaat MP meets BB governor over investment scope in Nagad

STAR BUSINESS REPORT

Mir Ahmad Bin Quasem Arman, a newly elected lawmaker from Bangladesh Jamaat-e-Islami, met Bangladesh Bank (BB) Governor Ahsan H Mansur yesterday to discuss the possibility of arranging foreign investment for mobile financial service provider Nagad.

Speaking to journalists after the meeting at the central bank headquarters, Arman said he met the BB governor in his professional capacity as a lawyer.

Arman said he serves as a local coordinator for several multinational investment firms and that his clients are interested in investing in Bangladesh's digital banking sector.

"Since the interim government period, they have been exploring possible investment opportunities. At that time, they were informed that the government was seeking investors for Nagad and that they could consider investing if interested," he said.

According to him, his clients have sought permission to conduct an audit of Nagad to assess the viability of any potential investment.

He said the governor told him that, as a new government has taken office, its policy regarding Nagad has yet to be finalised.

The Daily Star could not independently verify this. Arman said that if the new government decides, as the interim government had planned, to hand it over to private investors, the investment opportunity may proceed.

He added that he would convey the governor's position to his clients and wait for the government's decision before taking further steps.

Responding to questions about a possible conflict of interest as a newly elected member of parliament, he said there was none.

He said he practises law to support his family, while politics is for public service, and that many MPs have historically continued in the legal profession.

On speculation about political influence following the change in government, Arman said he had received no indication of discouragement.

READ MORE ON B3

3 BB officials transferred for holding press conference

STAR BUSINESS REPORT

Three officials of the Bangladesh Bank (BB) were transferred a day after being served show-cause notices for holding a press conference in violation of staff rules and commenting on policy decisions.

BB's human resources department issued a notice ordering the transfer yesterday.

The transferred officials are Nawshad Mustafa, general secretary of the 'Nil Dal' at Bangladesh Bank and director of the SME Special Programmes Department; AKM Masum Billah, president of the Bangladesh Bank Officers' Welfare Council elected from Nil Dal; and Golam Mostafa Shrabon, general secretary of the council.

The central bank issued show-cause notices to the three officials on Monday

Nawshad Mustafa has been transferred from the head office of Bangladesh Bank to its Barishal office, Masum Billah to Rangpur, and Golam Mostafa Shrabon to the Bogura office.

The central bank issued show-cause notices to the three officials on Monday, asking the officials to provide explanations within 10 days.

This development comes a week after a section of BB officials, under the banner of the Bangladesh Bank Officers' Welfare Council, held a press conference on the BB premises.

At the press briefing, called suddenly on February 16, officials described the central bank governor's position as "autocratic" on several issues, including the merger of weaker banks with EXIM Bank and Social Islami Bank and the initiative to grant digital bank licences.