

Star BUSINESS



Economy logs slowest growth in three years

Economists urge stability to restore momentum

MD ASADUZ ZAMAN

Bangladesh's economy grew 3.49 percent in the fiscal year 2024-25 (FY25), the slowest expansion in at least three years, owing to weaker performances in the agriculture and services sectors.

The growth is lower than the provisional estimate of 3.97 percent made previously by Bangladesh Bureau of Statistics (BBS), which released the finalised data on gross domestic product (GDP) yesterday.

In FY24, the economy grew 4.22 percent, said the national statistical office.

The data shows that only the industrial sector posted faster growth in FY25 than in the prior year.

Between July 2024 and June 2025, the country's factory output rose 3.71 percent, up 0.20 percentage points from FY24.

Agriculture, the second-largest employing sector, grew just 2.42 percent, down from 3.30 percent a year earlier.

Services, the biggest contributor to GDP, expanded 4.35 percent, easing from 5.09 percent in FY24.

The size of the economy reached \$456 billion, up from \$450 billion a year earlier. Per capita income edged up to \$2,769 from \$2,738.

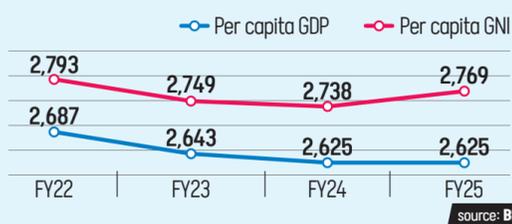
Sluggish growth is expected to continue into the current fiscal year. The International Monetary Fund projects 4.7 percent expansion in FY26, the World Bank 4.6 percent, and the Asian Development Bank (ADB) 4.7 percent – all below Bangladesh's pre-pandemic trend.

The ADB trimmed its projection from 5 percent in September, citing weak investment ahead of the general election and slower export growth.

Economists said the FY25 slowdown is owed to a combination of deep-rooted internal weaknesses and persistent external shocks.

READ MORE ON B3

Per capita GDP and Gross National Income in Bangladesh (In \$)



Economic risk rises despite political clarity

Oxford Economics says smooth polls offer short-term confidence, but macro instability, weak exports, and high inflation continue to threaten growth prospects

STAR BUSINESS REPORT

The overall economic risk of Bangladesh has increased by 0.4 points since August last year to 7.1, even as political clarity returns following the national election this month, according to Oxford Economics.

With the latest score above the Asia-Pacific average of 5.1, the country now ranks 141st out of 164 economies on its global risk index.

The report says that while the smooth election process has helped reduce political uncertainty and should support confidence in the near term, macroeconomic stability has weakened in recent years, and growth is expected to improve only gradually.

Oxford Economics, a leading global independent economic advisory firm, measures risk on a scale of 1 to 10, with 10 indicating the highest level of vulnerability.

It says trade credit risk remains the most significant vulnerability of Bangladesh, receiving the maximum score of 10, reflecting high non-performing loans (NPLs), especially in state-owned banks, alongside governance weaknesses and limited credit information.

Market costs are also elevated, driven by high interest rates and financing constraints, while demand conditions, sovereign creditworthiness and exchange rate pressures continue to weigh on the overall risk profile.

Although the exchange rate regime has moved towards greater flexibility, the taka continues to be managed within a relatively narrow band through intervention. Further reforms are expected under the International Monetary Fund (IMF) programme.

The report, titled "Political Clarity Returns but Transition Risks Linger", says that the decisive electoral victory of the Bangladesh Nationalist Party (BNP) has restored a degree of political clarity.

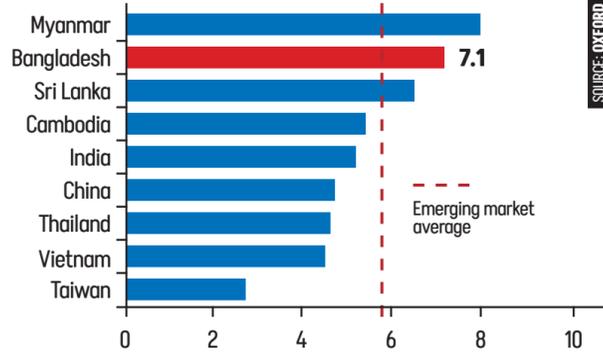
However, it notes that macroeconomic stability remains fragile and the recovery path uneven.

According to the report, the new government faces several immediate challenges, such as rebuilding investor confidence, strengthening revenue mobilisation, navigating the post-LDC trade transition and maintaining stability under restrictive monetary conditions.

Moreover, Bangladesh's debt remains in speculative grade territory, while climate vulnerability continues to pose

ECONOMIC RISK SCORE

Risk scores are from 1 to 10, with 10 representing the highest risk



Bangladesh's economic risk index

(Risk scores from 1 to 10, with 10 representing highest risk)

	Feb '26	Rank out of 164 countries (1=best)
Overall	7.1	141
Market demand	7	119
Market cost	8	135
Exchange rate	5	124
Sovereign credit	5.3	127
Trade credit	10	130

long-term fiscal risks.

Political uncertainty may have eased, but structural weaknesses and reform risks continue to shape the outlook.

GROWTH OUTLOOK SOFTENS

Reflecting weaker trade performance and persistent inflation, Oxford Economics has downgraded its GDP growth forecast for Bangladesh for FY 2025-26 to 4.5 percent from 4.7 percent earlier.

Growth is projected to recover to 5.7 percent in FY 2026-27, although this would still be modest by Bangladesh's historical standards, where annual growth has averaged about 5.8 percent since the mid-1990s.

The economy expanded by 4 percent in FY 2024-25, marking its weakest performance in decades outside the

pandemic period, amid political unrest, floods and subdued external demand.

The report says inflation continues to weigh on the economic recovery of Bangladesh.

After easing briefly, price pressures have intensified again. In January, inflation rose to 8.6 percent year-on-year, up from 8.2 percent in October and still above the 7 percent level the Bangladesh Bank has set as a condition for policy easing.

The central bank has kept the policy rate unchanged at a restrictive 10 percent in an effort to curb inflation and rebuild foreign exchange buffers.

Wage growth, at around 8 percent, remains below inflation, eroding real purchasing power and limiting consumer demand.

READ MORE ON B3

Filing of tax returns to close on March 31

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has extended the deadline for individual taxpayers to file their income tax returns by another month, setting March 31 as the new cut-off date.

The tax administration issued a notification in this regard yesterday, marking the fourth extension of the deadline in "public interest".

Earlier, the NBR had pushed the submission date to February 28, following a previous extension to January 31. The original deadline for filing returns was November 30.

In addition, the tax administration has extended the deadline for submitting paper-based income tax returns to March 15, from the earlier cut-off date of February 28.

The revenue authority is considering a year-round return submission system divided into three categories, said a top official.

Under the proposal, early filers would get incentives, on-time filers would pay the regular rate, and late filers would face graded penalties.

This year, online filing was made mandatory for almost all individual taxpayers, whereas earlier it applied only to specific groups.

Bangladesh repays more foreign loans than it receives

Govt's bank borrowing rises nearly fivefold year-on-year

STAR BUSINESS REPORT

Bangladesh's foreign debt servicing crossed the amount of loans it received from international lenders in the first seven months of the ongoing fiscal year (FY) 2025-26 amid the slow pace of foreign-funded projects executed under the Annual Development Programme (ADP).

The country repaid \$2.67 billion in the first seven months of the current fiscal year, according to data released by the Economic Relations Division (ERD) of the finance ministry.

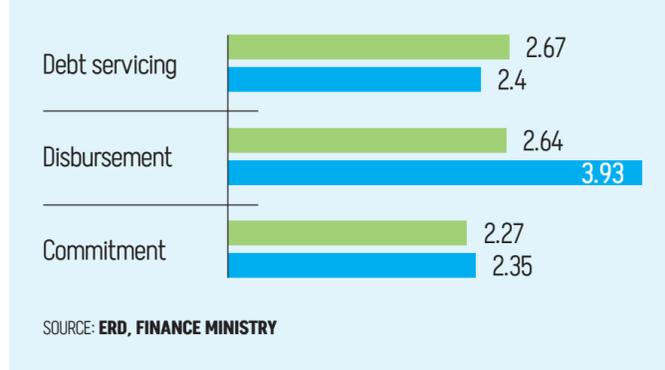
Meanwhile, foreign loan disbursement dipped 33 percent year on year to \$2.4 billion during July-January of this fiscal year, which an economist said is a warning sign.

"The fact that debt servicing has exceeded fresh foreign loan inflows is a warning sign," said Ashikur Rahman, principal economist at the Policy Research Institute (PRI) of Bangladesh.

"It indicates that Bangladesh is now transferring more resources outward than it is receiving, which tightens both fiscal and external liquidity conditions," he said.

"This reflects not only maturing debt obligations but also weak project implementation, slower disbursements, and limited export dynamism. While it is not yet a crisis, it reduces policy space and highlights the urgency of strengthening revenue mobilisation,

TREND OF FOREIGN LOANS Jul-Jan period (In billion \$)



export competitiveness, and a prudent external borrowing strategy."

Data by the Implementation Monitoring and Evaluation Division under the Ministry of Planning showed that in the July-January period of this fiscal year, the implementation of foreign-funded ADP was 36 percent, marginally higher than in the same period a year ago.

During this period, commitment by foreign lenders, namely the World Bank

and the Asian Development Bank, as well as Russia, China, Japan, and India, declined 3 percent year on year to \$2.27 billion.

The decline in both commitment and disbursement against a spike in the repayment of foreign loans comes at a time when revenue collection has continued to fall short of the target, and government borrowing from the banking system has risen.

READ MORE ON B3

Aromatic rice export deadline extended to April 30

STAR BUSINESS REPORT

The government has extended the deadline for exporting aromatic rice until April 30, allowing 21 companies additional time to complete their shipments, as the previous export window expired on November 30, 2025.

A commerce ministry circular regarding the extension was issued yesterday, which also noted that the minimum export price has been set at \$1.60 per kilogramme. At an exchange rate of Tk 123 per dollar, this translates to approximately Tk 196.8 per kg.

Nargis Murshida, joint secretary (Export-1) of the ministry's Export Wing, said the extension was granted following requests from exporters who failed to ship their allocated quantities within the previous deadline.

"This is a continuation of the approval given in June last year," she said.

On May 28, 2025, the ministry permitted 52 companies to export 5,800 tonnes of aromatic rice. Before that, on April 8, 2025, it approved 18,150 tonnes for 133 companies. In total, export approvals in two phases amounted to 23,950 tonnes.

Bangladesh began exporting aromatic rice in the fiscal year 2009-10. Exports were halted in 2022 amid domestic supply concerns. Previously, in October 2013, shipments were also suspended due to sharp price hikes in the local market.

Eastern Bank PLC.

প্রবৃদ্ধি যখনই
প্রয়োজন
ব্যবসায় চাই
ইবিএল
উদ্দীপন

বার্ষিক ও আবার্ষিক
স্বাধীন নির্মাণ, ক্রয় ও
সম্প্রসারণের জন্য
সর্বোচ্চ ২৫ কোটি
টাকা পর্যন্ত ঋণ সুবিধা

আপনার প্রয়োজনে
আপনার পাশে
ইবিএল
এসএমই ব্যাংকিং

16230

BD Thai Food factory robbed for third time

STAR BUSINESS REPORT

BD Thai Food & Beverage, a company listed with the Dhaka Stock Exchange (DSE), reported that its factory was robbed recently for the third time in just over a year, with masked intruders making off with machinery and cash worth an estimated Tk 1.5 crore.

The DSE published a disclosure yesterday after the company submitted a letter detailing the latest incident, which occurred around 2:00am on February 10, 2026.

According to the letter, 30 to 40 unidentified masked robbers entered the company's factory premises in Dhamrai, tied up and assaulted six to seven on-duty security guards, and looted various important machinery and materials from the factory before fleeing.

The company reported that the robbers stripped a 1,400 KVA substation of all its internal components, rendering it non-functional. They also stole ten high-capacity power motors, power cables from three generators, batteries, copper bars, ACB breakers, computers, four mobile phones from the guards, and Tk 1.5 lakh in cash.

In addition, glass panels were vandalised, cabinets and lockers broken open, and a private car damaged.

Speaking to The Daily Star yesterday, Rubina Hamid, chairman of BD Thai Food and sister of former health and family welfare minister Zahid Maleque, said the robbers hauled away the machinery using two trucks.

She added that on Tuesday, individuals were also spotted cutting and removing soil from the site

READ MORE ON B3