Star BUSINESS

Exports drop for 7th straight month on garment slump

Merchandise shipments declined 12% in Feb

REFAYET ULLAH MIRDHA

Bangladesh's merchandise exports fell for the seventh consecutive month in February, declining 12.03 percent year-on-year (YoY) to $3.49 billion, driven primarily by weakening garment shipments.

For the first eight months of the fiscal year 2025-26 (FY26), exports dropped 3.15 percent to $31.90 billion, according to Export Promotion Bureau (EPB) data released yesterday.

BAD PERIOD FOR RMG

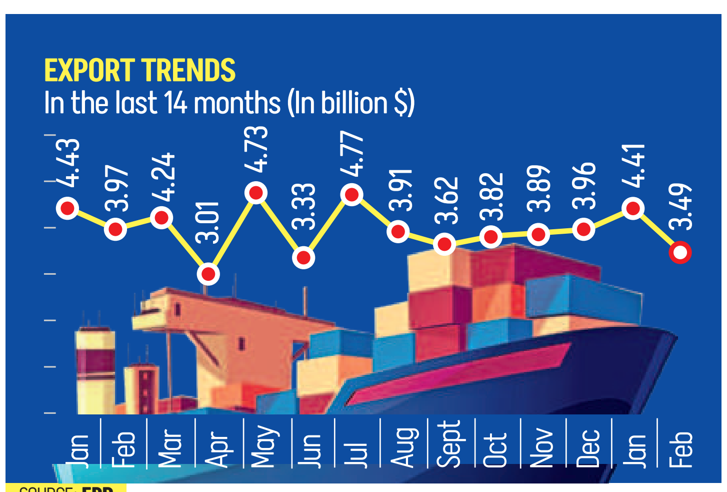
Readymade garments (RMG), which account for over 80 percent of national exports, recorded $25.79 billion during July-February, a 3.73 percent decline from the previous year.

February alone saw garment exports plunge 13.21 percent YoY to $2.81 billion, and 22.10 percent month-on-month from January's $3.61 billion.

Within the sector, knitwear exports fell 4.56 percent to $13.68 billion, while woven garments declined 2.79 percent to $12.10 billion during the eight-month period.

The EPB attributed the export decline to temporary factors including port disruptions, the national election, and subdued global demand. Agricultural products, cotton, jute goods, non-leather footwear, and ceramics all underperformed during the period.

Garment exporters cited multiple headwinds behind the drop in the sector.



SOURCE: EPB

Faruque Hassan, managing director of garment exporter Giant Group, identified the United States' reciprocal tariffs as a major factor for the slowdown over the last few months.

In addition, he said, uncertainty ahead of the February national election prompted international retailers and brands to adopt a wait-and-see approach in the earlier months, slowing order placements.

Strained relations with India, an emerging export market for Bangladesh, have also weighed on performance.

Hassan said he does not expect exports to rebound in March as election-related and other holidays alongside a shorter month of 28 days in February significantly reduced working days.

FEAR OVER IRAN WAR

On top of these, Hassan said the US and Israel's ongoing war against Iran "will also affect the export of garment items from Bangladesh as the price of oil will also escalate the cost of production in the country."

Mahmud Hasan Khan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said garment exporters had anticipated a recovery as global supply chains revived.

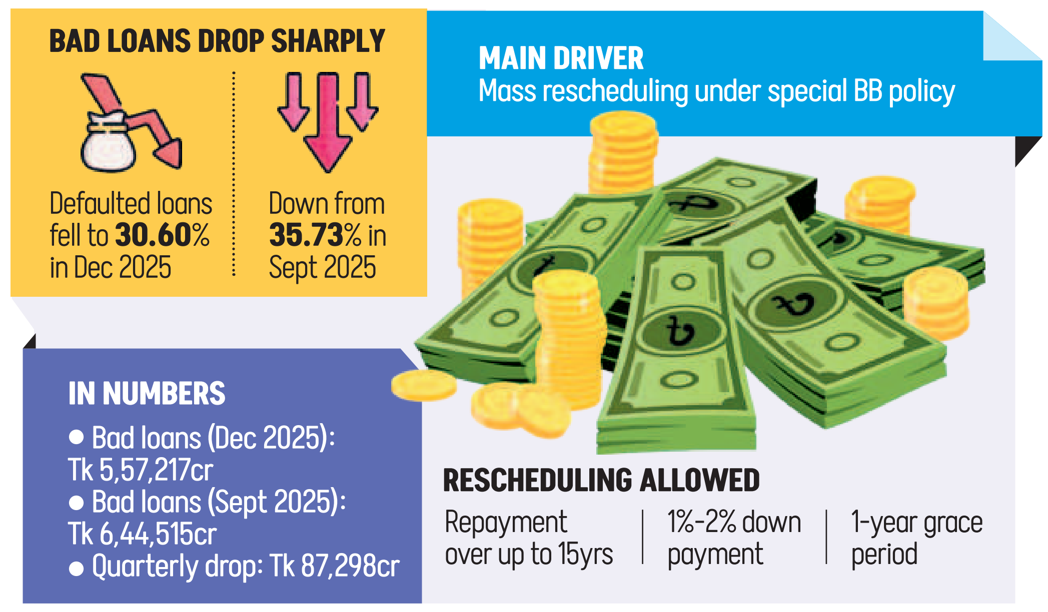
However, echoing Hassan, he also said a prolonged US-Iran war could derail this optimism as higher oil prices are likely to push up production costs and affect the consumers' spending capacity.

"The war will increase spending, and consumers will buy less garment items for which shipments from Bangladesh may fall," he added.

READ MORE ON B3

Bad loans fall by Tk 87,298cr in three months

Defaulted loans drop to 31% in Dec from 36% in Sept last year as banks restructure debt



MD MEHEDI HASAN

Defaulted loans in the banking sector fell to around 31 percent at the end of last year, down from around 36 percent three months earlier, following large-scale loan rescheduling under a special policy support of the central bank.

At the end of December 2025, defaulted loans stood at Tk 5,57,217 crore compared with Tk 6,44,515 crore at the end of September, according to the latest data from Bangladesh Bank (BB).

Within three months, the volume of bad loans dropped by Tk 87,298 crore.

Bankers said widespread rescheduling and restructuring under relaxed terms caused the sharp decline in non-performing loans at the end of the December quarter.

At the end of 2024, bad loans stood at Tk 3,45,764 crore, or 20.20 percent. On a year-on-year basis, defaulted loans rose by Tk 2,11,452 crore, marking a 61 percent increase.

Despite the drop in bad loans, bankers said actual cash recovery remained weak. Some banks had to reschedule loans following the central bank's instructions.

In January last year, BB formed a five-member committee to provide policy support for restructuring corporate borrowers affected by macroeconomic stress and political instability.

On September 16, the central bank introduced a unified special rescheduling policy aimed at sustaining economic activity and helping borrowers who defaulted due to circumstances beyond their control.

Under the policy, some borrowers were allowed to regularise loans for up to 15 years with a down payment of just 1 percent or 2 percent and a one-year grace period.

During the first nine months of last year, more than 300 companies, including large defaulter conglomerates, applied for rescheduling or restructuring facilities worth around Tk 2 lakh crore.

Bad loans surged to a historic high of 36 percent at the end of September last year after big borrowers such as S Alam, Beximco, AnonTex and Sikder Group defaulted following the fall of the Awami League government in August 2024.

Regarding the reduced figures in December last year, Mati ul Hasan, managing director of Mercantile Bank PLC, said that while defaulted loans have declined, cash flow has not increased.

As many factories and industrial units remain shut, borrowers have been given a one-year grace period. This means banks will not be able to recover funds during this time.

"The true picture will emerge in 2027 when repayments resume," the senior banker told The Daily Star.

He also said the new government and the central bank governor are encouraging efforts to boost employment and reopen closed factories.

"It remains to be seen whether the coming days will bring positive outcomes," he added.

Meanwhile, Masrur Arefin, chairman of the Association of Bankers Bangladesh (ABB) and managing director of City Bank, said

READ MORE ON B3

India seeks to deepen trade ties with Bangladesh

STAR BUSINESS REPORT

India has expressed its willingness to work closely with the new government of Bangladesh to expand bilateral business, economic and investment ties.

Indian High Commissioner to Bangladesh Pranay Verma made the comments after a meeting with Commerce Minister Khandaker Abdul Muktadir at his office in Dhaka yesterday.

Speaking to journalists, Verma said the meeting covered a broad range of issues, including the resumption of trade through land ports, transhipment, investment opportunities and the Comprehensive Economic Partnership Agreement (CEPA).

He emphasised that the discussions were not limited to a single topic but spanned a wide range of sectors.

"The land ports are key to expanding trade between our countries," Verma said, adding that several land ports have remained closed over the past year, except for Benapole.

He added that India is keen to engage closely with the new government of Bangladesh to strengthen trade, economic ties and people-focused cooperation.

"We aim to work together in a positive, constructive and forward-looking manner based on mutual interest and mutual benefit. We have a very strong trade, economic and business relationship between our two countries," said the high commissioner.

Minister Muktadir also said the meeting addressed the suspension of trade through some land ports over the last 18 months and discussed ways to increase bilateral trade.

READ MORE ON B3

Bangladesh resilient, growth to pick up gradually: HSBC

STAR BUSINESS REPORT

Bangladesh has remained resilient despite recent economic challenges, and growth is expected to stabilise in the coming years, said Frederic Neumann, chief Asia economist at HSBC.

The multinational bank expects Bangladesh's gross domestic product (GDP) growth to reach about 5 percent in 2026 and 5.5 percent in the following year, supported by improving macroeconomic conditions, he said while virtually delivering the keynote presentation at an HSBC Bangladesh event on economic prospects for Bangladesh and the world at Sheraton Dhaka yesterday.

Neumann also noted that the country's export earnings are projected to grow by 4.1 percent in 2026, while remittance inflows continue to rise year-on-year amid increasing confidence in formal money transfer channels. Combined with easing inflation, this trend is expected to support private consumption.

He added that investment by domestic and foreign businesses could gradually recover following the recent general election, although stronger momentum would depend on restoring investor confidence through improved law and order and policy stability.

Highlighting Bangladesh's upcoming graduation from least developed country (LDC) status in November 2026, the economist stressed the need to enhance export competitiveness through expanded market access, better governance, and improved infrastructure.

He also cautioned that slowing global consumer demand, partly linked to US tariffs, remains a key external risk for Bangladesh's economy.

Accelerating trade negotiations with the European Union, the country's largest garment export market, is therefore increasingly important, he added.

Jignesh Ruparel, chief financial officer of HSBC Bangladesh, presented the bank's latest global financial results at the event, underscoring HSBC's role in facilitating international trade through its network spanning 56 countries and territories.

Md Kausar Alam, president of the Institute of Cost and Management Accountants of Bangladesh, said the country's economy holds strong long-term potential, driven by favourable demographics and a resilient private sector that remains the primary catalyst in the country's pursuit of a trillion-dollar economy by 2040.

READ MORE ON B3

***(From left)* Md Mahbub ur Rahman, CEO of HSBC Bangladesh, Md Kausar Alam, president of ICMAB, and Jignesh Ruparel, CFO of HSBC Bangladesh, speak at an event, titled "Bangladesh and the world: Economic prospects for 2026 and beyond", yesterday at the Sheraton Dhaka.** PHOTO: HSBC

Governor orders fast-track recovery of laundered assets

STAR BUSINESS REPORT

Bangladesh Bank (BB) Governor Mostaqur Rahman has directed officials to accelerate efforts to recover laundered assets and place the process under a fast-track mechanism.

The instruction was issued at a meeting held at the central bank yesterday, where the newly appointed governor met the consultant of the Stolen Asset Recovery Task Force, according to Arief Hossain Khan, executive director and spokesperson of BB.

The meeting discussed strengthening the recovery process and ensuring that efforts to retrieve stolen assets from abroad produce tangible results, Khan added.

During the discussion, the governor urged the relevant authorities to quickly take necessary steps to identify, trace and repatriate assets siphoned overseas. To prioritise this effort, Rahman ordered all recovery activities to be placed on a "fast-track" status.

The fast-track mandate aims to speed up the return of national wealth through a more coordinated and focused approach, the spokesperson said.

The initiative also seeks to improve ongoing recovery efforts to ensure they are effective and aligned with bringing laundered assets back to the country.

The governor issued the directive as part of the interim government's continuing efforts to prioritise the recovery of stolen assets from abroad.

Earlier, the Muhammad Yunus-led government

READ MORE ON B3

Govt deploys 475 mobile veterinary clinics

STAR BUSINESS REPORT

The government has procured 475 mobile veterinary clinics (MVCs) to deliver livestock services directly to farmers across the country.

These MVCs are currently deployed in nearly all upazila livestock offices, ensuring farmers in remote areas receive timely treatment and advisory services.

Mostofa Kamal, project director for the livestock and dairy development project (LDDP) under the livestock ministry, shared the information yesterday at a workshop on the project's progress, held at InterContinental Dhaka.

He added that under the LDDP, initiatives such as livestock farmer field schools (LFFS), training programmes, vaccination drives, disease surveillance, artificial insemination, and farmer profiling have been intensified.

Financial inclusion for farmers has also been promoted through bank account openings and cooperative savings, linking them to formal financial systems, he said.

MVCs are specialised vehicles equipped to provide on-site, door-to-door veterinary services, bridging the gap between rural, remote areas and professional animal healthcare.

These clinics offer comprehensive services, including diagnosis, treatment, vaccinations, surgeries, and artificial insemination for cattle and livestock, reducing mortality and increasing economic stability for farmers.

READ MORE ON B3

Prime Bank, Mastercard unveil next-gen NFC sticker card 'TapIn'

STAR BUSINESS DESK

Prime Bank PLC, in partnership with Mastercard, has launched a next-generation NFC-enabled debit sticker card, branded "TapIn", expanding contactless payment options for customers in Bangladesh.

Developed and powered by IDEMIA, in collaboration with local partner ADN Technologies Ltd, the sticker card is designed to offer a fast, secure and seamless payment experience, particularly for customers with dynamic urban lifestyles.

M Nazeem A Choudhury, deputy managing director of Prime Bank PLC, and Syed Mohammad Kamal, country manager for Bangladesh at Mastercard, jointly inaugurated the card at a ceremony held yesterday at Prime Tower in Dhaka, according to a press release.

Choudhury said the launch reflects the bank's commitment to delivering innovative, secure and convenient payment solutions.

"As customer lifestyles evolve, we aim to provide seamless digital experiences that simplify everyday transactions while ensuring the highest standards of security and reliability," he said.

Kamal noted that modern consumers expect payments to keep pace with their daily lives.

Syed Mohammad Kamal, country manager for Bangladesh at Mastercard, and M Nazeem A Choudhury, deputy managing director of Prime Bank PLC, pose for a photograph with the bank's customers holding the NFC sticker debit card at the launching ceremony in Dhaka yesterday. PHOTO: PRIME BANK

UCB, Ernst & Young Advisory Services partner to strengthen carbon accounting

STAR BUSINESS DESK

United Commercial Bank PLC (UCB) has signed an agreement with Ernst & Young Advisory Services Bangladesh Limited (EY ASBL) to enhance its carbon accounting and emissions measurement practices as part of its broader sustainability strategy.

Nabil Mustafizur Rahman, additional managing director and chief risk officer of United Commercial Bank PLC, and Naushad Ekramullah, partner and managing director of Ernst & Young Advisory Services Bangladesh Limited, signed the agreement at the bank's corporate office in Dhaka recently, according to a press release.

Under the arrangement, EY ASBL will support UCB in preparing its greenhouse gas (GHG) inventory for the 2024-2025 financial year.

The exercise will measure and analyse the bank's carbon emissions across all three recognised scopes: direct emissions from its own operations (Scope 1), emissions arising from electricity and energy consumption (Scope 2), and other indirect emissions linked to operational activities (Scope 3).

The comprehensive assessment is expected to provide the bank with a clearer understanding of its environmental footprint and inform a structured roadmap for emission reduction.

The partnership is also set to reinforce UCB's sustainable finance agenda. By establishing a robust carbon accounting framework, the bank aims to implement more effective emission mitigation strategies in the coming years while strengthening its environmental, social and governance (ESG) reporting in line with international standards.

As financial institutions worldwide increasingly prioritise environmentally responsible operations, UCB's initiative underscores its ambition to combine financial performance with environmental stewardship.

Faruk Ahmed, chief financial officer of the bank; Saiful Islam, senior executive vice-president; Zishan Kingshuk Haq, chief communication officer; and Mohammad Asif Qureshi, senior executive vice-president (GSD), attended the programme.

Rana Sohel, associate director of EY ASBL, and Ibrahim Redwan, manager, along with other senior officials from both organisations, were also present.

Naushad Ekramullah, partner and managing director of Ernst & Young Advisory Services Bangladesh Limited, and Nabil Mustafizur Rahman, additional managing director and chief risk officer of United Commercial Bank PLC, exchange signed documents of the agreement at the bank's corporate office in Dhaka recently. PHOTO: UCB

Eastern Bank inks deal with Turkish Airlines for lounge access

Islam Güre, country manager of Turkish Airlines, and Ali Reza Iftekhar, managing director of Eastern Bank PLC, pose for a photograph at the signing ceremony held at the bank's head office in Dhaka recently. PHOTO: EASTERN BANK

STAR BUSINESS DESK

Eastern Bank PLC (EBL) has entered into an agreement with Turkish Airlines to enhance travel privileges for premium passengers departing from Dhaka.

Ali Reza Iftekhar, managing director of Eastern Bank PLC, and Islam Güre, country manager of Turkish Airlines, signed the agreement at the bank's head office in Dhaka recently, according to a press release.

Under the arrangement, Business Class passengers of Turkish Airlines will enjoy complimentary access to the "EBL Skylounge" at Hazrat Shahjalal International Airport.

The initiative is expected to strengthen collaboration between the two organisations while offering an elevated airport experience for travellers flying on the Istanbul-bound carrier from Bangladesh, the release added.

M Khorshed Anowar, deputy managing director and head of retail and SME banking at EBL; Farzana Qader, head of retail alliance; R Yusuf Sarıtaç, station manager for Dhaka; and Semih Külcü, regional accounting manager at Turkish Airlines, were also present at the signing ceremony.

Iran war shakes up global shipping routes

FROM PAGE B4

The firm said the region produces up to 23 million tons of polyethylene -- one of the most widely used plastics in the world -- annually, representing 15 percent of global production.

On Sunday the Emirati port of Jebel Ali, central to the export of petroleum derivatives, caught fire, according to local authorities.

Another port facility in Kuwait had to temporarily suspend operations after debris fell nearby, according to local media.

EXTENDED SHIPPING ROUTES

Several of the world's major shipping companies have announced they are avoiding the Strait of Hormuz due to the risk posed by the military conflict in the region.

Insurers have significantly increased their rates for ships transiting the Middle East.

Under these conditions, navigating the Gulf is becoming prohibitively expensive or impossible for cargo ships.

According to Armateurs de France, a shipowners association, 60 ships flying the French flag or belonging to French companies are currently stranded in the Gulf.

The Danish company Maersk and the French company CMA CGM have suspended transits through the Strait of Hormuz, as well as transits through the Suez Canal, which connects the Red Sea to the Mediterranean Sea.

Those ships must now circumnavigate Africa to reach Europe from the Middle East and Asia, a detour of several thousand kilometers.

FOOD RISKS

The shipping conditions also disrupt the arrival of cargo to the Middle East, a region that relies in part on food imports.

Many transports pass through the Strait of Hormuz.

During a June 2015 US military operation in Iran, for example, entire shipments of rice destined for the region were blocked in India.

Government of the People's Republic of Bangladesh
Local Government Engineering Department
Office of the Upazila Engineer
Sitakunda, Chattogram.
www.lged.gov.bd

Memo No: 46.02.1586.000.000.14.0036.25-220 Date: 03/03/2026

Invitation for Tender

e-Tender Notice No: 05 /*2025-26*

e-Tender is Invited in the National e-GP System Portal (http:www.eprocure.gov.bd) for the following work.

Sl No	Package No.	Name of Works	Tender ID	Last Date & Time of Selling e-Tender Documents	Date & Time of closing tender.
1	UZP/SITA/UP/ Maint/25-26/01	Maintenance of Bhatiari Union Porishad Bhaban Under Sitakunda Upazila, Chattogram	1237114	24-03-2026 17:00:00	25-03-2026 13:00:00

1. This is an online Tender where only e-tender will be accepted in the national e-GP portal and no offline/hard copies will be accepted.
2. To submitter Tender registration in the national e-GP system Portal (http:www.eprocure.gov.bd) is required.

Further information and guidelines are available in the national e-GP system Portal and form e-GP help (helpdesk@eprocure.gov.bd)

Signed
Upazila Engineer
Sitakunda,Chattogram
e-mail: ue.sitakunda@lged.gov.bd

GD-464

A Study on the Foreign Policy of Bangladesh to Address the Challenges of Globalization in the domains of National Security, Climate Change & Labor Migration

Higher Education Acceleration and Transformation (HEAT) Project|| DUIR - Sub-Project # 13020
Office of the Sub-project Manager: 617, Department of International Relations, University of Dhaka, Dhaka, 1000, Bangladesh
Email: aliashraf@du.ac.bd; spm.pin13020@du.ac.bd; Tel: +88-09666911463, Ext. 6541, 6542

Memo No: DUIR/HEAT/PIN-13020/ICT Procurement Date: 02/03/2026

e-Tender Notice

e-Tender is invited in the National e-GP system portal: (www.eprocure.gov.bd) for the procurement of:

Tender ID No.	Package No.	Description of Goods/Works	Online Tender Notice Publication Date and Time	Online Tender Closing Date and Time
1238564	DU/PIN 13020/G-5	Goods, Procurement of Computer and Accessories for SPMT Office	2 March 2026 12:00 pm	16 March 2026 2:00pm

This is an online Tender, Where, only e-Tender will be accepted in the National e-GP portal and no offline/hard copies will be accepted.

To submit e-Tender, registration in the National e-GP System Portal (www.eprocure.gov.bd) is required.

The fees for downloading the e-Tender documents from the National e-GP system portal have to be deposited online through any registered Bank branches.

Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk.eprocure.gov.bd).

Professor Dr. ASM Ali Ashraf
Sub-Project Manager
HEAT PIN – 13020
Department of International Relations
University of Dhaka

GD- 459

Government of the People's Republic of Bangladesh
Chattogram City Corporation
Tigerpass, Chattogram
www.ccc.gov.bd

Memo No. 46.11.1600.002.31.99.26.25 Dated: 02-03-2026

e-Tender Notice-CE/Rev/Z-1/2025-26/05

e-Tender is invited in the National e-GP System Portal (http://www.eprocure.gov.bd) for the procurement of following works:

Sl No.	Package No.	Name of works	Tender ID	Procurement method	Tender document last selling/ downloading date and time	Tender closing & opening date and time
1	CCC/Xen -1/W7/25-26/WR-007	Construction of Nazirpara Damua pond East Ghat to Tula Factory to Chand Mia Road at 7 No. West Sholoshahar Ward	1237252	Open Tendering Method (OTM)	16-Mar-2026 12:00	16-Mar-2026 14:00
2	CCC/Xen -1/W7/25-26/WR-010	Development of Mohammadpur Hazi Nuruzzaman Munsir Bari More to Liver Society to Sunnia Women Madrasa at 7 No. West Sholoshahar Ward	1237899	Open Tendering Method (OTM)	16-Mar-2026 12:00	16-Mar-2026 14:00

This is an online tender where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (http://www.eprocure.gov.bd) is required. The fees for downloading the e-Tender documents of following packages from the National e-GP System Portal have to be deposited online through any registered bank branches up to particular date and time specified on the tender notice.
Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (http://www.helpdesk.eprocure.gov.bd).

CCC/PRD-106/25-26 (5"x4)

Md. Anisur Rahman
Chief Engineer
Chattogram City Corporation

GD-462

BTRC cancels certificates of 22 SMS service companies

STAR BUSINESS REPORT

The telecom regulator has cancelled the enlistment certificates of 22 companies that were authorised to provide application-to-person (A2P) SMS aggregation services in Bangladesh, citing non-renewal of licences and regulatory noncompliance.

In an official notice issued recently, Bangladesh Telecommunication Regulatory Commission (BTRC) said the affected firms had either expressed unwillingness to renew their enlistment, failed to apply for renewal within the stipulated timeframe, or were found to have ownership links with entities holding other telecom licences, which violates existing guidelines for domestic A2P service providers.

A2P SMS aggregators act as intermediaries between businesses, government agencies, and mobile network operators.

They enable bulk messaging services such as one-time passwords (OTPs), banking alerts, promotional messages, delivery notifications, public service announcements, and other automated communications sent from applications to mobile subscribers.

BTRC warned that any activities conducted under the cancelled certificates would be considered illegal and punishable under the Bangladesh Telecommunication Act, 2001.

The companies have been instructed to surrender their original certificates and settle any outstanding dues within 30 days.

They will also remain liable for any additional financial obligations identified through future audits, according to the BTRC notice.

BATBC offers 30% dividend, lowest in 10 years

STAR BUSINESS REPORT

British American Tobacco Bangladesh Company Ltd (BATBC) has announced a 30 percent cash dividend for its shareholders for 2025, which, according to data available on the Dhaka bourse, is the lowest dividend in about a decade.

A sharp decline in profit pushed the multinational cigarette producer to declare such a low dividend through a board meeting yesterday.

The 100 percent cash dividend the company declared in 2023 was previously the lowest, as it usually provides between 400 percent and 600 percent cash dividend, according to company data available since 2015 on the Dhaka Stock Exchange website.

As per a disclosure by the company, its earnings per share plunged by around 67 percent year-on-year to Tk 10.81, compared to Tk 32.42 the previous year.

However, the company did not provide any reason for such a drop in profit.

Along with profit, its net asset value per share also fell to Tk 102 from Tk 106.8 the previous year.

India seeks to deepen trade ties

FROM PAGE B1

During the meeting, the two sides discussed several trade-related issues and explored a roadmap for future cooperation.

According to state-owned news agency Bangladesh Sangbad Sangstha (BSS), Muktadir described India as a major economic partner with a GDP exceeding $4 trillion.

He added that bilateral trade currently totals about $11 billion, with Bangladesh importing roughly $9.5 billion and exporting $1.5 billion worth of goods.

While talking to journalists, Muktadir said the government is closely monitoring the situation in the Strait of Hormuz.

He said that while the strait is a crucial global trade route, there is no immediate threat to the supply of essential commodities or fuel.

The Strait of Hormuz is vital, as around one-fifth of global maritime trade passes through it, the minister said.

"If the strait were to remain closed for an extended period, it would have a major impact on global shipping. However, it is too early to be overly alarmed. The situation may be resolved within a few days."

He added that the government has applied for a deferment of Bangladesh's graduation from the group of Least Developed Countries, which will be assessed by the United Nations.

Govt deploys 475 mobile veterinary

FROM PAGE B1

Kamal also said that so far, 135 wet markets have been constructed and handed over.

In addition, modern slaughterhouses are under construction in 13 district towns, which will further strengthen the safe and hygienic meat supply chain, he said.

Food, Fisheries and Livestock and Agriculture Minister Mohammad Amin Ur Rashid said an agriculture card will soon be introduced to address the current lack of accurate and coordinated data on farmers. This card will provide authentic information to improve service delivery.

Sultan Salahuddin Tuku, state minister for Fisheries and Livestock, Agriculture and Food, emphasised that the government has undertaken several initiatives to strengthen and sustain the agriculture-based economy.

Under the prime minister's leadership, multiple plans are already underway to ensure overall sectoral progress, he said.

To support small farmers, the government has waived Tk 10,000 crore in agricultural loans, easing financial burdens and encouraging increased production, he added.

Canada, India strike deal on rare earth

AFP, *New Delhi*

India and Canada on Monday reached a string of agreements, including on critical mineral cooperation and a "landmark" uranium supply deal for nuclear power, the countries' leaders said in New Delhi.

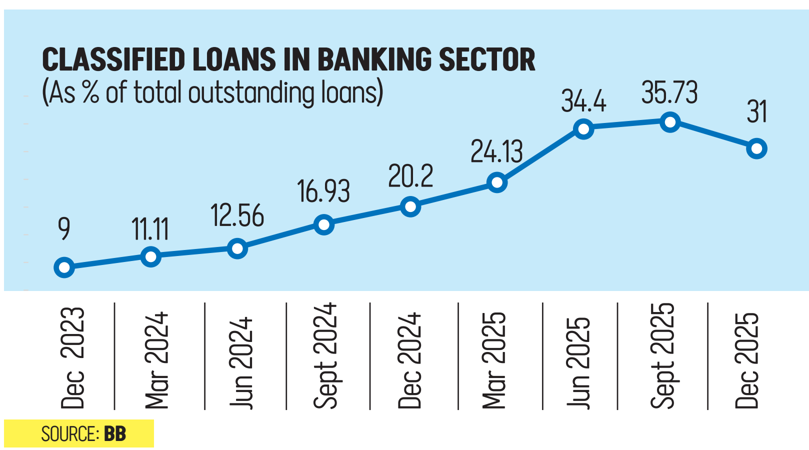
The pacts, which also covered technology and promoting the use of renewable energy, were announced after Prime Minister Narendra Modi and his Canadian counterpart Mark Carney hailed a fresh start in the relationship between their nations.

"Our ties have seen a new energy, mutual trust, and positivity," Modi said.

Ties effectively collapsed in 2023 after Ottawa accused New Delhi of orchestrating a deadly campaign against Sikh activists in Canada, accusations India rejected.

Carney's visit -- his first to India since taking office last year -- is not only aimed to reset strained ties, but also to push efforts to diversify trade beyond the United States.

Bad loans fall



FROM PAGE B1

four factors drove the decline in non-performing loans at the end of December.

Many banks partially wrote off large volumes of bad loans, with some writing off between Tk 300 crore and Tk 1,500 crore.

The second factor was the BB policy support, Arefin said. "Policy support played a role but was not the main driver."

"Only about 42 percent of the policy support was implemented. In other words, if policy support worth Tk 100 was approved, only around 42 percent was actually executed," said the ABB chairman.

He labelled recovery drives by banks in December last year as the third factor, which he said helped banks claw back a large chunk of loans.

Besides, he said some loans could not be classified as default due to court stay orders, which also contributed to the decline.

At the end of December last year, bad loans at state-owned banks stood at Tk 1,46,107.59 crore, or 44.44 percent of their total disbursed amounts, according to BB data.

Private commercial banks recorded Tk 3,89,579 crore in non-performing loans, equivalent to 28.25 percent of disbursed loans. Foreign banks held Tk 2,983.77 crore, or 4.51 percent, according to BB data.

Specialised banks reported Tk 18,546.47 crore, or 39.74 percent, in bad loans.

Moinul Islam, former professor of economics at University of Chittagong, said rescheduling loans on overly easy terms is not a lasting solution for reducing bad loans.

The economist said that while such measures may temporarily reduce reported figures, they do not actually solve the underlying problem.

"Strict measures must be taken against defaulters. Separate tribunals should be formed for the top 10 defaulters of each bank in order to recover their defaulted amounts," he suggested.

After the rescheduling and restructuring, the banking sector now faces a provision shortfall of Tk 1,91,441 crore.

In 1999, bad loans in the banking sector stood at a record 41.1 percent. The ratio gradually declined and reached 6.1 percent in 2011.

Governor orders fast-track recovery

FROM PAGE B1

appointed the BB governor as chairman of the task force. Its members include representatives from the Ministry of Home Affairs, Ministry of Foreign Affairs, Financial Institutions Division, Law and Justice Division, Ministry of Law, Justice and Parliamentary Affairs, and the Anti-Corruption Commission.

The task force also includes the Criminal Investigation Department of Bangladesh Police, the Attorney General's Office, the Customs Intelligence and Investigation Directorate and the Central Intelligence Cell of the National Board of Revenue (NBR) and the Bangladesh Financial Intelligence Unit.

It has taken steps to recover allegedly laundered money linked to 10 major business groups and family members of the ousted prime minister, Sheikh Hasina.

In August last year, the NBR said it had identified assets worth nearly Tk 40,000 crore in five countries. Based on its internal estimates, the total amount involved, including tax and penalties, is about Tk 16,000 crore, according to the NBR.

Exports drop

FROM PAGE B1

Masrur Reaz, chairman of Policy Exchange Bangladesh, also warned that the conflict may affect shipments to Western countries, including the two prime destinations -- Europe and the US.

He explained that conflict near the Suez Canal, a vital shipping artery between Asia and the West, could force vessels to reroute via Africa's Cape of Good Hope, adding nearly 5,000 kilometres to journeys.

This would significantly increase shipping costs and maritime insurance premiums, he added.

"This will affect the country's competitiveness in the global supply chain," Reaz said.

However, BGMEA chief Khan confirmed that so far, no exporters have reported stuck shipments due to the war.

Despite the overall decline, several sectors showed resilience. EPB data shows that pharmaceuticals, home textiles, leather and leather goods, and frozen fish all posted positive growth during July-February.

Bangladesh resilient

FROM PAGE B1

Md Mahbub ur Rahman, chief executive officer of HSBC Bangladesh, noted that initiatives such as the bank's CFO Connect platform aim to help finance professionals exchange insights and better navigate an evolving global economic landscape.

With the formation of the new government following a largely peaceful election, the government now holds a clear political mandate and legitimacy to pursue reforms and provide the stability the population has been seeking.

Facing an extensive agenda, the new administration must demonstrate commitment to its promises and address the aspirations of Bangladesh's young generation.

"The reset begins," he added.

Furniture industry shows tentative stabilisation after a prolonged downturn, with recovery still uneven across segments amid economic and market pressures. The photo was taken yesterday at a showroom in Dhaka's Panthapath.

PHOTO: RASHED SHUMON

Furniture industry stabilising after two-year slump

JAGARAN CHAKMA

The country's furniture industry is showing signs of stabilisation after nearly two years of decline, though recovery remains fragile and uneven across segments, according to leading manufacturers.

Industry insiders say the domestic furniture market was worth about $2.5 billion -- roughly Tk 30,000 crore -- in 2023, after expanding at an annual rate of 10 to 12 percent since 2010. However, due to political uncertainty, high inflation and a prolonged slowdown in the real estate sector, the market is believed to have fallen to around Tk 21,000 crore in 2025.

The downturn came after months of economic pressure and uncertainty, which weakened consumer confidence and slowed development activity.

Selim H Rahman, chairman and managing director of HATIL Furniture, said 2024 was one of the toughest years in the company's history.

"For the past one-and-a-half years, the sector has suffered a lot," he said. "Relief has just started. We may feel it gradually, but we are not there yet."

He said the months after August 2024 were especially difficult. "It felt like a war-like situation in the market," he said, pointing to the sharp fall in demand. Conditions have improved over the past five to six months, but the market has not yet recovered to its previous level.

Rahman said HATIL's turnover crossed Tk 400 crore at its peak around 2023, but that level has not returned. The market first dropped by nearly 50 percent and later improved slightly, remaining about 30 percent below its previous highs.

He added that home furniture sales also declined as customers delayed purchases due to uncertainty and rising living costs.

Rahman said the formation of an elected government has boosted confidence somewhat, but real recovery will depend on stable economic conditions and stronger investment in housing and infrastructure.

PREMIUM AND IMPORT SEGMENTS UNDER PRESSURE

Premium manufacturers have faced extra pressure from rising imports. Athena's Furniture and Home Décor, a sister concern of Anwar Group of Industries, saw sales drop by more than 30 percent during the interim government period.

Waeez R Hossain, deputy managing director of Anwar Group, said the high-end market has changed because of shifting customer demand and higher imports.

"We operate in the premium segment, and a lot of imported furniture -- especially from China -- has entered the market," he said. "At the price customers used to pay us, they can now import similar products."

Athena mainly serves affluent buyers, with individual orders ranging from Tk 20 lakh to Tk 1 crore. However, even this customer base has become more cautious.

Hossain said traditional premium buyers in areas such as Lalbagh in Old Dhaka and parts of Rajshahi, Chattogram and Sylhet have been affected by slower income growth and tighter liquidity.

He added that the slowdown in real estate -- estimated by some industry players at 40 to 60 percent in certain segments -- has increased pressure, as housing development and furniture demand are closely linked.

The imported luxury segment, however, saw even bigger fluctuations.

Shohan Akon Sunny, senior brand lead of Ashley Furniture Homestore Bangladesh under Partex Star Group, said import-based businesses were hit hardest during the downturn.

"As an import-based business, we bring products in containers and pay full duties. When sales slow, it becomes very difficult to manage costs," he said.

In some months, sales in the luxury import category dropped to just 10 percent of normal levels. High import duties pushed prices up, limiting customers mainly to affluent buyers, expatriates and foreign residents.

Sunny added that recent Eid sales have improved, giving hope that demand could gradually recover if the overall economy stabilises.

Not all players faced the same level of decline.

Regal Furniture, part of the PRAN-RFL Group, recorded about 25 percent growth in the home furniture segment after a prolonged slowdown from August 2024 to September 2025.

RN Paul, managing director of PRAN-RFL Group, said the sector struggled over the past 15 months but saw a slight recovery in the last quarter of 2025.

"Strong remittance inflows and stable agriculture, without major disasters, helped the furniture sector rebound," he said.

Paul noted a shift in consumer behaviour. "Urban buyers are moving from traditional furniture to factory-made, standardised products," he said.

He added that office furniture was among the worst-hit segments as new public and private projects slowed. Without fresh development activity, demand for corporate and institutional furniture dropped sharply.

He also said inflation and political instability over the past 18 months reduced discretionary spending. "The lack of government procurement pushed office furniture sales close to zero during the slowdown, hurting overall performance," he said.

Working capital crisis ahead

MANWAR HOSSAIN

Bangladesh has not been hit by a single cyclone. It has faced a series of shocks, back-to-back, leaving little time to rebuild. First came Covid-19. Then global commodity spikes, freight disruptions, energy volatility and unpredictable supply chains. Power shortages became routine, the taka weakened, reserves fell and confidence among international lenders wavered.

Taken individually, each shock is a storm. Together, they are converging into a tsunami, one breaking not in headlines but on the most fragile part of any enterprise: working capital. Working capital is not merely an accounting term. It is the lifeblood of a business. It buys raw materials, pays wages, sustains suppliers and protects export credibility. A business can endure low profitability for a time. It cannot endure a prolonged liquidity squeeze. When working capital dries up, even strong factories begin to bleed through delayed wages, missed shipments, lost buyers and eventual defaults. Remittances have sustained consumption and given industry breathing space during liquidity stress.

But breathing space is not recovery. Exports have fallen from their recent peak of nearly $57 billion to around $47 billion. Many factories now operate below capacity. Some have closed. Others survive in reduced form. An economy cannot thrive in survival mode. Encouragingly, a new government has taken office at a moment when economic realism is urgently needed. The prime minister has emphasised reviving closed mills and protecting employment to restore growth momentum. Confidence begins not with statistics but with leadership and clarity of purpose.

Bangladesh does not lack entrepreneurs, workers or demand potential. What it lacks is circulation. Manufacturing and services support millions of livelihoods and underpin modern agriculture through finance, logistics, fertilisers and machinery. Industry and rural prosperity are interdependent. Remittances alone cannot sustain national growth. Industry must operate at scale, and scale requires reliable and realistically priced working capital.

Recent regulatory flexibility, including extended repayment windows, has helped prevent immediate collapse. But extensions without fresh liquidity only postpone stress.

First, risk perception in parts of the banking sector has tightened sharply. Past abuses have made institutions cautious. Prudence is essential. Yet when a single stressed account freezes otherwise viable sister concerns through blanket group CIB classifications, productive capacity is unnecessarily lost. A time-bound approach to group reporting could prevent avoidable domino effects. Second, exchange rate depreciation has distorted credit exposure limits. Businesses that have not expanded in real terms may appear overleveraged simply because nominal values have risen. This forces deleveraging when liquidity is most needed. Temporarily recalibrating single borrower exposure limits in dollar terms could neutralise this distortion. Third, trade finance instruments such as LCs and bank guarantees must flow more smoothly. Working capital is not always cash.

Macroeconomic logic assumes that if one firm exits, another will replace it. But behind every factory are years of savings, risk and sacrifice, and the livelihoods of hundreds or thousands of families. An economy must value each productive unit. Without a structured working capital revival, the next two years may bring avoidable capital erosion, job losses and further banking stress. A targeted Working Capital Stabilisation Window, time-bound and performance-linked, jointly monitored by banks and regulators, could provide that bridge. Combined with faster tax refunds, a predictable energy supply and smoother trade processing, it would restore circulation without undermining prudence.

Bangladesh has repeatedly demonstrated resilience. Entrepreneurs rebuild after crises. Workers adapt. Overseas wage earners support families with dignity. What is needed now is alignment between policy signals and factory floor realities. Money must move through the veins of industry. If working capital circulation is restored, confidence will follow, factories will reopen, and growth will regain credibility. The tsunami we face is not inevitable. With timely liquidity support, it can be redirected.

The writer is the chairman of Anwar Group of Industries

Iran war shakes up global shipping routes

AFP, *Washington*

The US-Israeli military operation against Iran and Tehran's retaliation are disrupting global maritime traffic, including oil tanker transports.

The grounding of ships around the Gulf and the paralysis of the Strait of Hormuz, a critical narrow waterway bordered by Iran and Oman, represent a significant upheaval for a wide range of sectors beyond hydrocarbons.

Here is how shipping could be impacted:

FERTILIZERS AT RISK

About 33 percent of the world's fertilizers, including sulfur and ammonia, transit through the Strait of Hormuz, according to the trade analysis firm Kpler.

Loaded onto cargo ships in Qatar, Saudi Arabia or the United Arab Emirates, these fertilizers have diverse destinations ranging from India and China to Brazil and African countries.

"There are no viable alternatives" to shipping in the Gulf, Kpler said in a June analysis, noting "land routes are limited by pipeline and trucking capacity."

Since a large portion of fertilizers are manufactured using massive amounts of gas or oil, the surge in hydrocarbon prices caused by the conflict with Iran could have a domino effect on fertilizer prices.

PLASTIC PRODUCTION

The conflict in the Middle East also threatens a major polymer export hub in the United Arab Emirates, according to an analysis published Monday by the consulting firm Argus Media.

READ MORE ON B2

Forget Opec+ output hike. Duration of Hormuz disruption is what matters

REUTERS, *Launceston*

The Opec+ decision to lift crude oil output by 206,000 barrels per day (bpd) from April is probably the least consequential decision the group has made in nearly a decade of existence.

Adding about 0.2 percent of global oil demand to supply a month from now is little more than a symbolic gesture in the face of a widening conflict in the Middle East, which is already leading to serious supply disruptions.

But there was little the eight members of the Opec+ group undertaking voluntary production cuts could have done at their meeting on Sunday to assure the market about supply security.

The increase of 206,000 bpd from April was above the 137,000 bpd that had been tipped by analysts ahead of the meeting, and if there is any impact it's the symbolism of the group saying they can add more barrels to the market if needed.

Certainly, the Opec+ output decision wasn't enough to prevent crude prices spiking higher at Monday's open, with benchmark Brent futures jumping as much as 13.6 percent to a 12 month high of $82.37 a barrel, before easing to trade at $79.10 in early Asian trade.

The main issue for crude oil markets is how long will supplies be disrupted from the Middle East, and how will top importers react.

In the fog of war there is always considerable uncertainty, and the current bombing and missile strikes by Israel and the United States against Iran, and the retaliation targeting neighbouring Gulf countries, is no exception.

Iran's decision to strike at civilian targets in the United Arab Emirates (UAE) may be either a strategic blunder or strategic brilliance, with much riding on how long Tehran can keep up the attacks and how long the UAE can successfully defend what are likely to be increasingly worried civilian and expatriate populations.

But for crude oil markets, it's worth focusing on what is known and what the most likely responses are to the current situation.

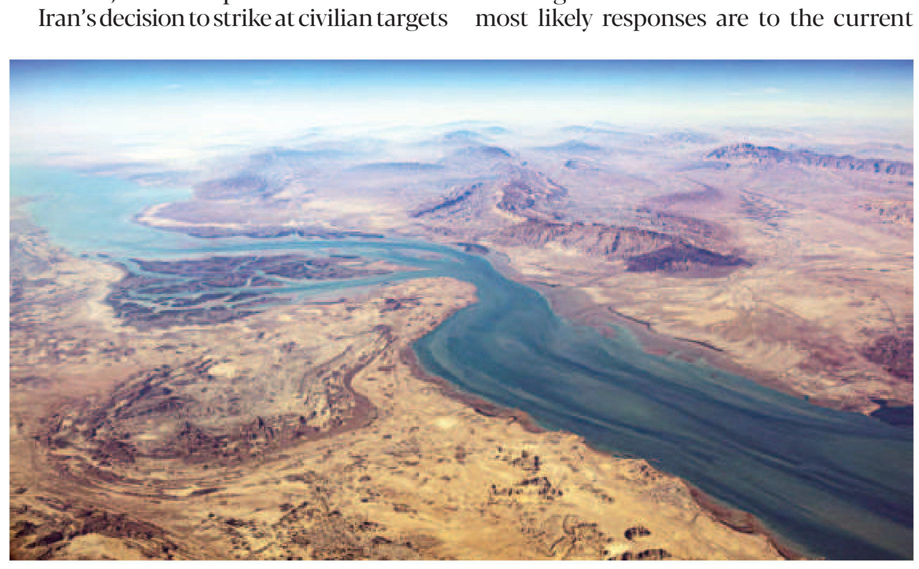


PHOTO: REUTERS/FILE

An aerial view of the Iranian shores and the island of Qeshm in the strait of Hormuz.

The Strait of Hormuz, through which about 20 million bpd of crude and refined products moves, is effectively closed as ship owners and insurers are reluctant to risk vessels while a major conflict is underway.

The good news on this is that so far it appears Iran hasn't actively tried to block the narrow waterway that carries almost 20 percent of global crude and product supply. This means that when the shooting stops tankers will be able to rapidly move through the Strait, easing any supply bottleneck.

There are also other factors at work that will likely ease some of the supply concerns.

The first is that China, the world's biggest crude importer, is likely to trim arrivals in coming months.

China's imports have been strong in recent months, with LSEG Oil research estimating January arrivals at 11.61 million bpd and February's estimated at 13.42 million bpd, which would eclipse the previous record of 13.18 million bpd in December.

With the surge in prices it's likely that China will cut up to 2 million bpd from February's levels by the time cargoes being arranged currently are delivered in May and June.