

Star BUSINESS



Doreen Garments sues US buyer over \$678,000 unpaid dues

REFAYAT ULLAH MIRDHA

Apparel exporter Doreen Garments Ltd has been struggling to collect \$678,412 from US-based Zinntex LLC for a shipment delivered two years ago, prompting the supplier to file a lawsuit in an American court.

The exporter had shipped 96,576 pieces of denim trousers to Zinntex but has been unable to collect payment as the buyer has since stopped responding to payment requests, according to Tahzeeb Alam Siddique, a director at Doreen Garments.

Doreen Garments filed a case in an US court one year ago over the issue, he said. The shipment was the company's first and last order to Zinntex, which has no office in Bangladesh.

"We are hopeful that Zinntex will make the payment to us as our attorney in the US is confident about the sales and bank documents," Director of Doreen Garments Tahzeeb Alam Siddique told The Daily Star over the phone.

"We have to go to court even if it is expensive, as the amount is big for us," he added.

Several other Chattogram based garment manufacturers have also been defrauded by Zinntex, according to Siddique. "This is not a big brand in the US and it mainly sources denim garment items."

Meanwhile, on March 16, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) sent a letter to members warning them against doing business with the company.

The association had earlier attempted to secure Doreen's payment from the US company but received no response.

BGMEA also requested information from members who have traded with Zinntex to assess the scope of non-payment, as the association lacks data on which factories have dealt with the buyer.

"We tried to get the payment from Zinntex but the US company defrauded the local company," said BGMEA President Mahmud Hasan Khan.

Khan said the trade body will meet with the US embassy in Dhaka after Eid to discuss the issue.

The association has identified similar payment defaults by buyers from Australia and India, as well as instances of local buying houses failing to pay suppliers, according to Khan.

BGMEA has asked buying houses to become associated members of the trade body as a condition for doing business with local manufacturers, he also said.



Most BGMEA factories clear Feb salaries, Eid bonuses

SAYS ITS PRESIDENT

STAR BUSINESS REPORT

Almost all member factories of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) have paid February salaries and Eid bonuses, President of the trade body Mahmud Hasan Khan said yesterday.

At a press briefing in the capital, he said, "99.91 percent of factories have completed February salary payments, while two factories are still in the process of paying workers. No BGMEA-listed factory has any pending issues regarding February salaries."

"Similarly, 99.81 percent of factories have paid Eid bonuses, with four factories still disbursing payments. Moreover, 64.03 percent of factories have paid partial March salaries, even though this is not legally required," he added.

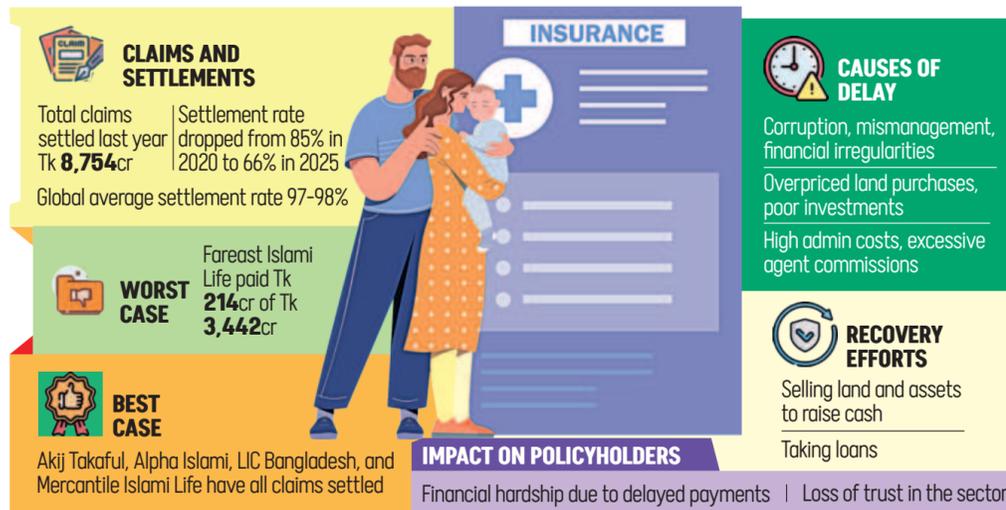
The association now has nearly 2,400 member factories.

"The Eid holiday started on March 17. Half of the factories announced their holidays on the first day, while the rest are expected to announce theirs by today or tomorrow (March 18 or 19)," he said.

Earlier, BB released Tk 2,500 crore from the export receipts fund, and the government provided Tk 1,500 crore in bank loans to factory owners to pay garment workers ahead of the Eid holidays.

Life insurers face mounting unpaid claims, now at 12 lakh

Amount of unsettled claims hits Tk 4,403 crore as irregularities, mismanagement and corruption undermine confidence



SUKANTA HALDER

Monjur Rahman took out a policy with Fareast Islami Life Insurance Company in 2012 to secure his financial future. When it matured in 2022 with a claim of Tk 11.19 lakh, he submitted all the required documents but has yet to receive any payment.

"When I contacted the company, I faced repeated delays and obstacles. Even when my father was hospitalised, I requested a partial payment to cover medical expenses, but I still did not receive any money," Rahman said.

Under the Insurance Act 2010, insurers are required to settle claims within 90 days of receiving all necessary documents.

Payments to life insurance policyholders continue to face heavy delays as the sector grapples with a deepening liquidity crisis. In 2023, around 10 lakh policyholders were waiting for payouts from 29 companies, with Tk 3,050 crore in unpaid claims. The situation has since deteriorated.

According to the latest data from the Insurance Development and Regulatory Authority (Idra), about 12

lakh policyholders remain unpaid, with 32 insurance companies struggling to clear dues and seven showing the lowest settlement rates. Unsettled claims have grown to Tk 4,403 crore till 2025.

Officials and experts attribute the crisis to financial irregularities, mismanagement, corruption, poor investments, high costs, and unhealthy competition. Companies are now seeking asset sales, loans, and recovery plans to resume payments, all while facing financial strain and weak regulatory oversight.

In the past year, life insurers settled Tk 8,754 crore in claims, covering 66.06 percent of the total claims filed. Claim settlement rates among life insurers have dropped from 85 percent in 2020 to 66.06 percent in 2025, Idra's data shows.

By comparison, the global average is around 97-98 percent, and in neighbouring India, it was about 98 percent in the 2022-23 fiscal year, according to media reports.

SETTLEMENT RATES AS LOW AS 1.6%

Fareast Islami Life Insurance reported claims of Tk 3,442 crore but paid only Tk 214 crore, leaving 5.66 lakh policyholders

still waiting for Tk 3,228 crore.

Its settlement rate was just 6 percent.

An audit commissioned by Idra in 2021 found Tk 2,367 crore had been embezzled, alongside accounting irregularities worth Tk 432 crore at the company.

The report said much of the money had been siphoned off through inflated land purchases and by taking bank loans secured against the company's Mudaraba Term Deposit Receipts (MTDRs).

An MTDR is a profit bearing account under the Mudaraba system, which pays returns on deposits held for a fixed period.

Several other life insurers also performed poorly.

Padma Islami Life Insurance settled only 4 percent of its obligations, while Progressive Life Insurance paid about 21 percent.

Golden Life Insurance managed 11 percent, and Sunflower Life Insurance just 5.5 percent. Baira Life Insurance paid only 1.6 percent of claims.

By contrast, Akij Takaful Life Insurance, Alpha Islami Life Insurance, Life Insurance Corporation of

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Bangladesh races to secure LNG deliveries amid war

STAR BUSINESS REPORT

Bangladesh's energy security is under fresh pressure as war in the Middle East disrupts the flow of liquefied natural gas (LNG), a fuel that has become indispensable to the country's power sector.

In an effort to maintain supply, the government has confirmed the purchase of seven LNG cargoes from the spot market since the outbreak of the US-Israel war on Iran, at prices more than double those paid just months ago.

Since March 4, state-run Rupantarita Praktik Gas Co Ltd (RPGCL) has floated three tenders to buy LNG cargoes from the spot market amid ongoing uncertainty over timely shipments from Qatar, as Iran continues to halt nearly all shipping through the Strait of Hormuz.

Qatar is a long-term LNG supplier to Bangladesh. It ships a significant proportion of its exports through the Strait, which accounts for roughly a fifth of global LNG flows.

Bangladesh meets almost 30 percent of its gas demand through imported LNG, while domestic production continues to fall short of the total requirement of about 2,650 million cubic feet per day (mmcfd), according to the energy ministry.

A senior RPGCL official said the country usually receives eight to nine LNG cargoes each month, with five to six passing through the Strait of Hormuz.

The US-Israel war on Iran has disrupted supplies of oil, LNG, fertiliser and sulphur through the shipping channel, driving up prices and sparking a global scramble for energy and crop nutrients.

LNG prices have almost doubled from pre-war levels of around \$10-\$12 per MMBtu.

On March 2, QatarEnergy suspended LNG production following an Iranian drone attack, placing additional strain on the global market. Qatar supplies around 20 percent of the world's LNG, according to Al Jazeera.

On March 17, the cabinet committee on government purchase approved the acquisition of two spot LNG cargoes from Aramco Trading Singapore.

The first cargo will cost \$20.96 per MMBtu, and the second \$20.92 per MMBtu. Shipments are expected to arrive between April 15 and 22.

Last week, the government decided to purchase three more cargoes from South Korean and UK-based companies, at more than double December prices.

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Major tourist spots gearing up for long Eid holiday



Tourist spots in Rangamati town are awaiting a surge in visitors as the Eid-ul-Fitr holiday spans seven days. This photo shows the hanging bridge at the town's Parjatan Holiday Complex.

PHOTO: RIKORS CHAKMA

MOKAMMEL SHUVO and RIKORS CHAKMA

Popular tourist spots in the country are preparing to host a massive influx of vacationers as the government has approved a 7-day holiday for Eid-ul-Fitr this year.

Hotel and resort operators in destinations like Cox's Bazar and Sajek Valley are already seeing an uptick in advance bookings for the holiday, hoping to make up for earlier losses from a slowdown in business.

Throughout the holy month of Ramadan, hotel operators in Cox's Bazar were able to retain meagre tourist footfall by offering discounts of as much as 70 percent on room rates. They are now eagerly awaiting the post-Eid season.

Mukim Khan, general secretary of the Cox's Bazar Hotel-Motel Resort Owners' Association, said 60 to 70 percent of hotel bookings have already been completed. Occupancy is expected to reach 80 to 90 percent by the night before Eid.

"We expect around 500,000 to 700,000 tourists to visit Cox's Bazar in the week following Eid."

Political uncertainty surrounding elections had slowed down the tourism sector, but the situation has improved, he added.

"People are now more comfortable planning trips, so we expect a good Eid season for tourism."

Imran Hossain, food and beverage manager at Sayeman Beach Resort, said their

occupancy during Ramadan was around 20 percent.

"We offered up to 60 percent discounts throughout the month," he said.

He added that discounts have now been reduced to 20 percent for the Eid period.

Around 90 percent of rooms in the resort have already been booked until March 26, with full occupancy expected for the first week after Eid.

Visits to hotel and motel zones in Cox's Bazar showed that the area was not completely deserted, unlike in previous years. A noticeable number of tourists visited Cox's Bazar even during the quieter Ramadan period.

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Eid boosts remittance inflow despite Middle East war

STAR BUSINESS REPORT

Remittance inflows rose sharply in the first two weeks of March ahead of the Eid-ul-Fitr, despite tensions in the Middle East stemming from the US-Israel war on Iran.

Expatriates sent home \$2.2 billion in the first 14 days of March, up 36 percent from \$1.62 billion during the same period last year, according to Bangladesh Bank (BB) data.

Bankers expect remittances to exceed \$3 billion by the end of the month, as expatriates typically send more money home during Eid. Full data for the month will be available after the Eid holidays.

In February, remittances stood at \$3.02 billion.

In the current fiscal year, inflows have remained strong.

Between July and March 14, remittances reached \$24.65 billion, marking a 22.6 percent year-on-year growth.

However, industry insiders and economists warn that inflows may slow in the coming months due to the Middle East crisis.

A BB quarterly report also projected a possible slowdown in remittances amid migration disruptions and economic uncertainty in the region.

The escalating tensions in the Gulf have already driven up prices of oil, liquefied natural gas, fertiliser and sulphur, as Iran controls the Strait of Hormuz, a key route for about one-fifth of global oil exports and nearly one-third of fertiliser shipments.

During March 1-14, Islami Bank Bangladesh handled the highest inflow at \$395 million, followed by BRAC Bank with \$228 million, state-run Agrani Bank with \$165 million, and Trust Bank with \$163 million.

The steady rise in remittances is helping ease pressure on the balance of payments and stabilise the foreign exchange market.

Under the International Monetary Fund's calculation method, reserves were \$29.64 billion, up from \$19.74 billion in the same period last year.

However, signs of volatility have emerged in the foreign exchange market after more than a year, with the taka weakening against the US dollar since early March amid rising uncertainty over the war in the Middle East.