

# Star BUSINESS



## Clarify bank control return to former owners

Debapriya calls for govt explanation on revised law in parliament

STAR BUSINESS REPORT

Economist Debapriya Bhattacharya yesterday urged the government to explain the intention behind recent revisions to the Bank Resolution Act, which now allow former owners to regain control of five Islamic banks being merged amid a severe liquidity crisis due to past irregularities.

At a session of the annual economists' conference at BRAC Centre Inn in Dhaka, he said political authorities must set out their position in parliament and issue a clear statement explaining their intent.

Earlier this month, the House passed the revised Bank Resolution Act 2026, paving the way for former owners of the merging banks to reclaim control under relatively easy terms. The move has been widely viewed as a reversal of the interim government's banking reform drive.

Under the law, former directors or owners can reclaim control by paying 7.5 percent of the funds injected by the government or the Bangladesh Bank upfront. The remaining 92.5 percent is to be paid within two years at 10 percent simple interest.

"I have no problem with the policy itself, but I want clarity," Debapriya said at the conference organised by the South Asian Network on Economic Modeling (Sanem).

He said, "Even the central bank governor has not given a statement on this. So, instead of relying on our own interpretations, the authorities must speak."

Debapriya, convener of the Citizen's Platform for SDGs, Bangladesh, said, "I am worried. I have already said over the past couple of days that we need a political statement on this issue. We need a discussion in parliament."

"What we are doing now, what you, I, and others are saying, is based on our goodwill, but it is still just interpretation," he said.

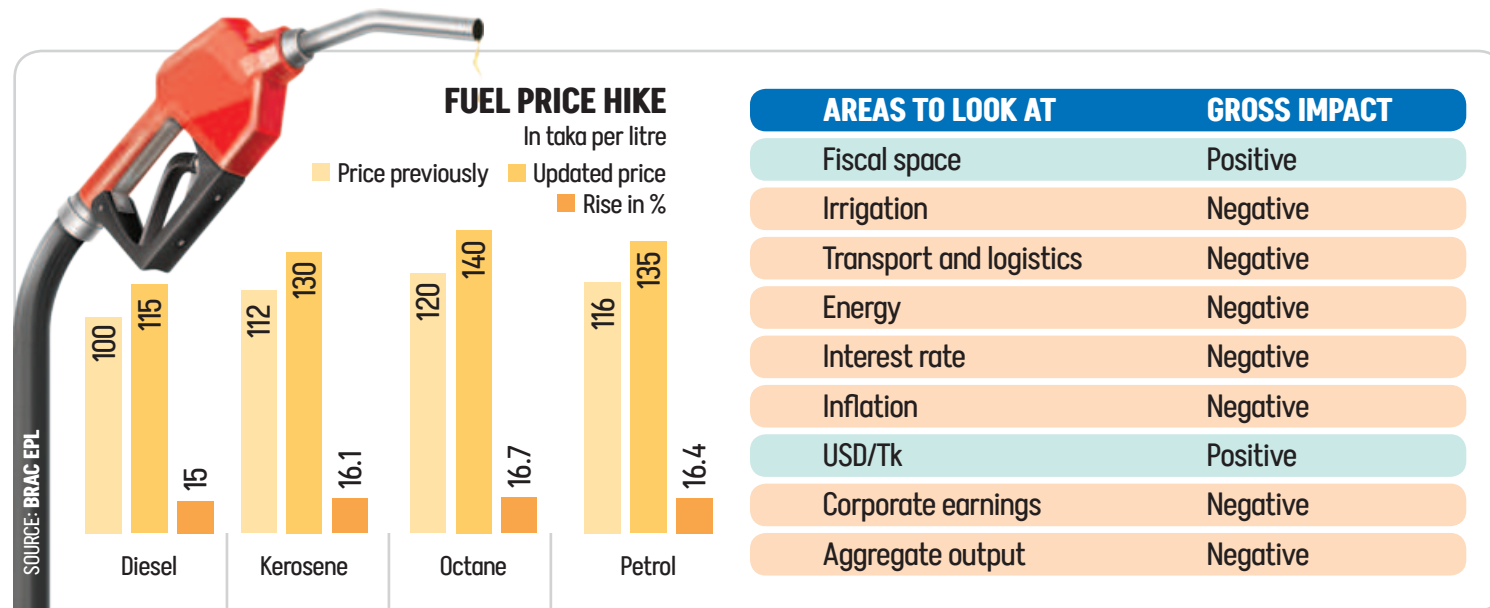
"I believe in political interpretation backed by commitment. That commitment should ensure that past problems or actors do not return. And this issue is not limited to today; it will affect the media tomorrow, and then oil and LNG imports the day after. It extends beyond banking; it affects the entire economy," he further said.

"We have seen such patterns before. That is why I am looking for a clear political explanation, and wondering why the political leadership is silent," added Debapriya, also a distinguished fellow at the Centre for Policy Dialogue (CPD).

READ MORE ON B3

## Fuel price hikes feed inflation but ease subsidy burden

Govt may save Tk 700cr a month, while lower public borrowing could offer some relief to the exchange rate



STAR BUSINESS REPORT

The latest fuel price increase is expected to send shockwaves through much of the economy, lifting costs for farmers, transporters and manufacturers while offering only slight relief to the government finances and the exchange rate, according to an analysis by Brac EPL Stock Brokerage Ltd.

The brokerage estimates that seven out of nine key economic indicators it reviewed will face negative pressure. Only two areas, fiscal space and the dollar-taka exchange rate, are likely to benefit.

The government on Saturday night raised the prices of four fuels with effect from

midnight. Diesel now sells at Tk 115 per litre, octane at Tk 140, petrol at Tk 135 and kerosene at Tk 130.

Bangladesh introduced an automatic, market-driven fuel pricing mechanism on March 7, 2024. Under the guidelines, prices are adjusted in the first week of each month based on the Mean of Platts Arab Gulf benchmark published by S&P Global.

For months, however, prices moved within a narrow Tk 1 to Tk 2 range in line with global markets. This time, the adjustment crosses over 15 percent, reflecting global price volatility amid conflicts in the Middle East.

Brac EPL estimates that a 15 percent increase across hydrocarbons could cut the

subsidy bill by about Tk 700 crore a month at current price levels. That would ease pressure on public finances at a time when weak revenue collection and high operating costs have left the government with limited room to manoeuvre.

Lower subsidy requirements could also trim government borrowing, offering some support to the external balance and the exchange rate. But the impact is not straightforward, rather layered and uneven.

The immediate burden of the fuel shock will fall on irrigation, transport and power generation. North Bengal is in the middle of the Boro season, the largest paddy cycle of the year.

READ MORE ON B3

## Gas shortage brings DAP fertiliser production to a halt

MOHAMMAD SUMAN, Ctg

An acute shortage of ammonia has closed down production at the state-owned DAP Fertilizer Company Limited (DAPFCL), marking a fresh setback for the country's fertiliser supply chain, officials said.

The closure of five of the country's six urea factories is behind the crisis, they claimed.

The ammonia needed for production at the factory is primarily sourced from Chittagong Urea Fertilizer Company Limited (CUFL) and Karnaphuli Fertilizer Company Limited (Kafco).

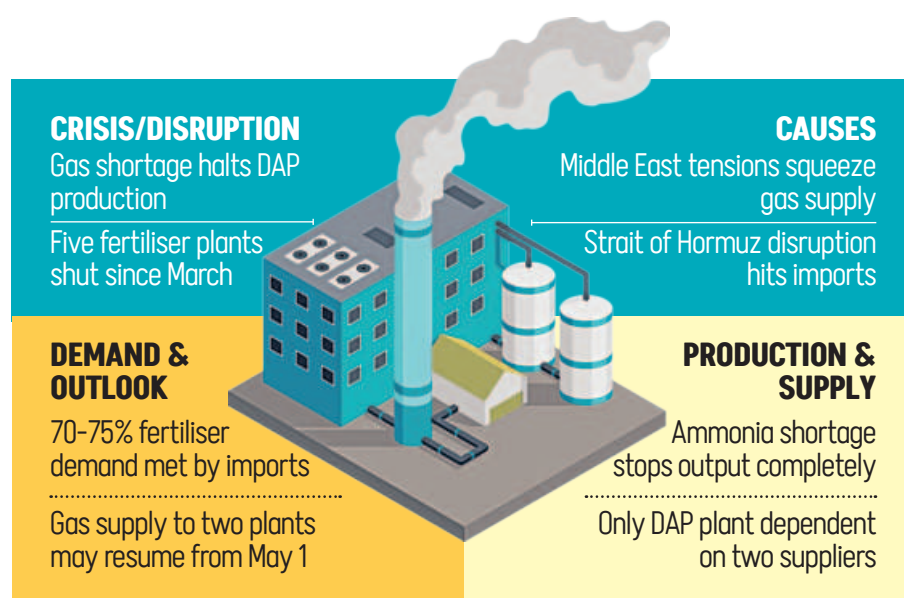
These two fertiliser factories were among the five shut down in early March, as a precaution amid fears of gas supply disruptions caused by geopolitical tensions in the Middle East. They are yet to resume operations, and ammonia supply to the DAP facility remains cut off.

The DAP plant exhausted its stock of the indispensable raw material on Saturday. Fertiliser output had stopped around 7:00 pm, Deputy General Manager (Commercial) Robiul Alam Khan confirmed.

"If gas supply to those plants resumes, they can restart production, and we will receive raw materials again. There is no alternative source at the moment," he told The Daily Star.

DAP production requires phosphoric acid and ammonia.

"We have sufficient phosphoric acid in



stock, but without ammonia, production cannot continue," Robiul Alam Khan added.

Typically, the plant produces around 500 tonnes of fertiliser daily using imported phosphoric acid and ammonia supplied by Kafco and CUFL.

The most recent batch of 3,000 tonnes of ammonia from Kafco had sustained production till Saturday, Khan said.

DAPFCL had managed to continue operations for nearly one and a half

months using existing stock, but was forced to shut down after the reserves ran out.

Located in Rangadia of Anwara upazila in Chattogram, DAPFCL operates under the Bangladesh Chemical Industries Corporation (BCIC) of the Ministry of Industries.

Established to meet domestic demand for nitrogen and phosphorus-based fertilisers, the plant has been in commercial operation since 2006

and remains the country's only DAP-producing plant. It has two units with a combined production capacity of 800 tonnes per day.

The plant produced around 92,600 tonnes of DAP in fiscal year 2023-24 and about 49,500 tonnes in fiscal year 2024-25, reflecting a sharp decline amid supply disruptions.

According to BCIC and the Ministry of Agriculture, the country's total annual fertiliser demand is estimated at 6.5-6.9 million tonnes, including 2.7 million tonnes of urea, 752,000 tonnes of TSP, 1,507 million tonnes of DAP, 2.6 million tonnes of NPKS and 987,000 tonnes of MOP.

Around 1.4 million tonnes of DAP are imported. A significant portion comes from Morocco, Tunisia, China, and Saudi Arabia.

BCIC officials said geopolitical tensions in the Middle East and disruptions in shipping through the Strait of Hormuz have created uncertainty over timely imports.

Authorities initially shut five urea fertiliser factories for 15 days from March 4 as a precaution amid concerns over gas supply disruptions linked to the Middle East conflict and the Strait of Hormuz closure.

However, the shutdown has stretched well beyond the initial timeline, with plants still idle after more than six weeks.

READ MORE ON B3

## Business leaders demand swift FBCCI polls

JAGARAN CHAKMA

Business leaders have called for the urgent appointment of a private-sector administrator and the swift holding of elections at the apex trade body, warning that prolonged administrative uncertainty is weakening the trade body and undermining business confidence.

They made the call at a meeting with Commerce Minister Khandakar Abdul Muktadir at his office in Dhaka yesterday.

Following the political changeover on August 5, 2024, an administrator has been running the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) for the past two years.

At the event, Mohammad Hatem, president of the BKMEA, stressed the need to appoint an experienced businessperson as administrator of the FBCCI, instead of a government official, so that the concerns of the business community can be addressed more effectively.

He emphasised greater engagement of businesses in policymaking, particularly in the trade and industrial sectors, and highlighted the need to ensure that the federation remains active, inclusive, and responsive to all business groups.

Hatem also underscored the urgency of restoring effective leadership through timely elections, warning that prolonged uncertainty is undermining business confidence.

**Mohammad Hatem, president of the BKMEA, stressed the need to appoint an experienced businessperson as administrator of the FBCCI, instead of a government official**

He said the apex trade body must function as a strong and credible representative of the private sector, especially at a time when businesses face multiple domestic and global challenges.

Without an elected committee, he noted, the organisation cannot effectively carry out its role in policy advocacy and coordination.

He called for prompt steps to hold elections and restore normal operations, adding that representative leadership would better protect business interests and support economic growth.

Md Zakir Hossain, general secretary of the Bangladesh Supermarket Owners' Association, said the FBCCI has become ineffective under successive government-appointed administrators, describing the situation as one of "lack of guardianship."

He noted that small and medium enterprises are the worst affected, as they rely heavily on FBCCI support, unlike larger firms that can directly engage with ministries.

He also called for the appointment of a full-time administrator from the business community and said elections should be held without further delay.

Abdul Haque, president of the Bangladesh Reconditioned Vehicles Importers and Dealers Association (BARVIDA), said nearly two years without an elected committee has hurt the

READ MORE ON B3

## Dual protest outside Islami Bank HQ

Dismissed Islamic banks' staff demand reinstatement, another group seeks S Alam's arrest

STAR BUSINESS REPORT

Several hundred former employees dismissed from six troubled Islamic banks gathered in front of Islami Bank Bangladesh headquarters in Motijheel yesterday morning, demanding reinstatement and the dissolution of the current boards of directors.

Within an hour of the protest, a separate group staged a counter-demonstration under the banner of Islami Bank Customers' Coordination Council, demanding the arrest of S Alam Group Chairman Mohammed

Saiful Alam and the recovery of stolen assets.

The dismissed employees carried banners and festoons identifying themselves as former staff of Islami Bank, First Security Islami Bank, Social Islami Bank, Al-Arafah Islami Bank, Global Islami Bank and Union Bank.

Most of them are reportedly from Chattogram, the home district of Saiful Alam, and were recruited when the banks were under the control of S Alam group.

They were dismissed following the political changeover in August

2024, when allegations surfaced that they were recruited without public job advertisements, competitive examinations or proper verification of academic credentials.

Officials of the banks said the dismissals were carried out in line with the Bangladesh Bank's advice regarding verification of employees' academic credentials, followed by assessment tests.

Only those who failed to participate in the evaluation or were found to have submitted forged documents were dismissed, leaving little scope for

reinstatement, said the officials.

Meanwhile, the demonstrators under the banner of the Islami Bank Customers' Coordination Council called for the repeal of a newly added provision to the Bank Resolution Act, alleging that it enables the rehabilitation of "bank looters".

The provision, Section 18A of the law, allows former shareholders of distressed or merged banks to reclaim ownership under specific conditions.

Nurun Nabi Manik, president of the council, announced a five-point

READ MORE ON B3