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Outages taking toll on RMG

BKMEA says

STAR BUSINESS REPORT

Acute load-shedding is severely affecting garment production in the country, which in turn is creating serious challenges for the timely shipment of goods, said Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

The power situation remains concerning at present, with load-shedding averaging two to three hours and reaching up to six to eight hours in some areas, he said at a press conference held at Pan Pacific Sonargaon Dhaka.

Delays in production and shipments caused by load-shedding are leading to additional costs such as air shipments or discounts, Hatem said.

At the same time, factories must pay workers even during production downtime, thereby increasing overall costs, he added.

Rising fuel and transportation costs have further compounded the situation, as many factories are facing challenges in obtaining diesel for running generators, the association president said.

He also noted that the Bangladesh Petroleum Corporation had instructed that fuel should not be supplied in containers, while the district administration was monitoring the matter and imposing fines where necessary. READ MORE ON B3

Govt plans higher spending for growth, stability

Finance minister in pre-budget talks rejects money printing reports, highlights deregulation push

STAR BUSINESS REPORT

Finance Minister Amir Khosru Mahmud Chowdhury said the government will raise spending on health and education in the upcoming budget as part of a wider effort to boost economic growth.

While speaking at separate pre-budget discussions with editors, broadcast journalists and members of the Economic Reporters' Forum (ERF) yesterday, he defended plans for higher public expenditure as part of efforts to restore macroeconomic stability.

"If we want economic growth, we must increase the size of the budget," he said in response to questions about a projected Tk 900,000 crore outlay for the next fiscal year.

The government is also shifting its education policy towards vocational training and wider skills development in an effort to boost employment and overseas remittances. This will be matched by a stronger focus on capital investment, which officials said is essential because "without capital investment, our revenue will not increase".

The targeted social spending, including a "Family Card" cash transfer scheme for female-headed households and plans for universal primary healthcare, is part of a broader ideological mandate to dismantle the political patronage of the previous administration.

"We are democratising the economy because democracy cannot survive if people cannot participate in the economy. We must move away from crony capitalism," Chowdhury said.



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Amir Khosru Mahmud Chowdhury
Finance minister



He added that the government would also provide financing, branding and marketing support for local artisans to help build a creative economy.

To support private sector growth, the minister promised an aggressive deregulation drive.

"Bangladesh was over-regulated to protect cronies," he said. "We must move away from crony capitalism," Chowdhury said.

READ MORE ON B3

LDC GRADUATION

Bangladesh readies for UN panel hearing

REFAYET ULLAH MIRDHA

Citing three major economic challenges, the government has prepared its position paper ahead of a United Nations hearing on Bangladesh's request to defer its graduation from the least developed country (LDC) category.

In a virtual meeting of the United Nations Committee for Development Policy (UNCDP) on April 29, Bangladesh will seek a three-year deferral of its scheduled graduation in November this year.

Dhaka plans to highlight a serious gap in preparedness, incomplete core reforms and the economic fallout from the US-Israel war on Iran as key reasons for postponement.

In addition, Bangladesh will raise concerns over vulnerabilities in the financial sector, weaknesses in the banking system, an export slowdown due to volatile global supply chains, high interest rates and an uncertain business and investment climate, said Md Abdur Rahim Khan, additional secretary to the commerce ministry.



Khan, who is also in charge of the commerce secretary, told The Daily Star over the phone that Bangladesh's case for deferment has strengthened after Nepal, another South Asian LDC set to graduate, also applied to the UN for a three-year extension.

Bangladesh, Nepal and Lao PDR are scheduled to graduate from LDC status on November 24 this year. However, Bangladesh and Nepal have now sought to delay the transition until 2029, citing domestic and external economic pressures.

READ MORE ON B3

Govt plans telecom overhaul

Says PM's adviser

STAR BUSINESS REPORT

Bangladesh's mobile and broadband internet services rank among the worst in the world despite a large subscriber base, and a connectivity-led reform plan is being prepared to address the challenge, Rehan Asad, the prime minister's adviser on telecom and ICT, said yesterday.

Speaking at a seminar titled "New Telecom Policy: Expectations of Entrepreneurs", organised by the Telecom and Technology Reporters Network Bangladesh, he said the government sees better connectivity as the key to solving long-standing structural problems in the sector.

"Nothing is more important than connectivity for this government. And that connectivity means both mobile and broadband services. It is not either-or - it is both," he said.

Asad said Bangladesh is among the top 10 countries by mobile subscriptions, but service quality remains very poor.

"Even in South Asia, Nepal and Bhutan are ahead of us," he said.

He added that broadband services are also weak. "In broadband, we are in an equally bad or worse position - 141st out of 153 countries in terms of service quality," he said.

"These are not my findings. They come from global reports by GSMA and the International Telecommunication Union," he added.

He said the government plans to fix these problems by rapidly expanding mobile and broadband infrastructure.

"We want to connect 90 percent of the population with 5G and provide

READ MORE ON B2

Bank Resolution Act effectively reinstates looters: experts

STAR BUSINESS REPORT

The Bank Resolution Act 2026, passed with new provisions added overnight, is effectively rehabilitating bank looters and putting the entire banking sector at risk, economic experts, academics, and activists said yesterday.

Clause 18(a) of the law could allow those who previously looted the sector in a planned manner to regain ownership, the speakers warned at a roundtable organised by Voice for Reform at the BDBL building in Karwan Bazar, Dhaka.

Badiul Alam Majumdar, secretary of Shushashoner Jonno Nagorik (Shujan), noted that many of those who looted the sector are yet to be brought to justice.

He said all masterminds behind the takeover of Islami Bank Bangladesh, including S Alam, should be held accountable.

He outlined three steps needed to put the banking sector on a firm footing. First, identifying and

ensuring exemplary punishment for perpetrators of banking fraud. Second, implementing systemic reforms such as cashless transactions to prevent recurrence. Lastly, completing institutional reforms, including making Bangladesh Bank an independent constitutional body.

AKM Waresul Karim, dean of the School of Business and Economics at North South University, said the government had resorted to "very low-grade tactics" over the proposed ordinance.

He criticised the Bank Resolution Act as one of its provisions allows shareholders who held ownership immediately before a bank was placed under resolution to apply for reinstatement.

He said the provision blocks the return of long-standing institutional owners like Kuwait Finance House while opening the door for those who acquired ownership by creating "pressure through the DGFT" or through other unethical means.

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Cost of customs upgrade project set for 40% hike

Tk 1,700cr project has spent less than 1% of budget in three years

REJAUL KARIM BYRON

Three years after launch and with over 99 percent of its budget unspent, a nearly Tk 1,700 crore customs modernisation project is set to be presented to the Executive Committee of the National Economic Council (Ecne) today with a proposal to extend its deadline and raise costs by nearly 40 percent.

The Customs Modernisation and Infrastructure Development project was launched in April 2023 with World Bank (WB) financing to modernise key customs offices, including Chattogram, Benapole and Dhaka.

It was scheduled for completion by March 2026. As of June 2025,

only Tk 5.14 crore had been spent of the original Tk 1,686 crore budget, of which Tk 1,475 crore was a WB loan.

Although Tk 113 crore has been allocated in the current fiscal year, the government is now seeking to extend the project's duration and increase its cost.

A senior planning ministry official said a revised proposal has been listed for presentation at today's scheduled Ecne meeting.

The proposal, seen by The Daily Star, recommends increasing the project cost by 39 percent to Tk 2,344 crore, with the WB loan increasing by 34 percent, or Tk 507 crore. It also proposes extending the deadline to June 30, 2028.

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