Star BUSINESS

Education, health to take 28% of ADP

Planning Division proposes Tk 3 lakh crore development budget for FY27

REJAUL KARIM BYRON *and* AHSAN HABIB

The government may allocate Tk 83,557 crore for development works in the education and health sectors in the fiscal year 2026-27, accounting for more than one-fourth of the proposed Annual Development Programme (ADP).

The Planning Division placed the proposal yesterday at a meeting to finalise the ADP for FY27, chaired by Finance Minister Amir Khosru Mahmud Chowdhury.

Allocation and implementation of ADP in the two major sectors were almost stagnant at low levels in recent years.

In line with the BNP's election manifesto, the government intends to gradually raise spending in both sectors to 5 percent of GDP each.

For the upcoming fiscal year, the combined allocation for education and health is nearly double the original budget allocation for the current fiscal year and about four times the revised budget.

In the current fiscal year, the combined allocation for health and education stood at Tk 45,822 crore, which was later revised down to Tk 21,873 crore.

According to the Planning Division's proposal, the total ADP for FY27 is set to rise to Tk 3 lakh crore, up 50 percent from the revised ADP of Tk 2 lakh crore for the current fiscal year.

Of the total ADP allocation for FY27, the government will finance Tk 1.9 lakh crore, while Tk 1.1 lakh crore is expected to come from development partners.

The ADP will be finalised at a National Economic Council meeting on May 18, to be presided over by Prime Minister Tarique Rahman. Before that, planning and finance ministry officials will meet again on May 16 to refine the draft.

At yesterday's meeting, the Planning Division was directed to submit a proposal benchmarking allocations against GDP, according to planning ministry officials. It was also directed to assess whether projects are aligned with the BNP's election manifesto.

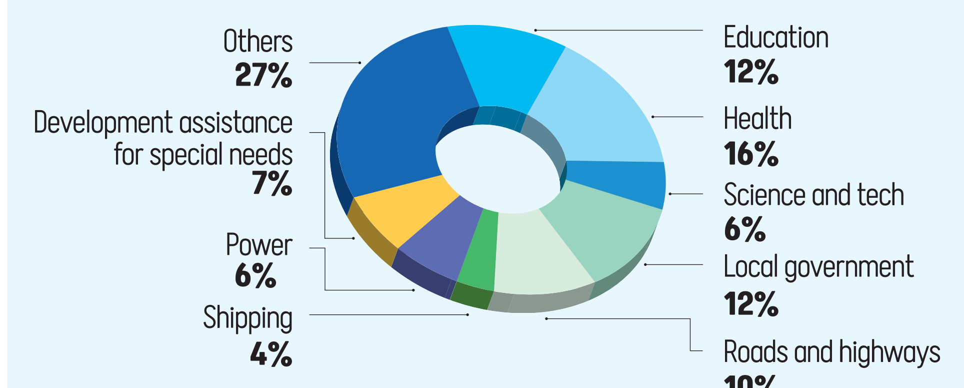
This year, a structural change has been introduced by allocating a higher share of funds to new projects. For instance, Tk 1.07 lakh crore has been set aside for unapproved projects and programmes, of which Tk 17,000 crore is designated for social development covering special needs.

Planning ministry officials said the allocation covers spending on family cards, farmer cards, tree plantation, canal digging, and monthly honoraria and festival allowances for religious leaders of different faiths.

For ongoing projects, Tk 1.92 lakh crore may be allocated under the ADP. The government has also decided to review around 1,300 ongoing projects to determine whether they remain necessary, with those found redundant to be removed from the ADP.

READ MORE ON B3

DRAFT ADP ALLOCATIONS FOR FY27 (In %)



BY THE NUMBERS

NATIONAL BUDGET FOR FY27

- Allocation of Tk 1.07 lakh crore for new projects
- Tk 17,000cr for family and farmer cards, and three other new programmes

SOURCE: PLANNING DIVISION

BSEC sets out rules for converting closed-end mutual funds

AHSAN HABIB

The Bangladesh Securities and Exchange Commission (BSEC) has issued a directive setting out how existing closed-end mutual funds can be converted into open-end ones.

The move follows years of debate over the future of closed-end funds. In 2018, amid heavy criticism from market analysts, the BSEC allowed several funds to extend their tenure without seeking approval from unitholders.

Closed-end mutual funds raise a fixed pool of money from investors, usually for 10 years, and invest it in shares, bonds and other assets. Their units are listed and traded on the stock exchange.

Open-end funds, by contrast, are not listed. Investors buy units directly from the fund manager at the prevailing net asset value and can redeem them at any time at a price based on that value.

After the Awami League was ousted from power in August 2024, a taskforce appointed by the interim government recommended that all closed-end funds should be redeemed at maturity and that no extensions should be permitted.

Subsequently, the BSEC amended the mutual fund rules to bar any extension of tenure for existing closed-end schemes.

Under the revised regulations, fund managers must call a special general meeting within 30 days if the six-month average market price of a fund's units remains at least 25 percent below the six-month average net asset value.

If at least 75 percent of unitholders vote in favour,

READ MORE ON B3

Oil jumps 3%

REUTERS, *Houston*

Brent crude futures jumped as much as 3 percent on Friday, a day after the US and Iran traded air strikes, but pared gains as traders hoped for a longer pause in the fighting that has shut shipping in the Strait of Hormuz.

Brent crude futures settled at $101.29 a barrel, up $1.23 or 1.23 percent, after rising as much as 3 percent during the session.

READ MORE ON B2

Prime Bank clients to get discounts on Proton vehicles

STAR BUSINESS DESK

Prime Bank PLC has signed a strategic partnership agreement with Rancon Car Hub Limited, a business unit of Rancon Holdings Limited, to offer special benefits to customers purchasing Proton vehicles.

Mamur Ahmed, senior executive vice-president and head of distribution network at the bank, and Muhammad Mostafizur Rashid Bhuiyan, director of the automobile company, signed the agreement at the latter's office in Tejgaon, Dhaka, recently, according to a press release.

Under the partnership, Prime Bank customers will enjoy attractive discounts on the purchase of various Proton vehicles from Rancon Car Hub Limited.

The collaboration reflects Prime Bank's continued commitment to delivering enhanced value and lifestyle benefits to its customers through strategic partnerships, the release added.

Joarder Tanvir Faisal, executive vice-president and head of consumer assets and cards at the bank, and Hussain Mashnoor Chowdhury, chief executive officer of Rancon Car Hub Limited, among other senior officials from both organisations, were also present at the signing ceremony.

Muhammad Mostafizur Rashid Bhuiyan, director of Rancon Car Hub Limited, and Mamur Ahmed, senior executive vice-president and head of distribution network at Prime Bank PLC, pose for a photograph after signing the agreement at Rancon Car Hub's office in Tejgaon, Dhaka recently. PHOTO: PRIME BANK

IPDC Finance launches 'IPDC Infinite' for premium clients

STAR BUSINESS DESK

IPDC Finance PLC, the country's first private-sector financial institution, has launched a premium financial segment, titled "IPDC Infinite", in Dhaka recently to offer a more personalised and elevated banking experience for high-net-worth customers.

The new segment has been structured into two tiers -- Elite and Infinite -- focusing on customers' financial aspirations, lifestyle preferences, and evolving expectations.

Under the programme, customers will receive tailored financial solutions alongside a range of premium lifestyle benefits, including dedicated relationship managers, doorstep banking services, priority customer support, airport lounge access, travel and dining offers, healthcare facilities, and other exclusive privileges.

Speaking on the occasion, Rizwan Dawood Shams, managing director of the non-bank financial institution, said the launch marked an important step towards building deeper and more meaningful relationships with customers.

"Today's premium customers seek more than just financial services; they value recognition, personalised experiences, and distinguished service standards," he said.

To enrich customer experience, IPDC Finance has partnered with leading hospitality, travel, dining, healthcare, and lifestyle brands across the country to offer curated benefits and services.

EBL customers to enjoy discounts on Shanta Lifestyle products

PHOTO: EBL

Jane Alam Romel, chief marketing officer of Shanta Lifestyle, and M Khorshed Anowar, deputy managing director and head of retail and SME banking at Eastern Bank PLC, pose for a photograph after signing the agreement at the bank's head office in Dhaka recently.

STAR BUSINESS DESK

Eastern Bank PLC (EBL) has recently signed an agreement with Shanta Lifestyle, one of the country's premium lifestyle brands, to offer discounts on selected products to its customers.

M Khorshed Anowar, deputy managing director and head of retail and SME banking at the bank, and Jane Alam Romel, chief marketing officer of Shanta Lifestyle, signed the agreement at EBL's head office in Dhaka, according to a press release.

Under the deal, the bank's priority customers will enjoy discounts on Kohler and Kale products available through Shanta Lifestyle.

Sarmin Atik, head of liability and wealth management at EBL; Tanzeri Hoque, head of priority and women banking; Farzana Qader, head of retail alliance; Arif Iftekhar Rabbi, senior manager; and Md Abdul Gofran Bijoy, head of projects and business development at Shanta Lifestyle, were also present, at the signing ceremony alongside senior officials from both organisations.

City Bank provides medical equipment for measles treatment

STAR BUSINESS DESK

City Bank PLC has extended support to critical paediatric care facilities at two public healthcare institutions as Bangladesh faces a growing measles outbreak.

The bank is providing essential medical equipment for the dedicated measles intensive care unit (ICU) at Bangladesh Shishu Hospital & Institute (BSHI) and the measles-focused paediatric intensive care unit (PICU) at Chittagong Medical College Hospital.

The initiative builds on City Bank's earlier support for establishing a high dependency unit (HDU) at the BSHI.

Together, the interventions have helped strengthen more than 40 critical care and specialised treatment beds across public healthcare institutions in the country, according to a press release.

The initiatives reflect City Bank's broader commitment to inclusive and sustainable social development, with a continued focus on healthcare, women and youth empowerment, and community well-being, the release added.

As a purpose-driven institution, the bank continues to invest in initiatives aimed at strengthening communities and creating long-term social impact.

BRAC Bank's digital onboarding boosts SME banking access

STAR BUSINESS DESK

BRAC Bank PLC's digital onboarding platform is transforming how small and medium enterprises (SMEs) access banking services in Bangladesh by simplifying the account-opening process for entrepreneurs.

The platform enables SME customers to open accounts within minutes, significantly reducing the time and paperwork required under conventional banking procedures.

Since its pilot launch in 2025, more than 50,000 SME accounts have been opened digitally, demonstrating growing demand for faster and more convenient banking services.

The process fully complies with Bangladesh Bank regulations while using secure digital infrastructure to improve efficiency and customer satisfaction, according to a press release.

Syed Abdul Momen, additional managing director and head of SME banking at the bank, said the initiative was designed to make banking easier for entrepreneurs by reducing complexity and shortening turnaround time.

He said account numbers are now issued almost instantly, while all remaining formalities are completed within three working days -- less than half the time required under traditional processes.

BRAC Bank currently serves around 250,000 SME customers. By the end of 2025, its SME loan portfolio had grown nearly 48 percent year-on-year to more than Tk 35,000 crore, while maintaining a non-performing loan ratio of 2 percent, one of the lowest in the industry.

Tareq Refat Ullah Khan, managing director and CEO, said, "Guided by the vision of our founder, Sir Fazle Hasan Abed, we have prioritised the SME sector from the outset. Digital Onboarding reflects that commitment, delivering faster, more accessible, and higher-quality banking services to entrepreneurs who have long been underserved."

"Digital Onboarding is a natural extension of our mission to support entrepreneurs with better, faster, and more accessible banking services," he said, adding that it has improved customer satisfaction while enhancing efficiency across our operations.

Oil jumps 3%

FROM PAGE B1

US West Texas Intermediate (WTI) futures finished at \$95.42 a barrel, up 61 cents, or 0.64 percent.

Both contracts were settled with weekly declines of more than 6 percent.

"We're treading water here, rightfully so," said John Kilduff, partner with Again Capital. "We're on the cusp of a breakthrough in negotiations or we're on the cusp of a renewal of the fighting. We've been here a lot."

"There is a sense in the market that there is going to be an agreement and we'll get the next phase which would be 30 days to hammer out an agreement (between Iran and the US)," Kilduff said.

Throughout the day, traders felt like they had been swatted back and forth like a tennis ball.

"We're still playing the headline-o-rama game," said Phil Flynn, senior analyst with Price Futures Group. "Ship movement in the Persian Gulf is going about as well as can be expected. We're kind of working around the edges."

US and Iranian forces clashed in the Gulf, and the UAE came under renewed attack as Washington awaited a response from Tehran to its proposal to end the conflict, which began with joint US-Israeli airstrikes across Iran on February 28.

US President Donald Trump later on Thursday told reporters the ceasefire was still in effect and sought to play down the exchange.

However, on Friday, Trump renewed an ultimatum demanding Iran give up its nuclear ambitions.

"How quickly can supply be returned from Gulf states, what will the state of inventories be as we approach peak gasoline season, and what sanctions would look like post-settlement are all worthy of thought. But none can be addressed until there is a long-term solution to hostilities," said PVM Oil Associates analyst John Evans.

"The US administration continues to oversell the prospects of a thaw, and an optimism-biased market buys into it," said Vandana Hari, founder of oil market analysis firm Vanda Insights.

US job

FROM PAGE B4

'RISKY'

Dan North, senior economist at Allianz Trade, warned that US jobs growth has been overly reliant on health care in recent months.

"Over the last 24 months, health care has created 81 percent of the private sector jobs -- everything else, 19 percent," he told AFP, calling it a "risky" way to run the economy.

Nancy Vanden Houten, lead US Economist at Oxford Economics, said that if health care were excluded, "job growth was negative over the last 12 months."

North said that over-reliance and the continuing see-sawing of the labor market were of concern, presenting worrying signals for the overall economy.

Others were more upbeat, with Northlight Asset Management's Chris Zaccarelli saying the April jobs data showed "the economy is so much better than what the doom crew has been saying."

Nationwide Chief Economist Kathy Bostjancic said the jobs data was welcome at a time of economic headwinds due to the Iran war.

Renewable delays push Bangladesh into 'energy trap': experts

STAR BUSINESS REPORT

Bangladesh has fallen into an "energy trap" where heavy dependence on fuel imports, costing nearly $12 billion annually, has left the country vulnerable to global shocks, business leaders and energy experts warned yesterday.

Renewable energy could have offered a way out, but more than a decade of delays in shifting from fossil fuels to renewables have left the country far behind its own targets, they said at a roundtable discussion on the future of energy in the country.

Bangladesh Chamber of Industries (BCI) organised the event at its conference room at Tejgaon, Dhaka.

"Bangladesh is no longer facing just an energy crisis; it is now caught in an energy trap that threatens the country's medium-term economic potential," Hossain Zillur Rahman, executive chairman of Power and Participation Research Centre (PPRC), said at the event.

Discussion on the issue must move beyond isolated expert opinions and integrate the experiences of the private sector, which is bearing the brunt of the uncertainty, he said.

Rahman said unpredictability, not cost alone, had become the biggest burden on businesses.

"Even a high but predictable cost can be managed. But uncertainty makes planning impossible," he said, calling for a coordinated transition strategy.

Noting that Bangladesh's import-dependent energy structure poses a risk to national sovereignty, he called for a diversified solution comprising renewables, coal, regional cooperation, and stronger refining capacity.

The government should offer five-year tax exemptions on solar equipment and batteries, and ensure access to green finance, said an expert. PHOTO: STAR/FILE

He said transitioning into renewable energy could be a "game-changing" national agenda and urged policymakers to focus on practical, politically viable solutions.

Over 52 percent of Bangladesh's primary energy now comes from imports, up sharply from four years ago, said Shafiqul Alam, lead analyst at the Institute of Energy Economics and Financial Analysis (IEEFA).

The growing dependence on imported fossil fuels has become one of the country's biggest economic vulnerabilities, as it exposes the economy to global shocks and forces the government to spend nearly $12 billion annually on fuel imports.

With global fuel prices rising, the country may need to spend an additional $2.2 billion to maintain current supply levels, said Anwar-ul-Alam Chowdhury Parvez, president of BCI.

The country also faces a daily electricity shortfall of 1,500 to 2,000 megawatts, he added.

The costs are being felt most acutely by smaller businesses. Many rural factories go without electricity for 10 to 12 hours a day. "Small entrepreneurs who invested in these factories are struggling to survive," Parvez said.

David Hasanat, president of the Bangladesh Independent Power Producers' Association (BIPPA), said the risks had been visible for over a decade.

"The country knew about the looming risks more than a decade ago but failed to act decisively on renewable energy and efficiency measures," he said.

Slow policy support, financing barriers, land shortages, and weak implementation had since compounded the problem, leaving industries exposed to rising costs, power instability, and mounting carbon-related trade barriers, he added.

The renewable transition, the most direct route out of the trap, remains stalled. Mostafa Al Mahmud, president of the Bangladesh Sustainable and Renewable Energy Association, rejected the argument that a lack of land was to blame for this.

"Our energy transition is being delayed by false narratives, not by a lack of land," he said.

He called on the government to offer five-year tax exemptions on solar equipment and batteries, ensure access to green finance, and guarantee land and grid support.

Siddique Zobair, adviser to GreenTech Foundation Bangladesh, said Bangladesh remained far behind the renewable energy targets it set in 2008.

Delays in land allocation, weak financing, and the absence of sovereign guarantees continue to deter private investment, he said.

Gold firms, heads for weekly gain

REUTERS

Gold drifted higher on Friday and headed for a weekly gain as optimism over a potential end to the Iran conflict helped ease concerns about inflation and elevated interest rates.

Spot gold added 0.7 percent at $4,719.68 per ounce by 1745 GMT and has gained 2.3 percent this week.

US gold futures settled 0.4 percent higher at $4,730.70.

Gold, typically seen as a haven during periods of global turmoil, faces pressure in a higher-interest-rate environment due to its non-yielding nature.

"Gold is trading like a risk asset rather than a safe haven. The rebound in gold is tied to the prospects of de-escalation in Iran. With energy prices coming down, we're seeing the prospects for Fed rate cuts increase down the road," said David Meger, director of metals trading at High Ridge Futures, referring to the US Federal Reserve.

The United States said it expected an Iranian response as soon as later on Friday to its latest proposal to end the war in the Gulf, even as US and Iranian forces traded fire in the region.

Oil prices and the US dollar index were set for weekly declines. A weaker US currency makes dollar-priced gold less expensive for other currency holders, while softer energy prices ease concerns about inflation.

According to the CME FedWatch tool, the market sees a 14 percent chance of a US rate hike this year, down from around 22 percent the previous day.

BSEC sets out rules

FROM PAGE B1

the fund will be converted into an open-end mutual fund. The amended regulations complete six months in force this week.

An analysis of Dhaka Stock Exchange data shows that most closed-end funds are already trading at a discount of more than 25 percent to their six-month average net asset value. This means many could now face a vote on conversion.

Abul Kalam, spokesperson for the BSEC, also said that under the rules, funds may face conversion or winding up.

If the decision comes in the meeting to convert them into open-ended funds, it will ensure the interest of investors as they will be able to get back their funds at NAV any time, he said.

In winding up, Kalam said there is a tax issue, and investors will get only the fund that the fund manager gets by selling their holdings.

In an order issued on May 7, the regulator outlined the conversion process.

According to the order, an asset manager may also initiate a proposal for voluntary conversion. However, the board of trustees must approve the plan after ensuring that unitholders' interests are protected.

Trustees must take a decision on any voluntary conversion proposal at least 150 days before the fund's maturity.

They are also required to publish notices as price-sensitive information in at least two national newspapers, one in Bangla and one in English, as well as on an online news portal and on the websites of the stock exchanges, trustees and asset managers.

The notice must include the record date, the date from which trading will be suspended, the effective date of conversion and the date of the special general meeting.

Only unitholders whose names appear in the depository or unitholders' register on the record date will be eligible to vote in the meeting.

Under the order, trading in the units of the relevant fund will remain suspended from the record date to preserve the integrity of the voting and conversion process.

The BSEC also stipulated that any conversion proposal must be approved by at least three-quarters of unitholders, calculated on the basis of units held.

If the proposal fails, trading the fund's units will resume on the next trading day. The trustee will hand over all assets to the custodian, while management will remain with the existing asset manager.

The order further said that if conversion is approved, the newly selected asset manager will bear the costs of holding meetings and the trustee fees related to the process. If the proposal is rejected, the existing asset manager will pay those expenses.

The commission has capped trustee fees for a single conversion scheme at Tk 10 lakh.

Education, health to take

FROM PAGE B1

Mustafizur Rahman, distinguished fellow at the Centre for Policy Dialogue, described the project review initiative as positive but said the focus should remain on improving managerial efficiency, implementation quality, and institutional oversight -- particularly strengthening the Implementation Monitoring and Evaluation Division (IMED).

He also cautioned that project success should not be measured solely by the amount of money spent, saying emphasis should be placed on whether projects are delivering intended outcomes and ensuring value for public resources.

Rahman warned that expanding the ADP by 50 percent without improving institutional capacity and governance risked falling short of expectations, adding that increasing allocations without reforms in implementation, procurement, and monitoring may fail to deliver expected returns from public investment.

The finance minister said at yesterday's meeting that a major reform would be brought to the Planning Commission to improve project formulation and implementation.

The government will also revise the project director selection policy, as project directors are central to implementation.

In the health sector, the government may allocate Tk 35,252 crore, against an original budget allocation of Tk 17,519 crore this year, revised down to Tk 4,412 crore.

In the education sector, the proposed allocation is Tk 48,305 crore, against an original Tk 28,303 crore, revised to Tk 17,391 crore.

The government may allocate Tk 36,128 crore to the Local Government Division, Tk 31,064 crore to Roads and Highways, and Tk 17,315 crore to the Science and Technology Ministry. In the Power Division, the proposed allocation is Tk 19,285 crore, with Tk 8,000 crore set aside for state-owned enterprises.

Govt to reopen some sugar mills

Commerce minister says

STAR BUSINESS REPORT

The government wants to increase sugar production by reopening some of the nine state-owned mills that are currently idle, Commerce Minister Khandakar Abdul Muktadir said yesterday.

The country has 15 state-owned sugar mills, of which six are currently operating, he told a group of journalists after visiting Panchagarh Sugar Mills Limited, where he exchanged views with sugarcane farmers.

The minister, who also oversees the industries and textiles and jute ministries, said initiatives have also been taken to revive several other state-owned industrial enterprises.

He said the government will revive the closed sugar mills while keeping in mind the interests of sugarcane farmers, workers, and the long-term profitable operation of the mills.

"These mills are assets of the people of Bangladesh. Therefore, ensuring their honest and effective utilisation is the responsibility of the government," the minister added.

The country has 15 state-owned sugar mills, of which six are currently operating

"We want the closed industrial establishments to resume production, create employment opportunities, and bring new momentum to the local economy."

He also observed that while several sugar mills are currently closed, many operating mills face multiple operational constraints.

Most of the mills are 50 to 70 years old. Therefore, many of these mills cannot be revived without modernisation, renovation, and new technology, he said.

However, in every case, the interests of sugarcane farmers, workers' employment, and profitable management will be ensured, the minister stressed.

He further stated that when an industrial establishment remains operational, it not only provides direct employment but also creates many additional employment opportunities through various related economic activities.

Therefore, reopening the closed mills is highly important for the country's economic growth and poverty reduction.

Ports will play a crucial role in shaping Bangladesh's future export competitiveness, experts said, calling for paperless and automated port systems.

PHOTO: STAR/FILE

$100b export target at risk without logistics reforms

Warns an economist as Bangladesh still faces high trade costs, long cargo waiting times

STAR BUSINESS REPORT

Bangladesh's goal of reaching $100 billion in export earnings by 2030 may not be achievable without major improvements in trade facilitation, port efficiency and logistics capacity, economist M Masrur Reaz warned yesterday.

He said exports are currently around $55 billion, but Bangladesh still faces high trade costs, long cargo waiting times, congestion and weak logistics infrastructure compared with regional competitors such as Vietnam and India.

"Reaching $100 billion in exports by 2030 or even by 2033 with the current trade facilitation and logistics capacity will not be possible unless we significantly improve efficiency, reduce time and cut costs," said Reaz, chairman of Policy Exchange of Bangladesh.

He made the remarks at a roundtable titled "Integrated Port and Logistics Development for a Trade-Driven Bangladesh", organised by the Dhaka Chamber of Commerce and Industry (DCCI) in Dhaka.

Reaz said Bangladesh's export costs are about one and a half times higher than Vietnam's and, in some cases, nearly double those of India. He also noted that import processing takes significantly longer in Bangladesh.

He added that the country continues to lag in global competitiveness, logistics performance and productivity, which is weakening its ability to attract investment and integrate into global supply chains.

Comparing Bangladesh with Vietnam, he said Vietnam has increased its exports to nearly $400 billion through sustained reforms in trade facilitation and logistics.

In contrast, Bangladesh remains at about $55 billion, even though both countries had similar export levels in the late 1990s.

Reaz said ports will play a crucial role in shaping Bangladesh's future export competitiveness, especially as global supply chains shift and China moves away from low-value garment production worth around $35 to $40 billion annually.

> **Bangladesh's export costs are about one and a half times higher than Vietnam's and, in some cases, nearly double those of India**
>
> **M Masrur Reaz**
> Chairman of PEB

Citing World Bank data, he noted that "cutting logistics costs by 25 percent could boost exports by 20 percent" and that "reducing port dwell time by just one day could increase exports by 7.4 percent."

However, he said, relying only on public funding for port development is no longer realistic due to limited government resources and fiscal pressure.

"Developing ports through a fully public-sector model is neither feasible nor desirable. We have to move toward public-private partnerships," he added.

Md Salim Ullah, director general of the Bangladesh Institute of Management (BIM), said Bangladesh is still far behind in managing integrated ports and logistics efficiently, which is keeping the cost of doing business high.

Md Habibur Rahman, former member (administration and planning) of the Chittagong Port Authority, said rail connectivity is the only long-term solution for cargo transport, as there is limited scope to further expand the Dhaka-Chattogram highway.

He also suggested involving the private sector in operating at least one seaport, saying it would improve competition, service quality and efficiency.

Razeev H Chowdhury, senior vice president of DCCI, said long cargo clearance procedures, slow transport systems and the lack of modern cold-chain facilities are making Bangladesh's supply chain costly and inefficient.

He called for paperless and automated port systems, infrastructure development through public-private partnerships, and higher investment in cold-chain logistics.

Md Shamsul Hoque, professor of Civil Engineering at BUET, criticised Bangladesh's fragmented infrastructure planning and called for an integrated multimodal transport system along with institutional reforms.

He said infrastructure development has mostly focused on passenger transport, while freight transport -- despite being more complex and economically important -- has been largely neglected.

He also pointed out the lack of integrated transport planning, noting that roads, railways, waterways and aviation are developed separately instead of as a unified system. Even when facilities are located close to each other, such as an airport and a railway station, there is still no seamless connectivity between rail, metro, road and air transport.

How did the Sikders get so much from banks?

MAMUN RASHID

The Sikder family story now dominating headlines is not merely about one business group's rise and fall. It is a revealing case study of how weak governance, political patronage, compromised regulation and institutional capture can turn banks into private vaults.

At its core, the saga asks a troubling question: how does a family, with limited visible productive expansion relative to its financial footprint, extract nearly Tk 12,000 crore from the banking system while leaving behind fragile institutions, distressed depositors and systemic distrust?

The answer lies in the architecture of control.

When the Sikders took command of the National Bank in 2009, they did not simply gain influence; they captured an institution. In Bangladesh, ownership of a bank often means far more than financial investment. It can translate into control over governance, credit decisions and executive appointments. Once governance structures weaken, a bank can shift from being a public financial intermediary into a sponsor-driven financing machine.

The repeated removal of six managing directors from National Bank was not just a governance anomaly; it was the dismantling of professional resistance. When management becomes unstable and directors are family-controlled, credit discipline erodes. Loans are no longer assessed on project viability or repayment capacity, but on relationships, influence and negotiated benefits.

This is where "connected lending" becomes central.

Connected lending occurs when bank owners or influential insiders channel funds to related parties through direct loans, proxy entities, shell companies or nominee borrowers. Loans may appear diversified on paper, but remain concentrated in hidden beneficial ownership. Allegations of fake loans, benami loans, inflated rentals and commission-based approvals suggest banking channels may have been used less for investment than for extraction.

Extraction at this scale, however, requires more than internal control. It also needs external silence.

The broader banking ecosystem often enables such behaviour through reciprocal arrangements. Powerful groups survive because other institutions, under political or commercial pressure, participate in cross-lending, weak due diligence or mutual accommodation. Exposure across 11 banks suggests this was not a single-bank failure but a network governance failure.

The reported coercion of EXIM Bank officials over an unsecured Tk 500 crore loan is perhaps the clearest expression of a deeper problem: when intimidation replaces creditworthiness, banking becomes hostage finance.

The most damaging stage may come after disbursement: capital flight.

According to various findings, substantial sums were allegedly transferred abroad through trade manipulation, international cards and layered investments in real estate, hospitality and offshore businesses. This follows a familiar pattern in fragile governance environments: domestic leverage, foreign asset conversion. Banks are left with bad loans while wealth migrates overseas.

The economy bears a double burden. First, depositor trust erodes. Second, recapitalisation pressure often shifts to the public, through inflationary support, government borrowing or reduced productive lending elsewhere.

So, who ultimately pays? Ordinary depositors, taxpayers, honest borrowers and the wider economy.

The Sikder case also exposes the limits of reactive regulation. Freezing accounts after money has moved, or removing directors after institutional decay, may be necessary, but it is not a prevention. Bangladesh banking supervision has too often focused on managing crises rather than strengthening governance architecture.

The lesson is not political or personal. It is structural.

Banks cannot remain vulnerable to family capture, politically shielded boards, weak fit-and-proper enforcement or opaque related-party transactions. Ownership concentration without accountability creates moral hazard. Regulators must move beyond paper-based supervision towards forensic oversight, transparency of beneficial ownership and early intervention.

The question is not simply how the Sikders extracted so much money. The deeper question is what kind of system allowed it for so long. The Sikders are not alone.

The writer is an economic analyst and chairman at Financial Excellence Limited

Trump administration appeals latest court loss on tariffs

REUTERS, *New York*

The Trump administration on Friday appealed a court ruling that found a 10 percent global tariff imposed in February was not justified under a 1970s trade law.

The US Court of International Trade ruled on Thursday in a 2-1 decision that Section 122 of the 1974 Trade Act was not meant to address trade deficits that occur when the US imports more goods than it exports.

The court, however, only blocked the tariffs for three importers that sued - two small businesses and the state of Washington.

While the ruling applies to a set of levies due to expire in about two months, it marks another setback for Trump's global tariff ambitions and comes a week before he is due to discuss trade tensions with Chinese President Xi Jinping in Beijing.

It also sets the stage for another protracted legal battle over billions of dollars' worth of tariff refunds, three months after the US Supreme Court struck down Trump's sweeping global tariffs imposed under a national emergencies law.

Trump blamed the trade court decision on "two radical left judges" when speaking to reporters on Thursday. US Trade Representative Jamieson Greer said on Friday the Trump administration expects to prevail in the appeal, although he also expressed confidence in earlier tariffs that were ultimately invalidated by the US Supreme Court.

The Supreme Court ruled in February that Trump had no authority to impose the earlier tariffs under the International Emergency Economic Powers Act, leading Trump to impose replacement tariffs of 10 percent on all imports using Section 122 of the Trade Act.

US job growth beats expectations but consumer confidence at all-time low

AFP, *Washington*

US employment rose more than expected in April, alleviating some concerns about the health of the world's largest economy even as one measure of consumer confidence came in at its lowest-ever level.

"Total nonfarm payroll employment edged up by 115,000 in April, and the unemployment rate was unchanged at 4.3 percent," the US Bureau of Labor Statistics (BLS) said on Friday.

US consumer confidence, however, was an all-time low according to a University of Michigan survey, with Americans weighed down by concerns about high prices and the fallout of the US-Israel war on Iran.

The university's Index of Consumer Sentiment came in at 48.2 in May 2026, its lowest level since data collection began in 1952, according to the survey's website.

Friday's data illustrated the complicated issues faced by the US economy. Job growth has see-sawed between expansion and contraction for the last year, and inflation has remained stubbornly high since the pandemic.

While April's jobs data showed growth, economists have expressed concern that the zig-zagging employment data is due to underlying weakness in economic growth.

Nonetheless, the figure is likely to reassure Federal Reserve officials that they can hold interest rates steady for now, as surging energy costs due to the Iran war fan inflation fears.

Friday's jobs data beat analyst expectations, with economists polled by Dow Jones Newswires and the Wall Street Journal expecting growth of 55,000.

The White House welcomed the new data, with spokesperson Kush Desai calling it "yet another sign that the American economy remains on a solid trajectory under President (Donald) Trump."

People are seen talking with a recruiter during a job fair at Miami International Airport on May 7.

PHOTO: AFP

RELIANCE ON HEALTH CARE

Last month's jobs gains mainly came in the health care, transportation and warehousing, and retail trade sectors.

The health care sector has been a consistent performer as the US population ages, driving job growth over the last two years.

In April, the sector's gains were mainly in nursing and residential care facilities.

Transportation and warehousing rose in April, but was still down by 105,000 from its peak in February 2025.

Federal government employment continued to decline. Trump has taken a hatchet to the sector, shutting down entire agencies and pressuring workers to quit.

Employment in the sector is down by 11.5 percent -- or 348,000 jobs -- from its peak in October 2024.

The information and computing sector continued a recent trend of contraction, down 11 percent from its most recent peak in November 2022.

The new BLS report also revised figures for February and March, showing 16,000 lewer jobs than previously reported.

The US unemployment rate has remained relatively steady around 4.3 percent despite the tumult in labor demand, with economists attributing it to a drop in labor supply. READ MORE ON B2