

Star BUSINESS



Jobs, returns, environment to decide project approvals

Says finance minister

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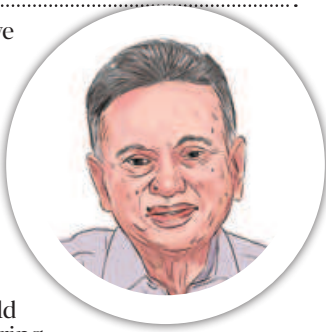
The government will approve development projects only if they meet three key conditions – job creation, return on investment (ROI) and environmental protection, Finance Minister Amir Khosru Mahmud Chowdhury said yesterday.

He said economic democratisation should go beyond politics, ensuring that ordinary citizens have equal participation in the national economy.

Unprofitable projects taken up without planning in the past are being reviewed, with some already cancelled, the minister said at the “Stepping Forward: Inauguration of RAISE-2,” a programme organised by the Palli Karma-Sahayak Foundation (PKSF), according to a press release.

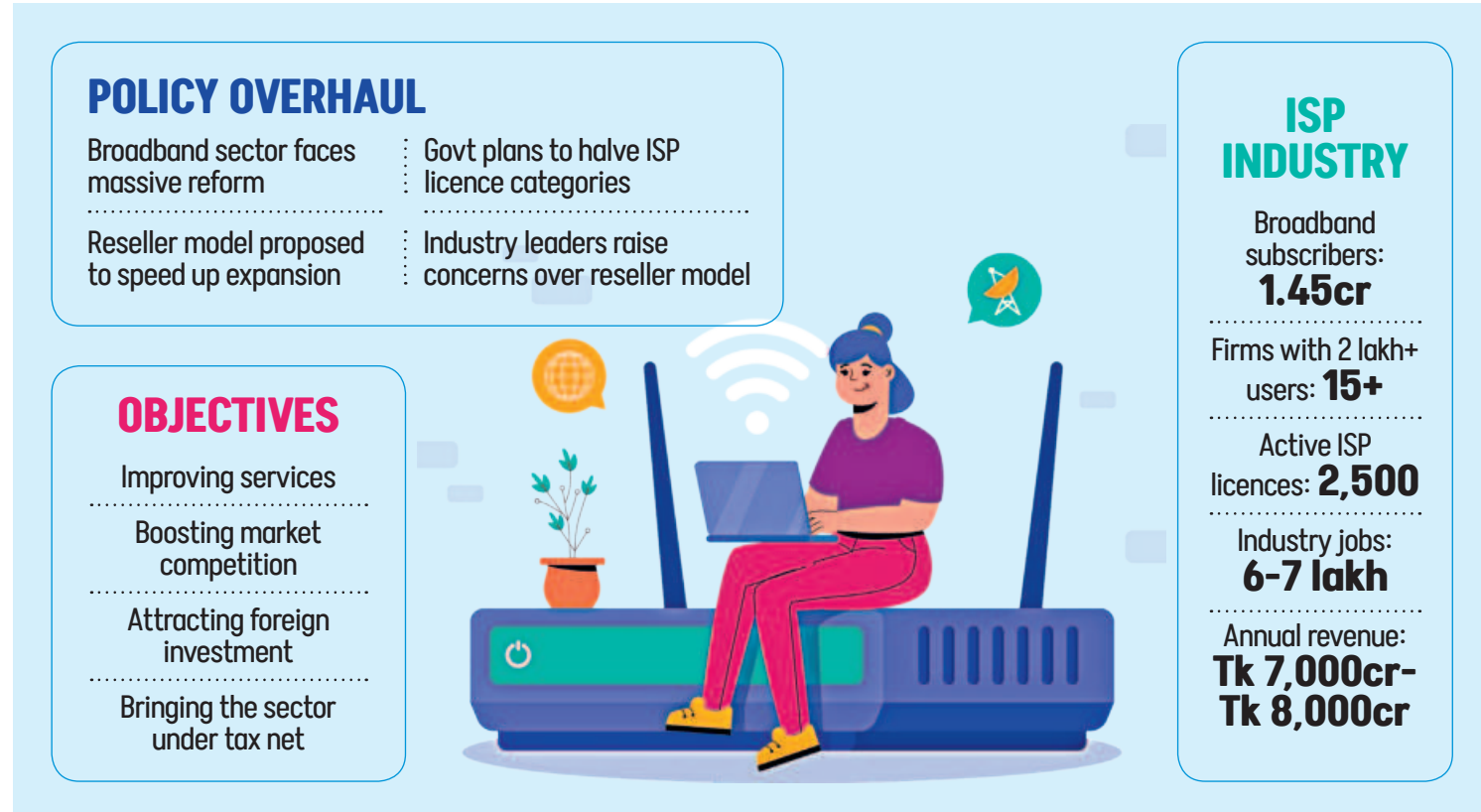
Praising PKSF’s work, he said the government’s economic philosophy is aligned with the organisation’s activities. He called for expanding PKSF’s role further, especially in universal healthcare, education and social security, where it could work as a key delivery partner.

On women’s empowerment, Khosru said the government plans to transfer cash directly to women as household budget managers, aiming to increase domestic demand and savings. He added that direct support for farmers and assistance in the health sector are also being prioritised.



Broadband sector set for major overhaul

Reform plan would reduce ISP tiers, formalise informal operators and improve internet speeds



MAHMUDUL HASAN

Bangladesh is preparing a massive overhaul of the broadband internet sector in decades, as the government moves to dismantle a complex licensing regime, introduce a reseller model and attract foreign investment.

In this regard, top government officials have been holding a series of meetings with the Bangladesh Telecommunication Regulatory Commission (BTRC) on broadband reform guidelines prepared under the interim government, according to half a dozen people involved in the process.

The new government is broadly accepting the policy reforms proposed by its predecessor, though it is also introducing several significant changes of its own, according to documents seen by The Daily Star.

Bangladesh ranks near the bottom globally in terms of broadband service quality. Rehan Asad, the prime minister’s adviser on telecom and ICT, recently said the government aims to ensure broadband connectivity with speeds of up to 1 Gbps.

Such speeds are usually available in countries, including Singapore, the United Arab Emirates, Hong Kong and France.

Officials said the planned broadband overhaul is a part of that broader push to raise service standards and modernise the country’s digital infrastructure.

One of the major changes under consideration is halving the number of ISP licensing categories.

Bangladesh currently has four tiers of ISP licences. Those are national, divisional, district and upazila-level licences. Under the proposed framework, the government plans to consolidate these into just two: national and district-level.

Existing divisional and upazila operators would be allowed to migrate into the new structure.

Bangladesh currently has around 2,500 ISP licences. Just before the fall of the Awami League in August 2024, the total had nearly reached 3,000, contributing to market disorder, fragmented infrastructure and inconsistent service quality.

Industry insiders say indiscriminate licence approvals over the years, often by political considerations, caused the number to balloon.

A SECTOR BUILT ON RAPID GROWTH
The country’s broadband industry has expanded rapidly over the past two and a half

decades, driven by government digitisation projects and rising internet demand. As of March this year, subscriber numbers stand at around 1.45 crore.

In Bangladesh, internet services formally began in 1999, when the then Bangladesh Telegraph and Telephone Board (now the Bangladesh Telecommunications Company Limited) introduced dial-up services.

Private ISPs began deploying their own infrastructure in the early 2000s, and by the end of 2004, cyber cafés had spread across urban areas.

Many operators gradually extended Ethernet connections directly to homes and businesses, effectively functioning as local ISPs. Internet speeds accelerated significantly after Bangladesh was connected to the SEA-ME-WE-4 submarine cable in 2006.

However, the Covid-19 pandemic proved to be the single biggest catalyst for broadband expansion.

It had taken nearly two decades for the subscriber base to reach 50 lakh. But within roughly a year of the pandemic, the number crossed 1 crore as people turned to the internet for remote work, online education, digital commerce and entertainment.

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KEY POINTS

Loss-making projects under review; some cancelled

Direct cash transfers planned for women

Theatre, sports and music to gain industry status

He also highlighted the “One Village One Product” concept, citing Barishal’s “Shital Pati” as an example of a local product that could reach global markets such as Amazon or Alibaba with better design and skill development support.

The minister further said that theatre, sports and music are being recognised as industries, with the aim of increasing their contribution to GDP.

The event was chaired by PKSF Chairman Zakir Ahmed Khan. Special guests included Najma Mobarek, secretary of the Financial Institutions Division, and Gayle H Martin, acting division director for Bangladesh and Bhutan at the World Bank.

Japanese EZ shows early promise as investment flows in

JAGARAN CHAKMA

The Bangladesh Special Economic Zone is showing promise as a manufacturing hub, with swift land handover and private-sector efficiency drawing investments into the zone, according to the Bangladesh Economic Zones Authority (Beza).

Three companies currently in operation are driving initial industrial activity at the zone, widely known as the Japanese economic zone, with combined investments exceeding \$97 million and generating thousands of jobs, said the authority.

The investment pipeline at the Japanese economic zone shows a growing mix of manufacturers at various stages of approval.

Out of the 12 companies that have entered the zone so far, three are already in production – Singer in electronics, ArtNature in specialised manufacturing, and Lion Kallol in the chemical sector, said Mohammad Zakaria Mithu, director (MIS and research) at Beza.

Japanese economic zone

- Emerging as a hub for export-oriented manufacturing
- 3 out of 12 companies already in production
- 70,000-80,000 jobs to be created when fully operational
- Investor interest increased after election

CURRENT STATE

Initial investments exceed \$97m

3,000 jobs created so far

Singer leads with \$75m+ investment, creating 1,700 jobs

LAND ALLOCATION

Around 230 acres handed over

268 acres expected to be transferred this year

ENERGY SUPPLY

230 kV substation likely to be completed this year

Gas supply remains uncertain

double its workforce.

Lion Kallol Limited, though smaller in scale, is gradually expanding. ArtNature Bangladesh Limited stands out for its labour-intensive operations, employing more than 2,500 locals alongside a significant number of foreign staff.

Together, these three reflect steady progress in positioning the zone as a hub for export-oriented manufacturing, with further investment and employment expected in the coming years.

Mithu described the progress as encouraging, noting that more investors are expected as pending land issues are resolved.

Around 230 acres have already been handed over, while the remaining 268 acres are expected to be transferred within this year under the development agreement. An additional 500 acres is under discussion for future expansion, subject to negotiations involving the Economic Relations Division and development partners.

According to the Beza director, infrastructure development is also progressing.

A 230 kV substation is likely to be completed this year and handed over through the Power Grid Company of Bangladesh, which is expected to significantly improve electricity supply to the zone.

However, Mithu said that gas connectivity remains uncertain amid the ongoing national energy crisis. Although the central gas station has already been constructed, supply will depend on availability.

Employment generation is beginning to take shape, with around 3,000 jobs already created. Once fully operational, the zone is expected to employ between 70,000 and 80,000 people.

Mithu said investor enquiries have increased significantly since February 12, signalling growing confidence among foreign investors under the elected government.

Ashik Chowdhury, executive chairman of Beza, said the zone’s rapid progress highlights the advantages of government-to-government (G2G) collaboration when paired with experienced foreign developers.

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War puts forex market under strain: BB

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Bangladesh’s foreign exchange market came under mild pressure in March as heightened global uncertainty stemming from the Middle East war situation pushed up exchange-rate volatility and interbank dollar transactions, according to a monthly report by the central bank.

The interbank exchange rate rose to Tk 122.75 per dollar at the end of March from Tk 122.30 per dollar at the end of February 2026, reflecting marginal depreciation.

However, on a year-on-year basis, the movement in the exchange rate resulted in a nominal depreciation of 0.61 percent against the US dollar, said the report on exchange rate and foreign exchange market dynamics.

The variability in the exchange rate increased considerably, and rates moved within a wider range in March 2026 after a period of low variability since December 2025, according to the report published yesterday.

The Bangladesh Bank report said that while the spread in the interbank market and in the bank’s sales to clients remained stable, the spread in the bank’s purchase from the client market edged up on average to Tk 1.19 per US dollar in March from Tk 0.99 per dollar in February.

The global economic uncertainty stemming from the Middle East was propagated through the foreign exchange market, as reflected in the daily average spread of spot exchange rates, defined as the daily maximum minus minimum rate, said the report.

At the same time, the volume of daily average spot transactions rose to \$62.17 million in March from \$37.27 million in February as banks increased dollar trading amid growing global economic uncertainty.

“An increase in exchange rate flexibility and a rise in liquidity in the foreign exchange market led to a rise in interbank spot foreign exchange transaction volume on average in March 2026, with some fluctuation in daily transactions,” said the report.

At the same time, the volume of swap transactions edged up markedly during the period. The average daily swap transaction doubled to \$100.82 million in March from \$53.54 million in February.

Aarong to plant 1.5 lakh trees with Tk 2.89cr from bag sales

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Aarong has earned Tk 2.89 crore from selling bags in the last seven months under its “Bring Your Own Bag” (BYOB) initiative, and will donate the entire amount to environmental and social projects.

The popular retail chain will use the money to distribute 80,000 tree saplings to 40,000 participants of the BRAC Ultra-Poor Graduation Programme across the country, according to a press statement issued yesterday.

The proceeds will also be used to support habitat restoration in the Barind region in Rajshahi, including irrigation support and plantation of 50,000 trees under the Habitat Co-Creation initiative, added the statement.

The BRAC Enterprises-owned retail chain, in partnership with Mission Green Bangladesh, will also use the fund to plant another 20,000 trees through two Miyawaki forests at Damra, Rupganj.

The company realised that producing large quantities of paper bags requires cutting down a significant number of trees, Tamara Hasan Abed, managing director of BRAC Enterprises, said at a press conference at the BRAC Centre Inn in Dhaka yesterday. READ MORE ON B2

Correction

In a report titled “More than half of local banks ineligible for dividend payouts”, published in The Daily Star on May 1, 2026, we mistakenly included Bengal Commercial Bank PLC among the lenders ineligible to declare dividends. We regret the error.

New proposals are emerging in battery manufacturing, with discussions underway with potential Japanese investors.

Mohammad Zakaria Mithu
Director at Beza

This pipeline highlights rising interest in sectors such as electronics, packaging, chemicals and engineering, signalling an expanding industrial base.

“New proposals are emerging in battery manufacturing, with discussions underway with potential Japanese investors,” he added.

Singer Bangladesh Limited leads in both scale and employment, having invested more than \$75 million and employing over 1,700 local workers. The company has plans to nearly