

Star BUSINESS



Businesses trapped in bureaucratic gridlock

Say experts at PRI event

STAR BUSINESS REPORT

Execution of trade and investment-related policies is often slowed not by a lack of ideas but by poor coordination among government agencies, leaving businesses burdened by bureaucratic delays, according to experts.

While speaking at a roundtable in Dhaka yesterday, they said fragmented policymaking and inconsistent implementation continue to make the country's business environment challenging despite broad agreement on the need for reforms.

The Policy Research Institute of Bangladesh (PRI) organised the programme titled "Trade Policy, Industrial Protection, Investment Impacts and Consumer Welfare".

"A government is a very fragmented system where different agencies often operate with their own interests and priorities, making coordinated reform efforts difficult despite broad agreement on policy changes," said Ashik Chowdhury, executive chairman of Bangladesh Investment Development Authority (Bida).

He said businesses continue to struggle with importing raw materials, clearing goods through ports and navigating multiple layers of bureaucracy, while poor coordination among agencies and operational inefficiencies raise costs for both companies and consumers.

BAB opposes allowing former owners to reclaim banks

The owners' association tells BB governor that the banking sector is going through one of its most challenging periods

BANKING SECTOR STRESS	GOVERNANCE CONCERNS
<ul style="list-style-type: none"> High NPLs, weak credit growth Rising funding costs, recovery hurdles Falling depositor and investor confidence 	<ul style="list-style-type: none"> Transparency and governance worries Weak banking stock sentiment
REFORM PROPOSALS	CAPITAL SUPPORT
<ul style="list-style-type: none"> Structured consultation on Bank Resolution Framework sought Concerns over Bank Company Act changes 	<ul style="list-style-type: none"> Relief sought for rescheduled loans Tax cuts and dividend tax waiver proposed Support for Basel III compliance
RECOVERY MEASURES	
<ul style="list-style-type: none"> Proposal for asset management company for recovering bad loans 	<ul style="list-style-type: none"> Refinance support for key sectors Push for digital finance expansion

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The Bangladesh Association of Banks (BAB) has called for a reconsideration of certain provisions in the recently enacted Bank Resolution Act, saying that allowing former owners to regain control of troubled lenders through a limited upfront payment could raise concerns over accountability, governance and moral hazard.

The plea was made during a meeting between a BAB delegation led by Chairman Abdul Hai Sarker and Bangladesh Bank Governor Md Mostaqur Rahman at the central bank headquarters in Dhaka yesterday.

The association, which represents bank sponsors and owners, shared this view as the Bank Resolution Act was passed in the House last month. The revised law included provisions allowing former owners to reclaim merged banks under relatively easy terms.

According to the law, former directors or owners of banks under merger or listed for merger can pay 7.5 percent upfront of the amount injected by the government or the BB to regain control. The remaining 92.5 percent is to be repaid within two years at 10 percent simple interest.

While welcoming the government's initiative to establish a structured resolution framework, BAB said the mechanism should ensure a strong "fit and proper" assessment, forensic audits, verification of fund sources and transparent regulatory oversight.

As part of its banking reform initiatives, the interim government approved the Bank Resolution Ordinance 2025. Under it, five crisis hit lenders - First Security Islami Bank, Global Islami Bank, Union Bank, Social Islami Bank and EXIM Bank - were brought under the merger process.

The BB later issued a licence for a new

state-owned entity, Sammilito Islami Bank PLC, in November last year, which is expected to become the country's largest state-owned shariah-based lender.

After the Bangladesh Nationalist Party (BNP) came to power following the national election in February, the ordinance was amended and enacted as the Bank Resolution Act 2026.

Subsequently, five sponsor shareholders and former directors of troubled Social Islami Bank PLC applied to regain control of the shariah-based lender. However, senior BB officials told The Daily Star last week that the request was likely to be rejected as the merger process moves ahead.

Against this backdrop, BAB said international investors, development partners and global financial institutions closely monitor the credibility of financial sector resolution frameworks.

"Any perception of weak accountability may negatively affect investor confidence, depositor sentiment, and international financial perception regarding Bangladesh," the association said.

It added that depositor protection, governance reform, financial discipline,

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Chowdhury added that the government has forwarded dozens of recommendations to the National Board of Revenue (NBR), including proposals for deregulation and a more predictable VAT structure.

The discussion also focused on Bangladesh's long-standing protectionist trade policies and their impact on competitiveness.

Presenting the keynote paper, Zaidi Sattar, chairman of PRI, said tariff protection in Bangladesh has continued for decades without clear time limits or performance conditions.

"The industrial policy that we have is not one that you would like to see in the 21st century," Sattar said, arguing that Bangladesh still follows an outdated "infant industry" protection model long after many sectors have matured.

He said the original purpose of protection was to give industries time to reduce production costs and become globally competitive, but many sectors in Bangladesh continue to rely heavily on tariff support rather than improving efficiency.

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Garment exporters press for uninterrupted power, customs reforms

BGMEA, BKMEA leaders sit with the premier in separate meetings

STAR BUSINESS REPORT

Garment exporters yesterday urged the government to ensure uninterrupted power and energy supply, quick release of export receipts from banks, reopening of closed factories, and easing of customs rules.

Leaders of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) made the demands at a meeting with Prime Minister Tarique Rahman at his secretariat office in Dhaka.

In separate meetings with the two trade bodies, the prime minister listened to the problems and challenges they face in running their businesses.

After the meeting, BGMEA President Mahmud Hasan Khan said they discussed export diversification within the garment sector, reopening of closed factories, and the struggles many factories face for survival.

Regarding factory reopening, Khan said a total of 104 factories have informed the BGMEA about their closure so far. The BGMEA will scrutinise the cases of closed factories to identify the genuine reasons for the shutdowns. Following the scrutiny, the association will send recommendations for reopening those factories, as the government is working to open a Tk 20,000 crore fund to assist in their revival.

BKMEA President Mohammad Hatem said they thanked the prime minister for taking the initiative to defer Bangladesh's

CONCERNS
Delayed export receipts hurting factories
Banks blamed for many factory closures
Exporters worried over misuse of bond facility
They seek easier customs rules

CLOSURES AND REVIVAL
400 factories shut in three years, an industry leader says
Govt plans Tk 20,000cr revival fund

LDC SHIFT, LABOUR LAW
Exporters welcome bid for LDC graduation deferment
They praise amendments to labour law



graduation from the least developed country (LDC) category for three more years. The BKMEA also welcomed the government's amendment of the labour law to meet international standards, as demanded by global stakeholders.

Hatem noted that some 400 factories were closed in the last three years, nearly 300 of them due to non-cooperation from banks. He explained that banks release export receipts to exporters' lien accounts, but delays in payment often force loans into default, leaving exporters unable to pay suppliers on time.

He also demanded uninterrupted supply of power and gas to industrial units, as recent

shortages of fuel oil have severely affected productivity. Hatem further raised concerns about the misuse of the bond facility and urged action against violators of bond licences.

Additionally, he called for easing National Board of Revenue (NBR) rules, particularly customs procedures, to smooth export and import processes and reduce lead times. He stressed that complex and time-consuming customs procedures have deterred both domestic and foreign direct investment.

Commerce Minister Khandakar Abdul Muktadir was present in both the meetings.

Banks cleared to launch 'e-loan' up to Tk 50,000

STAR BUSINESS REPORT

The Bangladesh Bank (BB) has allowed scheduled banks to launch fully digital "e-loan" services of up to Tk 50,000, stepping up efforts to widen financial inclusion and support the transformation towards digital transactions.

In a circular issued yesterday, the central bank said customers will be able to take e-loans for up to 12 months through end-to-end digital processes. These will cover customer onboarding, loan approval, disbursement and recovery.

Banks have been instructed to include the term "e-loan" in the service name and ensure that all stages of lending are conducted digitally, without physical documents or branch visits.

The move comes at a time when digital lending services are rapidly expanding globally due to increasing smartphone penetration, internet usage and mobile financial service adoption.

In many countries, banks and fintech firms now offer instant small-ticket loans through banking apps, e-wallets and other digital platforms, expanding access to credit and reducing reliance on informal borrowing.

The BB said the increasing use of digital devices in banking, along with expanded internet and mobile network coverage, has raised demand for digital lending through internet banking, mobile apps, mobile financial services and e-wallets.

"The availability of such services can play a vital role in promoting financial inclusion, familiarising marginal populations with digital financial services, and achieving the vision of a cashless society," the central bank said in the circular.

Banks will be allowed to set market-based interest rates for e-loans. However, the rate cannot exceed 9 percent if they avail themselves of refinancing facilities.

The central bank has instructed lenders to clearly communicate all loan-related information, including annual interest rates, tenure, repayment methods, the disbursement process and any additional charges, before obtaining customer consent.

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Eastern Bank PLC.

উইমেন'স লোন

নারীর স্বপ্ন পূরণের যাত্রা আরো স্বচ্ছন্দ্যময় করতে 'ইবিএল উইমেন'স লোন'।

সুবিধাসমূহ:

- > সর্বোচ্চ ২০ লক্ষ টাকা পর্যন্ত জামানতবিহীন লোন
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- > যে কোন মুহুর্তে আংশিক বা সম্পূর্ণ লোন পরিশোধের সুযোগ
- > আকর্ষণীয় ইন্টারেস্ট রেট

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BTRC to resume drives against illegal handsets

MAHMUDUL HASAN

The Bangladesh Telecommunication Regulatory Commission (BTRC) has decided to restart joint drives against the marketing, sale and distribution of illegal mobile handsets after more than three years of inactivity.

The decision was taken at a recent commission meeting following a proposal from its Enforcement and Inspection (E&I) Directorate.

Alongside mobile phones, the regulator will also take action against other illegal radio and telecom devices across the country.

The BTRC has long carried out joint operations with law enforcement agencies to curb illegal telecom equipment, including unauthorised mobile phones and wireless devices.

While enforcement against items such as signal jammers, boosters, repeaters and illegal VoIP equipment has continued, action against illegal handset traders has remained suspended since April 2023.

According to BTRC documents, the enforcement activities were paused due to the rollout of the National Equipment Identity Register (NEIR) system and preparations for the 13th national parliamentary election in 2026.

The NEIR system was introduced in 2021 to verify legal mobile devices by linking IMEI numbers with national ID and SIM data. However, key features like blocking illegal handsets were never activated, leaving the system largely inactive.

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Prime Bank signs payroll banking deal with Agni Systems

STAR BUSINESS DESK

Prime Bank PLC has signed a payroll banking agreement with Agni Systems PLC, a leading internet service provider (ISP) and technology company in Bangladesh, to offer comprehensive payroll banking services.

M Nazeem A Choudhury, additional managing director of the bank, and Md Mohammed Abdus Salam, managing director of the technology company, signed the agreement at the bank's corporate office in Dhaka recently, according to a press release.

Under the agreement, the technology company's employees will enjoy payroll banking facilities, including salary accounts with competitive rates, dual currency debit cards with fee waivers and lifestyle benefits, customised loan and credit card facilities, and a wide range of consumer banking products and services on preferential terms, among others.

They will also have access to PrimePay -- the bank's omni-digital platform that enables seamless and automated salary disbursement, along with convenient round-the-clock corporate payment solutions.

Mamur Ahmed, senior executive vice-president and head of distribution network at the bank; Mehedi Zaman



Md Mohammed Abdus Salam, managing director of Agni Systems PLC, and M Nazeem A Choudhury, additional managing director of Prime Bank PLC, pose for a photograph after signing the agreement at the bank's corporate office in Dhaka recently.

PHOTO: PRIME BANK

Khan, senior vice-president and head of the commercial banking division; and Hasina Fardous, vice-president and head of payroll banking, attended the signing ceremony.

Zia Shamsi, director of the technology company; Md

Shaiful Islam, chief financial officer; Dulan K Ukil, head of human resources; and Al Helal Md Moudud Ahamed, company secretary, along with other senior officials from both organisations, were also present.

China trade beats forecasts in April despite Mideast war

AFP, Beijing

China's trade grew faster than expected last month, official data showed Saturday, withstanding pressure from war in the Middle East and reversing a decline in exports to the United States.

Booming trade has represented a vital lifeline for Beijing in recent years as the domestic economy lags, with sluggish spending and a stubborn debt crisis in the property sector weighing on activity.

The war with Iran, launched by the United States and Israel in late February, has produced new risks for China's economy, though its trade has so far appeared to be weathering the disruptions.

Exports from the manufacturing powerhouse were up 14.1 percent in April compared to the same month last year, the General Administration of Customs (GAC) said.

The growth outpaced a Bloomberg forecast of 8.4 percent based on a survey of economists, and also picked up significantly from the 2.5 percent increase in March.

Analysts say China's diversified energy supply insulates it from immediate shocks from the war, though any global economic downturn would eventually weaken demand for its exports.

Amid a shaky truce, observers are awaiting a high-stakes meeting in Beijing next week between Chinese President Xi Jinping and US counterpart Donald Trump.

The talks previously set for late March were delayed by the war in the Middle East, which has sent global energy prices soaring as shipping through the vital Strait of Hormuz has effectively come to a halt.

The world's second-largest economy produced a record-breaking trade surplus last year at \$12 trillion. For Trump, imbalance in the countries' trade relationship has long been a major sticking point.

Ahead of the key meeting, China's exports to the United States grew 11.3 percent year-on-year in April, GAC data showed Saturday, returning to growth after dropping sharply by 26.5 percent in March.

Shipments to the United States had also dropped 11 percent in January and February combined.

Trade is set to be a prominent topic in the upcoming meeting between Xi and Trump, with both leaders eyeing key concessions for their massive economies.

IPDC Finance posts 79% profit growth in first quarter

STAR BUSINESS DESK

IPDC Finance PLC reported a 78.52 percent year-on-year increase in net profit after tax to Tk 6.5 crore in the first quarter of 2026, driven by higher net interest income, strong investment earnings and disciplined cost management.

Earnings per share rose to Tk 0.16 in the January-March quarter from Tk 0.09 a year earlier, reflecting improved after-tax profitability.

Despite a challenging macroeconomic environment, operating income grew 24.40 percent year-on-year to Tk 94.2 crore, according to a press release.

Gross interest income increased 6.01 percent year-on-year to Tk 242.5 crore, supported by sustained asset portfolio deployment and prudent lending. Interest expenses rose at a slower pace of 1.74 percent to Tk 184.4 crore, reflecting easing funding costs.

As a result, net interest income expanded 22.33



percent year-on-year to Tk 58.1 crore, reversing the margin pressure experienced through much of 2025.

"Our first-quarter performance reflects the resilience of IPDC's business fundamentals and the disciplined execution of our strategic priorities," said Rizwan Dawood Shams, managing director of the company.

"We remain committed to maintaining sound risk management practices and creating long-term value for

all stakeholders while supporting Bangladesh's evolving economic aspirations," he added.

Investment income, a major growth driver, climbed 32.51 percent year-on-year to Tk 31.7 crore due to stronger yields from government securities and a broader treasury portfolio. Commission and brokerage income also rose 13.29 percent to Tk 38 crore.

Operating expenses increased only 3.52 percent year-on-year to Tk 39.7 crore, helping profit before provision jump 45.79 percent to Tk 54.5 crore.

As of March 31, 2026, loans, advances and leases stood at Tk 7,374.3 crore, down 1.18 percent from December 2025, reflecting selective credit deployment amid a recovering demand environment.

Total deposits grew 1.60 percent to Tk 6,324.7 crore, reinforcing the company's funding base and depositor confidence.

Meanwhile, the company's net asset value rose to Tk 18.01 in March 2026 from Tk 17.85 in December 2025.

Aramco's quarterly profits rise as crude prices surge

AFP, Riyadh

Saudi oil giant Aramco said Sunday its net profit rose by 25.5 percent in the first quarter compared to the same period last year, after the Middle East war sent oil and gas prices soaring.

The result comes as uncertainty plagues global markets over the conflict's trajectory, with Iran restricting the passage of hydrocarbons through the strategic Strait of Hormuz.

Aramco, the world's biggest oil exporter, said in a statement published on the Saudi stock exchange website that its "increase in revenue was mainly due to higher prices and volumes sold of refined and chemical products as well as higher crude oil volumes sold and higher crude oil prices".

Crude prices jumped during the first quarter from the mid \$60s in early February to more than \$100 a barrel in March as Iran's shutdown of the strait sparked a global energy crisis.

Aramco, majority-owned by the state, said in its statement that net income in the first quarter of 2026 reached 120.13 billion Saudi riyals (\$32.04 billion), compared to 95.68 billion riyals (\$25.51 billion) for the same quarter in 2025.

"Increase in revenue was mainly due to higher prices and volumes sold of refined and chemical products as well as higher crude oil volumes sold and higher crude oil prices," the company said

"The increase was mainly driven by higher revenue and other income related to sales, partially offset by higher operating costs and an increase in income taxes and zakat driven by higher taxable income compared to the same quarter of the previous year," it said.

The median analyst consensus for first quarter adjusted net income had been \$31.16 billion -- an external estimate based on 13 forecasts.

Aramco's increase in net income is its first quarterly rise after 12 consecutive quarters of decline.

President and CEO Amin H. Nasser said the result reflected "resilience and operational flexibility in a complex geopolitical environment".

He said the company was "leveraging both its domestic infrastructure and its global network to navigate disruption". Aramco is the flagship company of the Saudi economy and one of the largest firms in the world by market capitalisation.

Despite the closure of the Strait of Hormuz, it has been able to deliver millions of barrels of crude to markets daily through its massive east to west pipeline, which connects its energy installations on the Gulf to export terminals on the Red Sea.

The company said "a significant increase in pumping through the east-west pipeline to reach its maximum capacity of 7 million barrels per day in the first quarter supports exports from the kingdom's west coast".

Last month, Saudi Arabia's energy ministry said the pipeline and other facilities had been restored following attacks by Iran.

The oil-rich Gulf region has borne the brunt of Iran's attacks during the war, which came in response to US-Israeli strikes in late February that triggered the conflict.

Tehran has targeted US assets but also civilian infrastructure including energy facilities and airports.

US auto industry, lawmakers warn Trump against opening market to China

REUTERS, Washington

As President Donald Trump prepares to meet with Chinese President Xi Jinping this week, the US auto industry and lawmakers on both sides of the aisle are hammering him with a simple message: Please don't offer China any access to the US car market.

Trump in January told the Detroit Economic Club that it would be "great" if Chinese automakers wanted to build plants in the US and employ Americans, adding: "I love that. Let China come in, let Japan come in."

His comments rang alarm bells in an industry that had systematically lobbied successive administrations to bar Chinese cars from the US market with tough data security rules and high tariffs on electric vehicles.

So automakers, suppliers, steelmakers, unions and politicians have redoubled their efforts, arguing that Chinese automakers, with limitless state support, massive scale, an EV technology edge and rock-bottom prices, would crush domestic and other foreign producers, hollowing out the core of the US manufacturing base.

Democratic Senator Elissa Slotkin of Michigan went to the same forum in Detroit on Thursday specifically to urge Trump not to make a deal with Xi to allow Chinese investment in the US auto sector that brings Chinese-brand cars into US dealerships.

"Please don't make a bad deal," said Slotkin, who also promoted her bipartisan bill with Republican Senator Bernie Moreno of Ohio that would explicitly bar Chinese vehicles over data collection concerns.

Their Connected Vehicle Security Act, which has a bipartisan companion bill in the House of Representatives, would codify a data rule effectively banning Chinese vehicles implemented by former President Joe Biden, making a reversal extremely difficult.

The House bill would go further, banning industry partnerships with Chinese companies. Congressional aides told Reuters that with broad support, the legislation could pass this year, possibly attached to a transportation spending bill.

"Every vehicle on American roads is a rolling data collection device, capturing information on location, movement, people, and infrastructure in real time, and we cannot allow Chinese vehicles or components to be a part of that system," sponsoring representatives Debbie Dingell, a Democrat, and John Moolenaar, a Republican, said in a joint statement.

They are both from auto-heavy districts in Michigan. Some 74 House Democrats, and 52 House Republicans signed letters recently urging Trump not to allow Chinese automakers to enter the



A Ford 2018 F150 pick-up truck moves down the assembly line at Ford's Dearborn Truck Plant in Michigan. A growing auto affordability crisis in the US, where the average vehicle list price now exceeds \$51,000, makes producers vulnerable to cheaper Chinese models.

PHOTO: REUTERS/FILE

American market.

INDUSTRY BACKS CHINESE AUTO BAN

The US auto industry has shown unusual unity in supporting a ban.

Groups representing US and foreign-brand automakers, car dealers and parts manufacturers in March told the administration that China's efforts to dominate global auto production and gain access to the US market "pose a direct threat to America's global competitiveness, national security and automotive industrial base."

Steel industry groups followed through with a similar letter on April 30, and the Information Technology and Innovation Foundation (ITIF), which has criticized Trump's past tariffs on Chinese imports, also applauded the legislation to ban Chinese vehicles.

"Chinese automakers are not normal market competitors. Their EVs are the product of decades of state-backed mercantilism designed to help China capture global leadership in advanced industries," said ITIF vice president Stephen Ezell.

"Once China's subsidized firms are embedded in the US market, the economic and national security damage would be

far harder to reverse -- and it would not be limited to Detroit," Ezell added.

US Trade Representative Jamieson Greer said in Detroit in April that there were no plans to change the connected car rule, and that autos were not on the agenda at the Beijing summit. Commerce Secretary Howard Lutnick also has ruled out Chinese investments in the US autos sector.

But Scott Paul, president of the Alliance for American Manufacturing, a domestic industries group, said there is a strong concern that Trump, who often talks of attracting more auto assembly plants to the US, could act alone.

"He's left wiggle room in dealing with the auto sector," Paul said.

Any plant approved would take two-to-three years to launch production, leaving consequences to Trump's successor.

The White House and the Chinese embassy in Washington did not respond to requests for comment on the matter.

LOW PRICES, MARKET SHARE GAINS

The industry wants to avoid a repeat of Chinese automakers' steady market share gains in Europe and Mexico. A growing auto affordability crisis in the US, where Kelley Blue Book estimates the average vehicle list price now exceeds \$51,000,

makes existing producers especially vulnerable to cheaper Chinese models.

Last year, Chinese brands doubled their share of Europe's car market to 6 percent, but took 14 percent of Norway's market, 9 percent in Italy, 11 percent in Britain and 9 percent in Spain, and consumer interest in Chinese EVs is growing as the Iran war spikes gasoline prices.

Canada is beginning to import 49,000 Chinese EVs annually and 34 Chinese auto brands are now on sale in Mexico, accounting for about 15 percent of that market at prices far below anything available in the US.

Geely's EX2 EV starts at about \$22,700 in Mexico, more than twice its price in the cut-throat Chinese market, but far below the cheapest Tesla Model 3 US price of \$38,630.

Even Toyota, which undercut Detroit automakers in the 1980s and 1990s, is having difficulty with Chinese pricing in the Mexican market, said Toyota Motor North America division manager David Christ.

"Obviously there's some level of government support, or else they couldn't transact at that price," Christ said in an interview. "So it has a huge impact on business."

Brent rises to \$104

REUTERS, London

Oil prices rallied on Monday, a day after President Donald Trump said Iran's response to a US peace proposal was "unacceptable," raising supply fears as the Strait of Hormuz stayed largely closed, which kept the global market tight.

Brent crude futures climbed \$2.70 or 2.67 percent to \$103.99 a barrel at 0902 GMT US. West Texas Intermediate was at \$97.66 a barrel, up \$2.24, or 2.35 percent. They rose to \$105.99 and \$100.37 a barrel, respectively, earlier in the session.

Last week, both contracts recorded 6 percent weekly losses on hopes for an imminent end to the 10-week-old conflict that would allow oil transit through the Strait of Hormuz. "Despite reassuring noises, our take is that the US and Iran are as far away from agreement as when this supposed ceasefire started," analyst John Evans said.



Despite bumper harvests, low prices have left bottle gourd farmers in Rajshahi disappointed. Farmers are selling each gourd for Tk 22-25, while retail prices range between Tk 40 and Tk 50 in district markets and are even higher in the capital. The photo was taken at a wholesale market in the Shibpur area of Puthia upazila on Sunday. PHOTO: AZAHAR UDDIN

Banks can now pay visa bonds for applicants

STAR BUSINESS REPORT

The Bangladesh Bank (BB) has allowed banks to pay visa bonds and refundable security deposits required by foreign embassies, high commissions, and other authorities on behalf of Bangladeshi applicants, removing a practical hurdle in overseas visa processing.

In a circular issued yesterday, BB said the move aims to ease difficulties faced by Bangladeshi travellers during overseas visa applications where such deposits are mandatory.

Banks may issue international or virtual cards in the applicant's name preloaded with the required deposit amount for the bond or security deposit.

Existing international cardholders under travel entitlement facilities may also reload their cards for the same purpose, provided the funds are used solely for visa-related requirements.

The facility will be available against balances in Exporters' Retention Quota (ERQ) accounts and Resident Foreign Currency Deposit (RFCD) accounts, or through international cards issued against such accounts, subject to existing foreign exchange regulations.

Bankers and industry insiders say the new policy will simplify visa processing for applicants to countries that require financial guarantees as part of visa procedures, including the United States.

DCCI calls for stronger inland waterway infrastructure

STAR BUSINESS DESK

The Dhaka Chamber of Commerce and Industry (DCCI) yesterday urged the government to accelerate the development of inland waterway infrastructure to reduce the cost of doing business and improve trade logistics across the country.

The call came during a courtesy meeting between DCCI President Taskeen Ahmed and Water Resources Minister Md Shahiduddin Chowdhury Anee at the Bangladesh Secretariat in Dhaka, according to a press release.

During the meeting, Ahmed said that as a riverine country, Bangladesh has historically relied on inland waterways as one of the most cost-effective modes of transporting industrial raw materials and goods.

However, the sector's full potential remains untapped due to challenges such as siltation and illegal encroachment on rivers.

He stressed the need for planned dredging activities, riverbank recovery and necessary infrastructural development to ensure efficient and affordable logistics facilities for businesses.

As a riverine country, Bangladesh has historically relied on inland waterways as one of the most cost-effective modes of transporting industrial raw materials and goods, DCCI president said

The DCCI president said the government's initiative to excavate 20,000 kilometres of water bodies over the next five years would significantly boost inland water transport, lower business costs and support irrigation, agricultural

productivity and overall economic growth.

He also said strategic utilisation of waterways surrounding the capital through proper management of an approximately 112 kilometre circular route connecting the Buriganga, Turag, Balu, Shitalakkhya and Dhaleshwari rivers could serve as an alternative transport network and help ease traffic congestion in Dhaka.

Ahmed further proposed greater private sector involvement under public-private partnerships (PPP) in dredging operations and canal excavation activities.

In response, the water resources minister said the government remained committed to the sustainable development of inland waterways. He added that several initiatives had already been undertaken, and called for private sector participation in the nationwide canal excavation programme.

Semiconductor industry group holds roadshow in S Korea

STAR BUSINESS REPORT

The Bangladesh Semiconductor Industry Association (BSIA) began a four-day roadshow in South Korea yesterday, bringing together industry, academia, and government representatives to strengthen bilateral semiconductor collaboration.

The roadshow, running May 11-14, forms part of the Silicon River vision, which seeks to advance Bangladesh's semiconductor and deep-tech sector through global partnerships, reads a BSIA press statement.

During the roadshow, the Bangladeshi delegation will meet major players across Korea's semiconductor ecosystem, including SK hynix, HANA Micron, KAIST's Global Commercialization Center (GCC), ETRI, and McKinsey & Company.

The discussions will specifically focus on critical areas of development, including packaging, AI hardware, design, testing, and commercialisation.

A key highlight of the event is a Letter of Intent signing between BSIA, the Center of Research Excellence in Semiconductor Technology (CREST), and KAIST's GCC, aimed at advancing joint research, talent development, and technology commercialisation, according to the press release.

"Our objective is to learn from Korea's remarkable semiconductor journey while building meaningful long-term partnerships in research, talent development, commercialisation, and industrial collaboration," said BSIA President MA Jabbar.

Dollar steady

REUTERS, London

The dollar was steady on Monday after US President Donald Trump rejected Iran's response to a US peace proposal, sending oil prices higher and prompting renewed concerns that the conflict in the Middle East will drag on.

The US dollar index, which measures the greenback's strength against a basket of six currencies, was little changed at 97.995.

Oil prices, meanwhile, jumped, with Brent crude up 3.6 percent at \$104.94 a barrel, after President Donald Trump on Sunday rejected Iran's response to a US proposal for peace talks, raising worries that the 10-week-old conflict may drag on.

Yet, markets still seem to believe that the conflict will be resolved, said Kenneth Broux, head of corporate research for FX and rates at Societe Generale.

"I think the reason for that may be the involvement of China," he said. "The summit with China and the US later this week is, for me, the main event really," Broux said, pointing to the influence the two countries have in the Middle East.

Trump and Chinese President Xi Jinping are set to discuss Iran, Taiwan, artificial intelligence, nuclear weapons and critical minerals when they meet, according to US officials.

Inflation and growth worries linked to higher oil prices, as well as any potential reaction from central banks, also continue to play on the market's mind, Broux said.

BAB opposes allowing former owners Banks cleared BTRC to resume drives



A delegation of Bangladesh Association of Banks (BAB), led by its Chairman Abdul Hai Sarker, meets Bangladesh Bank Governor Md Mostaqur Rahman at the central bank headquarters in Dhaka yesterday. PHOTO: COURTESY

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transparency and long-term institutional stability should be prioritised in any resolution process.

BAB also urged the BB to consult it before finalising proposed amendments to the Bank Company Act, saying the changes could have a significant impact on board governance, capital raising, sponsor shareholding structures, independent director frameworks and management accountability.

The association said the banking sector is going through one of its most difficult periods.

"Elevated non-performing loans, provisioning and capital adequacy pressures, weak private sector credit growth, legal recovery bottlenecks, rising cost of funds, declining investor confidence, and global economic uncertainties continue to place significant stress on the sector."

It added that the sector is suffering from broader confidence challenges.

"Public confidence, depositor trust, investor confidence, and international perception regarding governance, transparency, and institutional accountability within the banking sector are now critical issues requiring

coordinated and balanced action."

BAB urged the central bank to retain existing incentive bonuses for bankers in order to help banks retain skilled professionals. It also called for access to the BB's refinancing schemes for banks with non-performing loan ratios below 20 percent.

The association further pressed for changes in rules on income recognition, classification and provisioning, arguing that current requirements place undue pressure on capital buffers and restrict credit flow. It suggested allowing interest income recognition after the expiry of grace periods.

On rescheduled loans, BAB said existing classification and provisioning rules significantly increase risk-weighted assets and capital adequacy pressures, limiting banks' ability to extend fresh lending to productive sectors.

It also proposed the creation of a professionally managed national Asset Management Company (AMC) to acquire classified loans, support restructuring and assist sector recovery, citing examples from Malaysia, South Korea and Indonesia. On legal recovery challenges,

BAB said the process for recovering defaulted loans remains slow and complex owing to case backlogs, delayed hearings, misuse of stay orders and weak enforcement of judgments.

To overcome this, BAB proposed amendments to the Artha Rin Adalat Ain to include ultimate beneficiaries and beneficial owners, the introduction of fast-track financial courts and dedicated recovery benches, along with mandatory hearings before stay orders are issued and time bound limits on such orders.

"A major challenge currently faced by banks relates to accounts where courts direct loans to remain unclassified while regulatory inspections require provisioning treatment as 'bad and loss'," it said.

BAB said this creates inconsistencies in provisioning, affects profitability, increases capital stress and reduces lending capacity. It called for separate regulatory treatment for loans under litigation or stay orders, along with a phased provisioning framework.

"Such an approach will improve regulatory consistency while maintaining prudential discipline," said the association.

Banks cleared to launch 'e-loan'

FROM PAGE B1
Banks have also been asked to take necessary steps to improve customer-level financial literacy regarding digital loans.

To strengthen security, the BB said customer identity verification must be conducted through biometric authentication alongside OTP and two-factor authentication (2FA) or multi-factor authentication (MFA), where necessary.

However, agents or third parties engaged by banks will not be allowed to store customers' biometric data.

The central bank directed commercial lenders to follow existing rules on interest calculation, fees, loan classification and provisioning, while prohibiting CIB inquiry charges for e-loans.

Banks must prevent defaulted borrowers from accessing such loans by verifying existing liabilities before disbursement.

The central bank also mandated a six-month pilot before commercial launch and stressed strict compliance with cybersecurity and data protection laws, requiring all customer and loan-related data to be stored within Bangladesh.

Bangladesh already has experience in digital nano-lending through partnerships between banks and mobile financial service providers. In 2021, bKash and City Bank jointly launched an instant nano-loan service that offers small loans to selected users through the bKash app.

Several other banks have introduced digital lending products.

Dhaka Bank launched "e-Rin", an end-to-end digital nano-loan service through its mobile app. Prime Bank introduced "PrimeAgrim" through its app, while BRAC Bank has also rolled out digital lending services.

FROM PAGE B1
Although the platform has recently been relaunched, handset blocking is still awaiting a policy decision from the new government, a BTRC official said.

The commission has recently observed a sharp rise in the use, production, import, marketing and sale of illegal mobile handsets and wireless equipment in divisional cities, city corporations and district towns.

It noted that these activities are punishable under the Bangladesh Telecommunication Regulatory Act, 2001.

Industry insiders said weak enforcement over time, the depreciation of the taka, rising global handset component prices and repeated tax increases have all contributed to the growth of the illegal handset market in Bangladesh, particularly in the smartphone segment.

According to industry estimates and BTRC data, grey-market smartphones now account for 40 to 50 percent of the country's handset market, which is valued at around 1.7

billion US dollars. The grey market is expected to exceed 0.7 billion US dollars in 2025.

Data from Samsung shows that grey-market imports rose from 24 percent in 2022 to 40 percent in 2024. In the same year, 93 percent of premium phones from one brand and around 69 percent of mid-range phones in Bangladesh entered the market through unofficial channels.

The commission said illegal handsets and wireless devices are causing several problems, including consumers being misled with low-quality products, loss of government revenue from illegal imports, disruption in telecom regulation and network management, and financial losses for legitimate handset manufacturers.

In response, the E&I Directorate proposed restarting joint drives with law enforcement agencies, including the Rapid Action Battalion, police and executive magistrates, to stop these activities nationwide.

The commission has decided that enforcement drives will resume at an appropriate time after further instructions.

Businesses trapped

FROM PAGE B1
Sattar also pointed to what he described as a strong "anti-export bias" in trade policy. While export subsidies average around 7 percent, nominal protection rates stand at about 28 percent, allowing domestic industries to benefit more from tariff barriers than export incentives.

Rasheda K Choudhury, former adviser to the interim government, said policy discussions in Bangladesh largely revolve around businesses, tariffs and investment, while consumers remain "at the bottom" with little attention paid to their hardships.

She urged policymakers to strike a better balance between industrial protection and consumer welfare.

Echoing concerns over policy inconsistency, Taskeen Ahmed, president of Dhaka Chamber of Commerce and Industry (DCCI),

said protectionist policies and an overcentralised tax regime are holding back industrial growth and trade competitiveness.

He said businesses must also acknowledge their own shortcomings, but argued that many of the sector's problems stem from conflicting government policies and excessive dependence on the NBR.

Former NBR member Md Farid Uddin questioned the overlapping responsibilities among agencies such as the Industries Ministry, Bida, Beza, Hi Tech Park Authority and BSCIC.

Adding to the discussion, economist M Masrur Reaz said Bangladesh's tax and tariff policies are designed primarily to raise revenue rather than support investment and expansion, discouraging foreign investment and weakening local industries' competitiveness.



Maize cultivation has expanded in the Rangpur char region, but high production costs and low market prices have shrunk farmers' profit margins. The photo was taken near a maize field in the Kalmati area of Lalmonirhat Sadar upazila on Friday. PHOTO: S DILIP ROY

When numbers dilute progress

AHMED HUMAYUN MURSHED

Population alone does not determine a nation's future, but unchecked growth quietly intensifies almost every existing challenge. In countries such as Bangladesh, rising population pressure is closely linked to job scarcity, persistent inflation, shortages in healthcare, declining education standards, strain on law and order, weak infrastructure and environmental degradation. The population will continue to grow. The real challenge is ensuring living standards alongside it. Sustainable progress does not come from expansion alone, but from balancing population growth with opportunity, resources and quality of life.

Every nation is growing, though at different speeds. Nigeria and Pakistan expand by about 2 percent and 1.6 percent respectively. India has moderated to below 1 percent, while China has entered decline. Bangladesh may not top global growth charts, but it carries around 20 crore people within around 1.48 lakh square kilometres. Even moderate increases are visible. Population density amplifies every policy weakness.

Controlling population growth directly eases job scarcity by aligning workforce entry with employment creation. It reduces demand driven inflation, making essentials more affordable. Healthcare systems face fewer shortages when patient loads stabilise. Classrooms become manageable. Law and order institutions gain capacity when social pressure declines. Infrastructure lasts longer under balanced demand, and the environment recovers as land, air and water face less strain.

A controlled demographic curve allows these areas to improve rather than constantly chase expansion.

Employment is where Bangladesh's future will be decided, given its population size. The Third and Fourth Industrial Revolutions are already reducing many low-skilled roles while increasing demand for technical capability, automation and cyber-physical systems. If population growth slows, investment per child can rise, allowing easier absorption into a technology driven economy.

Quality replaces quantity.

The equation needs balance. Recognising the problem solves half of it. The other half rests on three ideas working together.

The first is widening the tax net. Only a small fraction of citizens file income tax, constraining public investment.

Expanding the base, even modestly, would generate billions in additional revenue. That capital can fund job creation, curb

inflationary pressure, strengthen healthcare, raise education standards, improve law and order, build infrastructure and reduce pollution. A broader base also allows lower rates, reducing evasion and building trust. Bangladesh cannot rely on foreign loans indefinitely to keep the wheels turning.

The second is investing in skills at scale. If even one million young people each year receive structured vocational, digital or technical training, productivity rises quickly. Remittances, now around \$20-\$22 billion annually, could shift towards higher-value professions. Skilled migration and competitive domestic industries both depend on education aligned with global demand.

The third, and most important, is a sustained awareness campaign. Responsible parenthood should be framed not as a restriction but as empowerment. Community engagement, integration of family planning into primary healthcare and education of girls are proven tools. Bangladesh once demonstrated success in this area. A renewed effort, supported by the government, led by Tarique Rahman, and backed by local and international NGOs, religious leaders, administrators and even start-ups using digital platforms, can normalise informed decision-making. Sensitive conversations, handled respectfully, produce gradual but lasting change.

Extreme ideas are sometimes floated, such as linking family size to income or education status. These are neither practical nor equitable. Real change comes from awareness, access to information and economic alignment. Behaviour shifts organically when families understand that raising two children well may secure more opportunities than raising more children without sufficient resources. Population control is not about shrinking ambition. It is about allowing ambition to breathe. Slower demographic expansion means higher per capita investment, stronger institutions, better environmental protection and a workforce prepared for a digital century.

Sustainable growth is controlled growth. Without balance, numbers dilute progress. With balance, even a nation of 20 crore people can move forward with stability and dignity.

The writer is co-founder and CEO of Accfintax and associate director at Hoda Vasi Chowdhury and Co



Low maize prices shrink profits for char farmers

S DILIP ROY and MOSTAFA SHABUI

In the once-barren northern chars of Rangpur, maize has become a lucrative cash crop. But low market prices this year have left farmers disappointed despite expanded cultivation.

Maize growers in the Rangpur char region said rising costs of seeds, fertiliser, diesel, and labour increased production expenses by Tk 2,000 to Tk 2,500 per bigha, while lower-than-expected prices brought down profit margins.

According to the Department of Agricultural Extension (DAE), projected nationwide maize acreage and production for the current fiscal year are lower than last year's. In contrast, cultivation has expanded in the Rangpur region.

A DAE official agreed that higher production costs have discouraged farmers. While many maize growers reported that nor'westers and hailstorms damaged their crops, the official added that the overall impact of the disasters was not severe.

Meanwhile, maize traders have said prices may go up if the demand at feed mills rises, advising farmers to store their harvest for now.

HIGH HOPES DASHED

DAE data show maize has been cultivated on 666,000 hectares nationwide this fiscal year, with a production target of 7.079 million tonnes. In the previous fiscal year, maize was grown on 678,000 hectares, producing 7.399 million tonnes.

In the five districts of Rangpur region — Lalmonirhat, Kurigram, Rangpur, Nilphamari, and Gaibandha — maize has been cultivated on 127,230 hectares this year, with a production target of 1.329

million tonnes.

Farmer Shamsul Alam, 65, from Char Goddimari on the Teesta River in Hatibandha upazila of Lalmonirhat, cultivated maize on 22 bighas this year, up from 20 bighas last year.

"Other crops do not generate enough profit, but maize makes up for those losses. However, because of lower market



prices this year, profits have dropped significantly," he said.

According to Alam, the cost of cultivating maize on one bigha rose to Tk 20,000 this year from Tk 17,500 last year due to higher fertiliser, diesel, and labour costs.

He had hoped to sell maize at Tk 31 to Tk 32 per kilogramme, but current prices have fallen well below expectations.

Farmer Sekendar Ali, 65, from Char Karai Barishal on the Brahmaputra River in Chilmari upazila of Kurigram, said he

was forced to sell 5,000 kilogrammes of maize at Tk 27 per kilogramme.

"I still have more than 18,000 kilogrammes stored at home. I am holding onto them in the hope that market prices will rise," he said.

Farmer Ruhul Amin, 60, from Rasulpur Char in Fulchhari upazila of Gaibandha, said yields also declined this year.

unsold stocks from last year, while feed mills are purchasing less aggressively than before.

"So, we are purchasing maize from farmers at Tk 27 to Tk 28 per kilogramme," he said.

"Although market demand is somewhat down now, prices may increase soon. If demand rises at feed mills, farmers will also get better prices."

Nibarun Chandra Sen, a maize trader from Baura in Lalmonirhat, said farmers are still making profits, though margins have narrowed considerably.

Delwar Hossain, manager of a maize procurement centre in the same area, said farmers who are not in urgent need of cash may benefit by storing maize for some time.

Abdullah Al Mamun, deputy director of the Kurigram DAE, said maize cultivation began in the Teesta char areas around 30 years ago and has expanded rapidly in the Brahmaputra chars over the past five years.

"Maize has now become the most important crop in the agricultural economy of the char regions," he said. He acknowledged that higher production costs and lower market prices have disappointed farmers, though storm-related damage was not severe overall.

Sirajul Islam, additional director of the Rangpur Regional Agricultural Extension Department, said around 90 percent of maize in the Rangpur region is grown in char areas along 26 rivers, helping improve local livelihoods.

Besides grain sales, farmers also earn Tk 3,000 to Tk 4,000 per bigha from selling maize cobs, he added, expressing hope that prices would improve if demand rises in the coming days.

"Last year, yields were 35 to 40 maunds per bigha, but this year they did not exceed 30 maunds," he said.

Untimely hailstorms, diesel shortages, and high fertiliser prices affected production, he added.

PRICE RECOVERY EXPECTED Maize traders said prices have declined because of higher supply in the market, although they expect rates to improve in the coming weeks.

Nazrul Islam, a maize trader in Chilmari upazila, said warehouses are still holding

China, India broadcast standoff dashes FIFA World Cup revenue hopes

REUTERS, Hong Kong

Gianni Infantino, head of soccer's global governing body, has called this year's men's World Cup the "most inclusive" in history. Try telling that to fans in China and India, who at this rate might not even be able to watch. TV rights stand-offs risk shutting nearly 3 billion potential viewers out, undermining Infantino's welcoming rhetoric. It's a wrinkle in the sport's emerging-market growth hopes.

FIFA is expecting a blockbuster \$8.9 billion in revenue this year, as superstars like France's Kylian Mbappé and England's Harry Kane descend on North America. The biggest chunk, at \$3.9 billion, is supposed to come from selling the broadcasting rights. That would be one-third higher than in the 2022 Qatar World Cup. The increase might seem puzzling: global viewership, as a percentage of the population, didn't materially grow between 2014 and 2022, based on the number of people who watched at least 20 minutes on linear TV.

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The tournament will expand to 48 teams from the traditional 32, as FIFA banks on more countries and matches to lift revenue. Yet China still didn't manage to qualify for the expanded competition. India, which has never played at a World Cup, missed the cut as usual.

Worse, FIFA appears to have misjudged broadcasters' demand in the world's two most populous countries. Beijing Daily reported that the soccer body initially wanted up to \$300 million for the Chinese rights, which state broadcaster CCTV balked at; state-run news portal Sixtthone reported on May 8 that Infantino's team has since lowered the asking price by half. Many matches will kick off deep into the night in the People's Republic.

There's also a deadlock in India, where a Reliance-Disney joint venture has offered \$20 million for the local rights. According to Reuters, which cited two sources, that price was not acceptable to FIFA. Tycoon Mukesh Ambani's Reliance may feel emboldened to make such a lowball offer given the limited competition following its deal with Disney, struck in 2024.

The stand-off will worry Chinese sponsors, including dairy giant

Mengniu and TV maker Hisense, that have poured a combined \$500 million into the tournament, based on figures reported by Global Times. Global brands like Adidas and Coca-Cola, meanwhile, risk missing the

chance to reach two giant markets. China and India ranked first and ninth globally for linear TV World Cup reach in 2022, with 510 million and 84 million viewers, respectively, according to FIFA figures.

The good news is that sports can be a diplomatic icebreaker. Think of China's rapprochement with the NBA after years of tension, followed by Donald Trump's meeting with Xi Jinping last year. With the US

president visiting his opposite number in Beijing this week, a deal is still possible.

Still, the episode contains a broader lesson for Western soccer businesses, like \$3.3 billion publicly listed Manchester United. Sports CEOs tend to assume that populous Asian countries will fuel revenue growth in the future, as TV rights deals in the Western markets stagnate. Yet if even the World Cup struggles to attract much demand among broadcasters, lesser competitions may be in for a shock.

FIFA has concluded agreements with broadcasters in over 175 territories globally to show World Cup matches, but there has been no announcement for China and India. The finals are due to start on June 11. "Discussions in China and India regarding the sale of media rights for the FIFA World Cup 2026 are ongoing and must remain confidential at this stage," FIFA said in a statement, Reuters reported on May 4.

China accounted for 17.7 percent and India 2.9 percent of the global linear TV reach of the 2022 tournament. The two countries together accounted for 22.6 percent of total global digital streaming reach for that World Cup, Reuters reported on May 4.



An aerial view of Seattle Stadium in Seattle, which will host six matches during the 2026 FIFA World Cup. PHOTO: AFP