Commerce minister seeks Chinese investment in green tech

STAR BUSINESS REPORT

Chinese investment, technology transfer, and innovation-driven collaboration are crucial to transforming Bangladesh's textile and apparel sector into a more sustainable, eco-friendly, and technology-oriented industry, Commerce Minister Khandakar Abdul Muktadir said yesterday.

He made the remark while inaugurating the second Bangladesh China Green Textile Expo 2026 in the capital.

China's achievements in industrialisation, technological advancement, and poverty reduction offer valuable lessons for Bangladesh, the minister said.

He urged Chinese investors to pursue meaningful and long-term investments in Bangladesh to create a mutually beneficial "win-win" partnership between the two nations.

Describing China as Bangladesh's largest trading partner, Muktadir stressed the importance of increasing Chinese foreign direct investment to help narrow the trade gap between the two countries.

He also called for Chinese participation in reviving closed state-owned mills and factories, modernising the jute industry, expanding renewable energy initiatives, and advancing green industrialisation.

Highlighting Bangladesh's progress in sustainable manufacturing, the minister said the country now hosts the world's highest number of internationally certified green garment factories -- a testament to the environmental commitment of Bangladeshi entrepreneurs.

He added that improving efficiency in water, electricity, and energy consumption would further strengthen the competitiveness and sustainability of the textile sector.

The minister expressed optimism that joint Bangladesh-China initiatives such as this expo would foster greater technology exchange, attract new investments, and accelerate sustainable industrial development.

Chinese Ambassador to Bangladesh Yao Wen attended the event as a special guest.

The exhibition features environmentally friendly and recyclable textile technologies, alongside seminars and panel discussions involving leading industry stakeholders from Bangladesh and China.

Open to visitors daily from 10am to 7pm, the three-day expo will conclude on May 16.

Commerce Minister Khandaker Abdul Muktadir visits a stall at the Bangladesh-China Green Textile Expo 2026 at the International Convention City Bashundhara in Dhaka yesterday. PHOTO: COMMERCE MINISTRY

Minister asks factories to pay Eid bonuses by May 21

STAR BUSINESS REPORT

Labour and Employment Minister Ariful Haque Chowdhury has directed factory owners to pay Eid bonuses to workers by May 21 and ensure monthly wages are cleared within the stipulated timeframe ahead of Eid-ul-Azha.

The directive came at a meeting of the Tripartite Consultative Council (TCC) held at the Cirdap International Conference Centre in Dhaka yesterday.

Speaking at the meeting, the minister said timely payment of wages and bonuses would help maintain industrial stability during the festival.

Labour representatives assured the government that no unrest or labour dissatisfaction would arise if payments were made on time. However, they urged the authorities to intervene quickly if wages remain overdue.

The meeting was chaired by Labour and Employment Secretary Abdur Rahman Tarafder.

Labour leaders also requested special arrangements for buses, trains, and launches to ease Eid travel for industrial workers returning to their hometowns.

The labour minister said the government was committed to ensuring safe and hassle-free Eid travel for workers.

To reduce traffic congestion, factory owners have been instructed to grant holidays in phases based on mutual understanding with workers, he said.

He added that local administrations, district police, and industrial police had been instructed to ensure the timely disbursement of wages and bonuses, as well as overall security in industrial areas.

Representatives from the home ministry said law enforcement agencies had been asked to remain prepared to deal with any untoward situation during the holidays.

Among others, the event was attended by Fazlee Shamim Ehsan, president of the Bangladesh Employers' Federation; Anwar Hossain, president of the Jatiyatabadi Sramik Dal; senior officials of the labour ministry; and representatives of employers and workers.

BB eases lending limits

FROM PAGE B1

Under the previous rules, banks with classified loans of up to 3 percent could extend large loans amounting to 50 percent of their total loans and advances. Under the new rules, this threshold has been extended up to 10 percent.

Banks with classified loans between 10 percent and 15 percent may now maintain large loans of up to 46 percent of total loans and advances. Those with ratios between 15 percent and 20 percent will be allowed up to 42 percent, while banks in the 20 percent to 25 percent range may go up to 38 percent. For those between 25 percent and 30 percent, the ceiling will be 34 percent.

Where classified loans exceed 30 percent, large loans will be capped at 30 percent of total loans and advances.

The central bank has also raised the overall ceiling for large loans to 600 percent of a bank's capital, up from 400 percent.

WAS IT NECESSARY NOW?

Several central bank officials, speaking on condition of anonymity, said a few large industrial groups have exceeded their exposure limits at several banks. The facility has been introduced in response to their requests.

A managing director of a commercial bank, who asked not to be named, said the current condition of the banking sector is not good.

"So, this kind of forbearance was not necessary at this time," he said, adding that it sends the wrong signal and is contrary to international standards.

However, Mir Nasir Hossain, former president of the Federation of Bangladesh Chambers of Commerce & Industry (FBCCI), welcomed the central bank's move.

He said the economy has expanded and many large companies often need consortium financing.

"Increasing the exposure limit will be beneficial for trade and business. It is a business-friendly decision," said Hossain.

Ashikur Rahman, principal economist at the Policy Research Institute of Bangladesh, took a different view.

"At a time when concerns over governance, non-performing loans, and weak risk management already plague the banking sector, such relaxation may deepen systemic vulnerabilities rather than strengthen financial intermediation," Rahman told The Daily Star.

He said that excessive concentration of lending not only undermines diversification of bank portfolios, but also amplifies the "too-connected-to-fail" problem within the financial system."

The economist argued that a more prudent long-term approach would gradually steer large borrowers towards corporate bond issuance and capital market financing, reducing reliance on banks for major industrial projects.

"Deepening the bond and equity markets is essential if Bangladesh wishes to build a more balanced and resilient financial architecture. Unfortunately, this decision appears to move in the opposite direction, reinforcing existing distortions instead of correcting them," he commented.

PPP solar plant planned

FROM PAGE B1

The initiative comes at a time when Bangladesh is struggling to expand renewable energy capacity despite repeated policy commitments, while dependence on imported fossil fuel continues to strain foreign exchange reserves and increase subsidy burdens.

Officials said the Sonagazi project would serve as a pilot model for utilising unused government land to attract private capital.

Beza Executive Chairman Ashik Chowdhury said procurement for the project could begin by August this year.

"Under the arrangement, the BPDB will act as the contracting authority and offtaker of the electricity generated from the plant," he said.

The government approved new guidelines on April 7 for developing renewable energy projects on land owned by public agencies under the PPP model, according to officials. The project also received policy approval from the Advisory Committee on Economic Affairs in March last year.

The Asian Development Bank (ADB) will support feasibility studies, financial modelling, environmental impact assessments and tender assistance for selecting a private partner through international competitive bidding.

FDI rose in 2025

FROM PAGE B1

Bida Executive Chairman Ashik Chowdhury said the latest figures reflected resilience despite global and domestic challenges, although Bangladesh still remained below its investment potential.

"Globally, announcements of greenfield projects fell in 2025, and developing economies felt that pressure more sharply. Against that backdrop, Bangladesh's 39.36 percent increase in net FDI is an encouraging signal," he said in the press release.

"The absolute volume is still below our potential. But the direction matters, especially in a post-transition year."

He said the government was working to improve the business climate through deregulation, investment facilitation and broader reforms aimed at attracting long-term foreign investment.

The Bangladesh Economic Zones Authority, the Maheshkhali Integrated Development Authority and the Public-Private Partnership Authority are jointly implementing an 180-day action plan focused on infrastructure development, investment facilitation and business climate reforms, according to the press release.

Govt plans tax relief

FROM PAGE B1

FOCUS ON FAIRNESS AND REVENUE BALANCE

Officials said the prime minister has instructed policymakers to ensure that any proposed wealth tax does not unfairly affect people who depend only on regular income, while higher-income groups may face stricter scrutiny.

"The focus is to make sure lower-income groups are affected as little as possible," a senior official involved in the discussions said.

The discussions also included plans to reduce the tax burden on essential goods by placing more items under a lower tax slab.

Officials said some essential products may be brought under a uniform 0.5 percent source tax to simplify the system and ease pressure on consumers.

"There is no move to increase the turnover tax further. The emphasis is on expanding the tax base instead," an official said regarding turnover tax policy.

Alongside tax relief measures, environmental issues were also a key focus of the discussions.

Officials said the prime minister stressed that fiscal and taxation policies should be designed to support environmental sustainability.

For motorcycles, the prime minister instructed setting the tax rate at Tk 1,000 for 111cc to 125cc bikes, Tk 3,000 for 126cc to 165cc bikes, and Tk 5,000 annually for motorcycles above 165cc, according to meeting sources.

The government is also reviewing taxation and regulatory policies for motorcycles, electric vehicles, and battery-run vehicles as part of a broader transport tax framework.

Officials said discussions on provisions related to undisclosed money and special investment opportunities are still ongoing, and no final decision has been made.

They added that the proposed measures reflect the government's effort to balance revenue collection with controlling inflation, expanding social protection, and supporting green transition goals ahead of the next fiscal year.

The prime minister also approved a proposal to raise the excise duty exemption threshold on bank deposits to Tk 5 lakh from the next fiscal year.

In addition, prices of tobacco products and foreign liquor may increase as part of efforts to discourage consumption and raise revenue.

The advance income tax on luxury vehicles, including private cars with engine capacities above 3,500cc, is set to rise from Tk 2 lakh to Tk 10 lakh.

However, the existing advance income tax of Tk 25,000 for vehicles with engine capacities of up to 1,500cc will remain unchanged.

Oil prices edge up

REUTERS, *Beijing/Singapore*

Oil prices edged up on Thursday, with markets focusing on the high-stakes meeting between U.S. President Donald Trump and Chinese President Xi Jinping to see if it will yield any positive results towards a resolution for the Iran war.

Trump is expected to encourage China to convince Tehran to make a deal with Washington to end the conflict, but analysts doubt that Xi will be willing to push China's long-time strategic partner too hard.

Brent crude futures were up 45 cents, or 0.43 percent, to $106.08 a barrel by 0714 GMT, while U.S. West Texas Intermediate futures added 41 cents, or 0.41 percent, to $101.43.

Both benchmark oil futures contracts fell on Wednesday as investors worried about possible U.S. interest rate hikes as higher fuel prices spur inflationary pressures. Brent crude futures lost more than $2 a barrel, while WTI futures dropped more than $1.

Xi told Trump that trade talks were making progress at the start of the two-day summit on Thursday, but warned that disagreement over Taiwan could send relations down a dangerous path.

Govt seeks to end

FROM PAGE B1

The proposed document will include recommendations on reforms needed to expedite implementation, the monitoring and evaluation process, and methods for ensuring inter-ministerial coordination.

In addition, the document emphasises ensuring the free flow of information.

"In the past, there was a culture of concealing information," Titumir said, adding that making data available will allow university teachers, students, and researchers to analyse whether the actual results of the projects are consistent with the government's claims.

He said they aim to reorganise the entire process anew, beginning from project selection, to ensure that projects align with the public mandate rather than being used for distributing patronage.

"The most important matter is that these projects are undertaken with the tax money of the public. The public wants to see where their tax money is being spent and wants to hold the government accountable. That is why we want to ensure the free flow of information so that people can make decisions in their own way."

He concluded that the Planning Commission and the Planning Ministry were rendered virtually powerless in the past, remarking that the main task of the ministry had dwindled to quickly approving projects below Tk 50 crore.