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Star BUSINESS

Taskforce formed to push deregulation

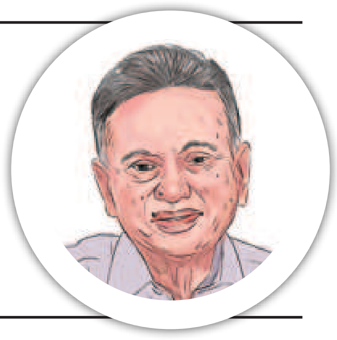
Dashboards to track ministry-wise project progress from next month, says Khosru

STAR BUSINESS REPORT

The government has formed a taskforce to oversee its deregulation drive and will launch a dashboard from the first week of next month to monitor the progress of project implementation in every ministry, Finance Minister Amir Khosru Mahmud Chowdhury said yesterday.

Running a business in Bangladesh is not possible without deregulation, the minister said at a discussion on the proposed national budget organised by the Centre for Policy Dialogue (CPD) at Lakeshore Hotel in Dhaka.

"Those who will create barriers in deregulation, we will show them the way out, as we are working for the country, for the people. We are an elected government," he said.



"Those who will create barriers in deregulation, we will show them the way out"

Amir Khosru Mahmud Chowdhury
Finance Minister

He noted that project preparation alone currently takes more than one and a half years, with implementation taking considerably longer still, driving up project costs, the burden of which is ultimately borne by ordinary people.

To keep such delays in check, the government is rolling out dashboards in each ministry that will track implementation progress on a daily basis, said Khosru, who is also the planning minister.

As part of broader institutional reform, the government will also separate the National Board of Revenue's (NBR) policy formulation and tax collection functions, he said. The policy formulation wing will be under a panel of experts, while a panel of bureaucrats will handle implementation.

He added that the traditional system of Letters of Credit will also be revised, as LC-related delays slow down trade and raise the cost of doing business.

Responding to criticism from various quarters over the budget's size and targeted revenue mobilisation, the minister said the government would issue bonds to help finance the budget and reduce reliance on bank borrowing, in order to free up funds for the private sector.

He said he was hopeful these reforms would help raise the tax-to-GDP ratio.

Khosru also mentioned that the government has worked to make the Family Card programme transparent, with safeguards against political interference, to ensure intended beneficiaries receive the benefits.

He identified gas, electricity and reliable internet connectivity as major challenges, saying the government has been working to address them.

The minister projected that it may take around two years to stabilise the current fragile economy, with signs of broader prosperity expected to follow from the fourth and fifth years.

He also said the government has allocated Tk 800 crore for the creative economy, to provide loans for developing theatres and the sports economy and to support singers, bringing them into mainstream economic activity.

CPD FLAGS IMPLEMENTATION RISKS

Presenting the keynote paper at the event, CPD Executive Director Fahmida Khatun said the budget relies on optimistic assumptions and that its success will depend heavily on the quality of execution.

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A decade on, half of China's $20b pledge enters aid pipeline

REJAUL KARIM BYRON *and* JAGARAN CHAKMA

When Xi Jinping landed in Dhaka in October 2016, it was the first visit by a Chinese president in three decades, and Beijing marked it with pledges worth around $20 billion in loans and assistance over the following four years.

At the time, it was the largest commitment any single country had made to Bangladesh, and it came as China looked to deepen its presence in South Asia while India did the same. Nearly ten years later, about half of that money has entered Bangladesh's foreign aid pipeline.

Under the initial agreement signed during Xi's visit, China was expected to finance 27 projects. But as of June last year, Bangladesh and China had signed loan agreements for 13 projects worth $8.89 billion.

Of that amount, about $5.53 billion has been disbursed, according to finance ministry data. Dhaka has already begun repaying loans for 10 of those projects, with repayments reaching $483 million by June 2025.

While economists say signing a memorandum of understanding does not guarantee project implementation, finance ministry officials blamed the fund slowdown on the Covid pandemic, lengthy approval procedures in both countries and Beijing's increasingly cautious approach to lending amid a foreign exchange crisis in Bangladesh.

Of the total $8.89 billion in signed loans, China provided financing in both US dollars and Chinese yuan (RMB). According to official data, RMB 15.16 billion, equivalent to $2.24 billion, was denominated in yuan, while the remaining $6.65 billion was provided in US dollars.

Against this backdrop, Dhaka is expected to seek Beijing's financing for three major projects during Prime Minister Tarique Rahman's upcoming visit to China.

APPROVAL DELAYS SLOW PROJECT ROLLOUT

Of the 13 projects with Chinese funding, nine were approved before the Covid-19 pandemic in 2020. Since then, progress on new project approvals has slowed considerably.

A finance ministry official said China became more cautious about extending new loans after the pandemic, pointing to a severe foreign exchange crunch in Bangladesh and rising economic pressures.

Another official involved in negotiations with Beijing, speaking on condition of anonymity, said bureaucratic hurdles on both sides, especially in China, have significantly slowed approval and disbursement.

In Bangladesh, projects require clearance from multiple committees before approval, a process that can take considerable time.

"And the process is even longer in China," said a finance ministry official while talking to The Daily Star on condition of anonymity.

According to the official, if Chinese authorities disagree with or seek clarification on any part of the project documents, the files are often returned to Bangladesh for revision, forcing the process to start again.

Officials also pointed to capacity constraints at China's Exim Bank, where only a limited number of officials handle overseas lending, contributing to slower fund releases.

Lobbying by competing Chinese companies seeking contracts for development projects has also caused delays, the officials said.

SEVEN PROJECTS COMPLETED, SIX UNDER WAY

Of the 13 projects, seven have been completed while six are ongoing.

Completed projects include the Padma Bridge Rail Link project, the Karnaphuli River Tunnel project, Phase III of the Info-Sarkar project, the Modernisation of Telecommunication Network for Digital Connectivity project, the Establishment of Tier-IV National Data Centre project, the Procurement of Six New Vessels project, and the Dasherkandi Sewerage Treatment Plant project.

Six other projects remain under implementation.

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PHOTO: RAJIB RAIHAN

STATUS OF LOANS FROM CHINA

(In million Yuan)

PROJECT	SIGNING DATE	LOAN AMOUNT	DISBURSED	REPAID
Expansion and strengthening of power system	Jul, 2019	2,630	2,630	88
Karnaphuli tunnel	Oct, 2016	1,950	1,950	325
Power grid network strengthening under PGCB	Jun, 2020	1,930	1,930	NA
Dasherkandi sewerage treatment plant	Oct, 2016	1,792	1,792	358
Modernisation of telecommunication network	Apr, 2018	1,505	1,505	201
Procurement of six new vessels	Oct, 2016	1,200	1,200	280
Info-sarker phase-3	Oct, 2017	1,043	1,043	174
Establishment of IV tier national data centre	Apr, 2016	946	946	252
Installation of single point mooring with double pipeline	Nov, 2017	570	570	76

SOURCE: ERD, FINANCE MINISTRY

NA: NOT APPLICABLE

Aus rice production drops 3% in FY26

STAR BUSINESS REPORT

Rice production in the latest Aus season declined 3 percent, mainly due to a reduction in both the acreage and yield of the crop harvested during the July-August period of FY26.

In the latest Aus season, farmers harvested 27 lakh tonnes of rice, down from 27.9 lakh tonnes in FY25, according to data from the Bangladesh Bureau of Statistics (BBS).

The yield of Aus in FY26 stood at 2.865 tonnes per hectare, marking a 1.65 percent year-on-year decline from the previous Aus season in FY25.

BBS said the area under Aus cultivation fell 1.44 percent to 9.45 lakh hectares in the latest Aus season from 9.58 lakh hectares in the same period of the previous year.

According to the BBS, farmers have been shifting from Aus rice cultivation to other seasonal crops due to the prospect of higher profits.

This has resulted in a gradual decline in both the area under Aus cultivation and production.

While Boro paddy accounts for more than half of the total rice output, Aus accounts for less than one-tenth of Bangladesh's annual rice production.

DSE resumes halting trade in real time

The move is expected to curb unusual price movements

AHSAN HABIB

The Dhaka Stock Exchange (DSE) has resumed halting share trading under its real-time surveillance mechanism, a practice that had largely fallen out of use for nearly a decade.

In the past two weeks, the DSE halted trading in Sonargaon Textiles, Shyampur Sugar Mills and Bangladesh National Insurance, each after citing "unusual price movements".

Trading resumed in all three the following day, but industry officials say the monitoring provides early warning signals to investors that there might be suspicious trading, which helps them make critical decisions.

"As this type of trading halt has not been practised in the market for many years, it seems unusual -- however, it's business as usual," said Nuzhat Anwar, managing director of the DSE. "We will always do that to protect investors' interests."

Real-time surveillance is a common practice to correct market distortions, and the DSE is equipped to do that, she said, adding that the stock exchange is getting support from the regulator in this regard.

The mechanism works in stages. Once a halt is triggered, the exchange asks the company whether it has any undisclosed price-sensitive information. If irregularities are suspected, it investigates whether unusual trading or malpractice occurred, and can take action accordingly.

Abul Kalam, spokesperson of Bangladesh Securities and Exchange Commission, said the halts serve as an early warning signal to investors that trading in a particular security may be suspicious.

He explained that previously,

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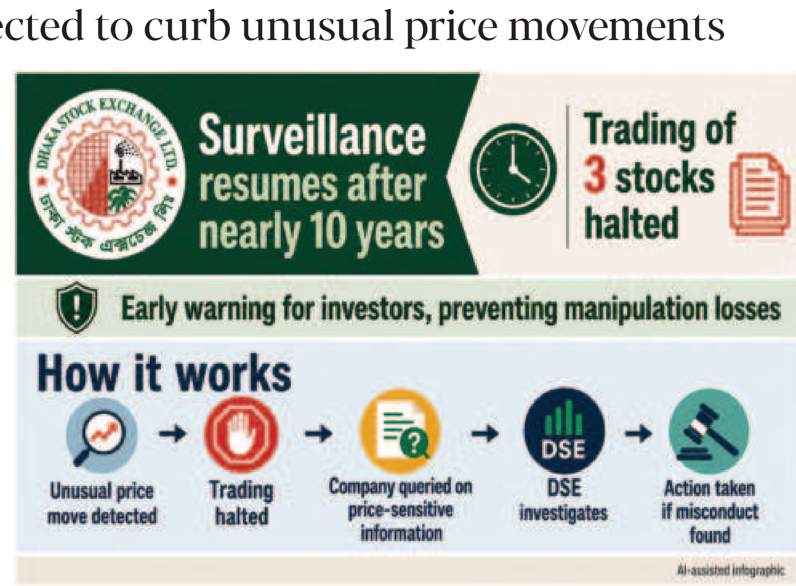

Strengthen market surveillance: BSEC

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has instructed the Dhaka Stock Exchange (DSE) to strengthen its surveillance system through effective real-time monitoring and control measures aimed at curbing market irregularities and protecting investors.

The instruction was given at a meeting held between the regulator and the DSE surveillance team at the BSEC headquarters in Agargaon yesterday.

BSEC Acting Chairman Tanwir Habib Rahman, along with Commissioners Nahid Mahtab and Md Nafeez Al Tarik, and other senior officials attended the meeting. The DSE was represented by its Managing Director Nuzhat Anwar and Acting Chief Regulatory Officer Mohammad Shafiqul Islam Bhuiyan, among others.

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Govt to launch online one-stop investor services

STAR BUSINESS REPORT

The government is working to make licensing and approval processes easier, faster and more integrated to ensure an investment-friendly environment, Commerce Minister Khandakar Abdul Muktadir said yesterday.

He made the remarks during a meeting with a Japan-Bangladesh Chamber of Commerce and Industry (JBCCI) delegation, led by JBCCI President Tarek Rafi Bhuiyan, at his ministry in Dhaka.

A central online "one-stop window" system is being developed so investors do not need to visit multiple offices, he said.

The minister said factory approvals could not always be completed within 15 days due to safety, fire and environmental assessments.

To prevent delays, the government will issue provisional licences so investors can quickly begin preliminary operations, according to a press release issued by the commerce ministry.

"We have already outlined measures to reduce the approval process time," he said, adding that the Bangladesh Investment

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