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Agri lending jumps 15% as banks beat BB's target
B3

Taka ranks among region's most stable currencies: BB

STAR BUSINESS REPORT

The Bangladeshi taka remained one of the most stable currencies in South Asia and neighbouring economies over the past year, depreciating by just 0.59 percent against the US dollar between March 2025 and March 2026, according to the Bangladesh Bank quarterly report.

The central bank's latest data showed that only Cambodia performed slightly better, with its currency weakening by 0.44 percent during the period.

Among the peer countries, India experienced the sharpest depreciation, with the rupee losing 8.94 percent of its value against the US dollar.

The Sri Lankan rupee depreciated by 5.11 percent, followed by the Philippine peso at 3.70 percent and the Indonesian rupiah at 2.67 percent.

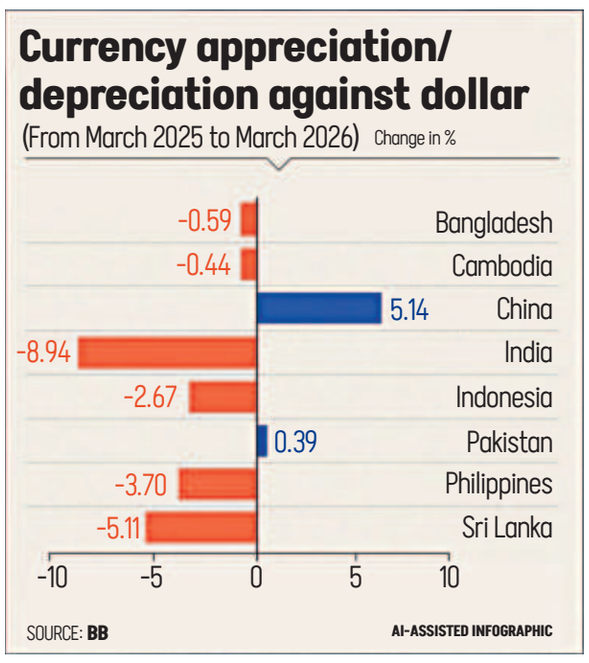
In contrast, the Chinese yuan appreciated by 5.14 percent, making it the strongest-performing currency among the countries compared. The Pakistani rupee also posted a modest appreciation of 0.39 percent against the US dollar.

Officials at the central bank said that the relatively limited depreciation of the taka came after Bangladesh Bank adopted a more market-based exchange rate regime and tightened monetary and foreign exchange management to reduce volatility in the currency market.

In May last year, Bangladesh adopted a market-based exchange rate regime to meet a condition by the International Monetary Fund (IMF).

The central bank has also been able to rebuild foreign exchange reserves through stronger remittance inflows and improved export earnings, helping ease pressure on the local currency.

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Tax return filing rate falls in FY26 to multi-year low

Only 38% of TIN holders filed income tax returns, with experts blaming an outdated database and weak enforcement

MD ASADUZ ZAMAN

Although the deadline for filing income tax returns was extended four times until March, the return filing rate fell in fiscal year 2025-26 from a year earlier.

It was also the lowest in nearly a decade, except in FY22, when the economy was emerging from the Covid-19 pandemic, which disrupted personal incomes and business activity.

Only about 38 percent of registered taxpayers, including companies, filed income tax returns in FY26, highlighting a persistent gap between taxpayer registration and compliance despite a growing number of taxpayer identification number (TIN) holders.

Tax experts and business leaders attribute the low filing rate to two factors: an outdated and inflated TIN database containing many inactive registrants, and weak enforcement that leaves many eligible taxpayers outside the tax net.

To improve compliance, the National Board of Revenue (NBR) has introduced year-round return filing under the new Income Tax Act, strengthened enforcement and, most recently, offered a tax rebate of up to 5 percent for early filers.

Whether those measures will significantly improve compliance remains to be seen, experts say.

NBR data show the number of TIN holders rose 11 percent to 1.30 crore by June 2026 from 1.17 crore a year earlier. Yet only 49.55 lakh returns were filed, meaning nearly 62 percent of registered TIN holders did not submit returns despite repeated deadline extensions.

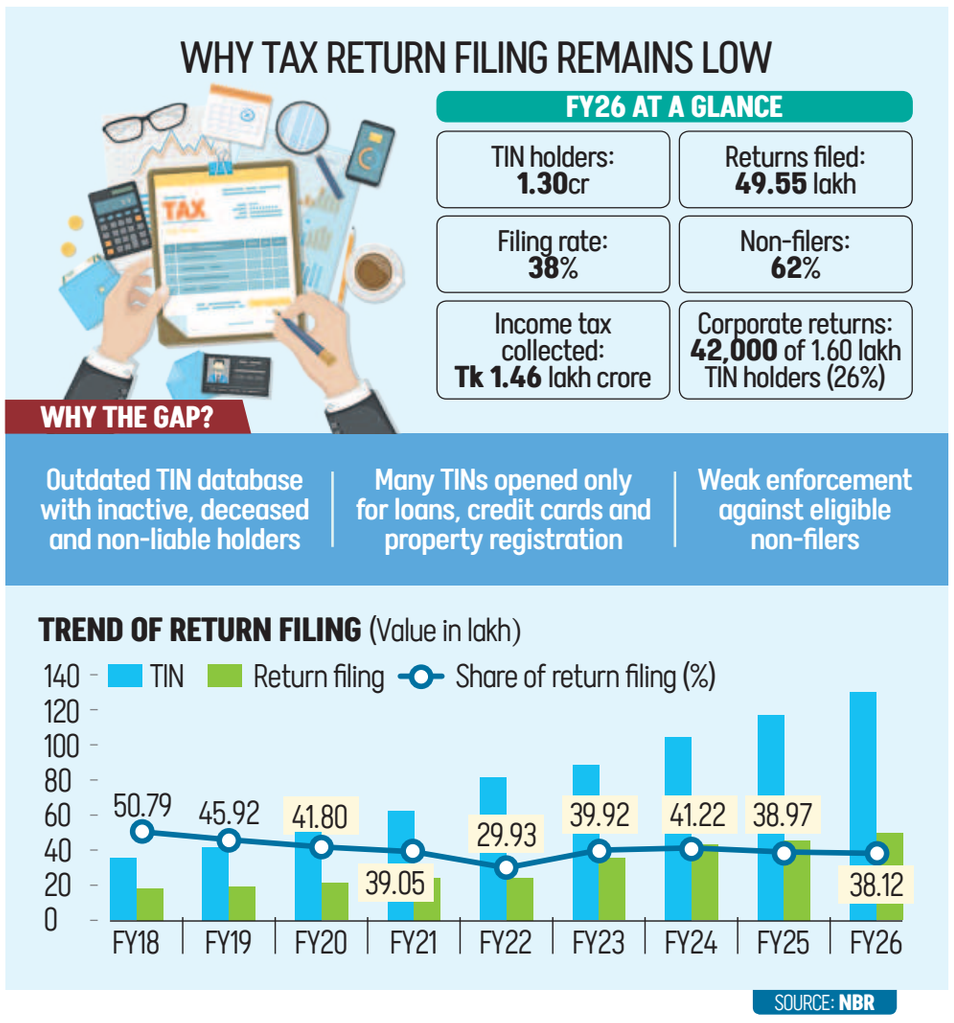
Income tax collection nevertheless rose 13.2 percent year-on-year to Tk 1.46 lakh crore in FY26 from Tk 1.29 lakh crore.

The stronger growth in tax revenue despite weaker return filing suggests collections still rely heavily on tax deducted or collected at source and advance tax payments rather than voluntary compliance.

The corporate picture is similar. Of 1.60 lakh corporate TIN holders, only 42,000 filed returns in FY26, up from 39,659 a year earlier.

Corporate income tax contributes about a quarter of total tax revenue. Yet collections amount to only 1.5 to 1.8 percent of GDP, roughly half the level in peer economies, according to the Organisation for Economic Co-operation and Development (OECD), and below several small Latin American and Caribbean economies.

The shortfall leaves the government more dependent on VAT, customs duties and borrowing, with the burden ultimately falling on ordinary people.



WHY COMPLIANCE LAGS

Both Kamran T Rahman, president of the Metropolitan Chamber of Commerce and Industry (MCCI), and Snehasish Barua, director of SMAC Advisory Services Limited, attribute much of the mismatch to an outdated database.

Many TINs were issued not because their holders had taxable income, but because a TIN is required to buy land, register property, open a bank account, obtain a credit card or secure a loan, Kamran said.

Others belong to people who have since died, left the country or become inactive, yet their records have never been removed.

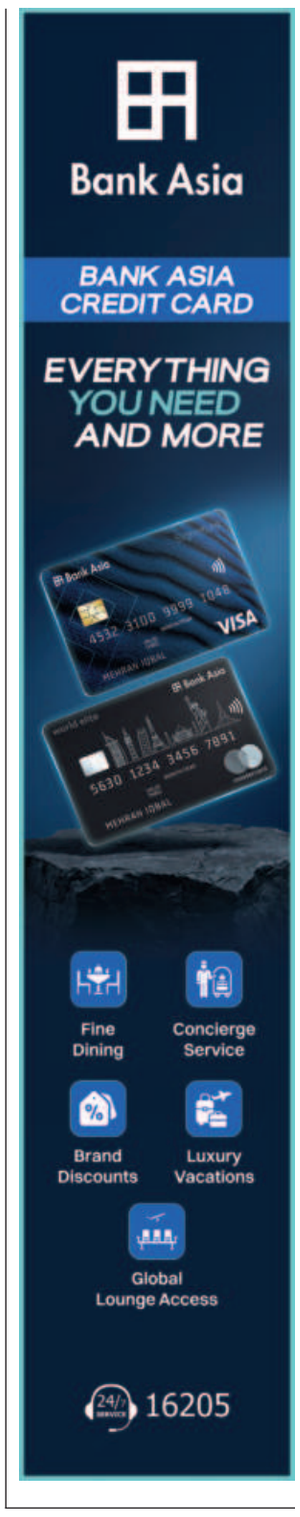
"The database should be updated regularly so that inactive TINs are removed. That will give a more realistic picture of the country's active taxpayer base," he told The Daily Star on Saturday.

The two, however, differ on priorities.

Kamran said even the return-filer count overstates compliance because many returns show zero tax due. The priority, he argued, should be expanding the pool of active taxpayers rather than increasing the number of TIN holders, or "the burden will keep falling on existing compliant taxpayers."

Snehasish, by contrast, said cleaning up the database alone would not solve the deeper problem. A large pool of eligible taxpayers remains outside the net, and the real solution is enforcing existing rules, particularly the mandatory Proof of Submission of Return (PSR) requirement under Section 264 of the Income Tax Act.

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Oil price rises to $80.43

REUTERS, *London*

Oil prices rose on Wednesday after Yemen's Iran-aligned Houthi rebels said they attacked a Saudi oil tanker in the Red Sea, denting hopes of a de-escalation in Iran war hostilities that could restore shipping traffic and oil flows in the Middle East.

Brent crude futures were up $1.07, or 1.35 percent, at $80.43 a barrel by 0734 GMT. US West Texas Intermediate futures gained 45 cents, or 0.59 percent, to $76.22.

The Houthis said they had launched a missile attack on a Saudi oil tanker off the coast of Yanbu, a key port for Saudi crude oil exports.

That drove oil prices higher on Wednesday, UBS analyst Giovanni Staunovo said. Saudi officials did not respond immediately to a request for comment.

The reports of the attack dented investor hopes of a de-escalation in the Middle East conflict after Qatar said on Tuesday that mediators were making progress with efforts to end the war.

That drove down oil prices by 5 percent on Tuesday, with Brent closing below $80 a barrel for the first time since July 13.

Tehran, meanwhile, denied that peace talks were under way, contrary to assertions by US President Donald Trump.

"While the immediate geopolitical premium has unwound, the broader supply picture warrants caution," said Priyanka Sachdeva, head of market insights at Phillip Nova.

Before the war started, about 20 percent of the world's oil and liquefied natural gas passed through the Strait of Hormuz.

"The main sticking point appears to be whether Iran will continue to insist on a degree of control over the waterway, and whether the US will stand its ground and refuse that outcome," IG analysts said in a note.

Overseas jobs hit five-year low amid Gulf uncertainty

SOHEL PARVEZ

The number of Bangladeshis leaving for overseas jobs fell to a five-year low in the recently concluded fiscal year 2025-26 as demand from the Middle East weakened amid uncertainty following the US-Israel war on Iran.

More than 9.69 lakh people left Bangladesh for overseas jobs during the last fiscal year, down 5 percent from a year earlier, according to data from the Bureau of Manpower, Employment and Training (BMET).

The number of Bangladeshis taking up jobs overseas has been declining over the past two years. The weak outlook for the current fiscal year has also raised concerns about a slowdown in remittance inflows, which have helped shield the economy from external shocks in recent years.

"We have been seeing a slowdown in the outflow since March because of the war and the disruption of flights to Middle Eastern destinations," said Shariful Hasan, associate director of the migration programme and youth platform at BRAC.

He said around 1 lakh people had been going abroad for jobs each month in recent years. That flow has now been affected.

Between FY2015 and FY2025, more than 86 lakh people left Bangladesh for overseas jobs.

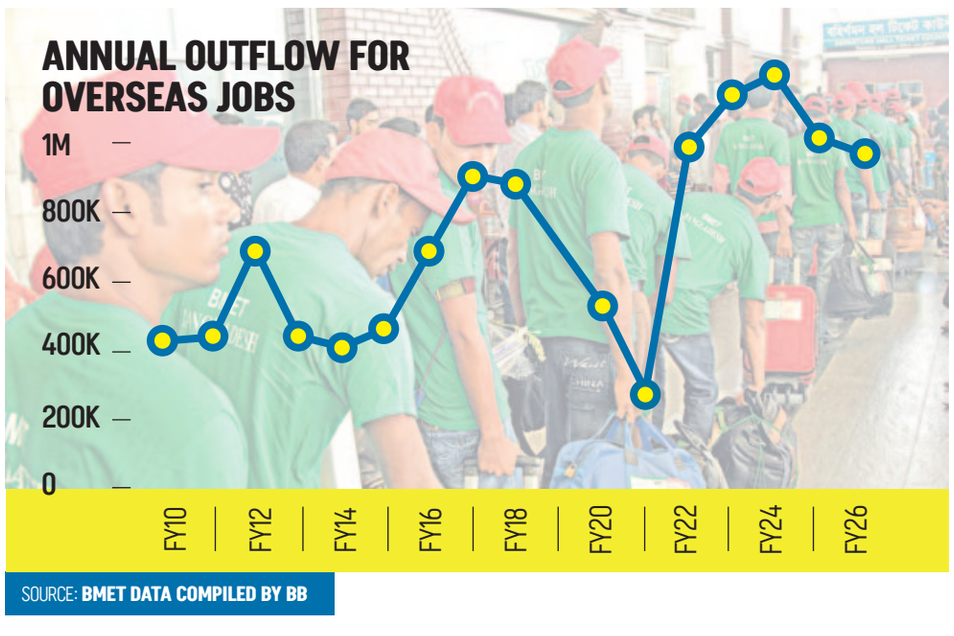
The Middle East accounted for three-quarters of all overseas employment during that period. In FY2024, Bangladesh sent nearly 12 lakh people abroad for work, the highest number on record.

"The region has been the main source of jobs for Bangladesh's migrant workers and of remittance inflows for the last four decades," said Shariful. "However, the war-induced uncertainty has affected investment and employment in the major destination countries -- Saudi Arabia, Qatar and the United Arab Emirates."

There are 60-70 lakh Bangladeshi nationals working in the region, and a large proportion of them do not have permanent jobs, he added.

"The Iran war has shaken the confidence of many foreign investors in Qatar and Dubai," he said. "What we are seeing is that many workers are returning. If the war continues, the impact will be more visible."

"So, if we cannot make a breakthrough in creating alternative employment destinations, there will be an impact on remittance," he said.



Bangladesh received a record of more than $35 billion in remittances in FY2025-26. In July, remittance inflows rose 15 percent from a year earlier but remained below $3 billion for the second consecutive month, according to Bangladesh Bank data.

Ali Haider Chowdhury, a former secretary general of the Bangladesh Association of International Recruiting Agencies (Baira), said Saudi Arabia is the only market currently recruiting Bangladeshi workers.

"The rest of the destinations are virtually closed," he said. "Good news is that the opportunity for migrant workers in Malaysia is going to open. If that happens, more jobs will be created."

Shameem Ahmed Chowdhury Noman, proprietor of recruiting agency Sadia International, said Prime Minister Tarique Rahman's recent visit has created an opportunity to reopen the Malaysian labour market.

There is a demand for 2-3 lakh workers in the Southeast Asian country.

Recruitment could begin as early as September, he added.

Noman, a former secretary general of Baira, said there is also demand for workers in Eastern Europe, but Bangladesh faces problems with visa processing.

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Apparel bodies recommend 370 factories for govt stimulus

REFAYET ULLAH MIRDHA

Three textile and apparel trade bodies have recommended 370 closed and struggling factories to the Bangladesh Bank for loans under the government's Tk 60,000 crore stimulus package.

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) submitted 140 garment factories, the Bangladesh Textile Mills Association (BTMA) recommended 130 textile, spinning, weaving, dyeing, finishing and printing mills, while the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) put forward 100 factories.

Presidents of the trade bodies confirmed the development to The Daily Star.

The recommended factories account for more than half of the nearly 700 closed or financially distressed textile and garment units hit by political instability, labour unrest and operational disruptions over the past two years.

The recommended factories account for more than half of the nearly 700 closed or financially distressed textile and garment units hit by political instability, labour unrest and other disruptions

Trade bodies said factories were selected based on prolonged shutdowns, financial deterioration and loan rescheduling during the period. The recommendations were finalised after third-party verification.

"We certified the factories only after a third-party audit so that the fund reaches the right recipients," said BGMEA President Mahmud Hasan Khan.

The textile and apparel sector suffered severe disruptions during and after the student-led July Uprising in 2024, affecting factory production and exports.

After the fall of the Sheikh Hasina government in August that year, labour unrest spread across major industrial belts, including Savar, Ashulia, Gazipur, Narayanganj and Bhaluka, where more than 60 percent of the country's textile and

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