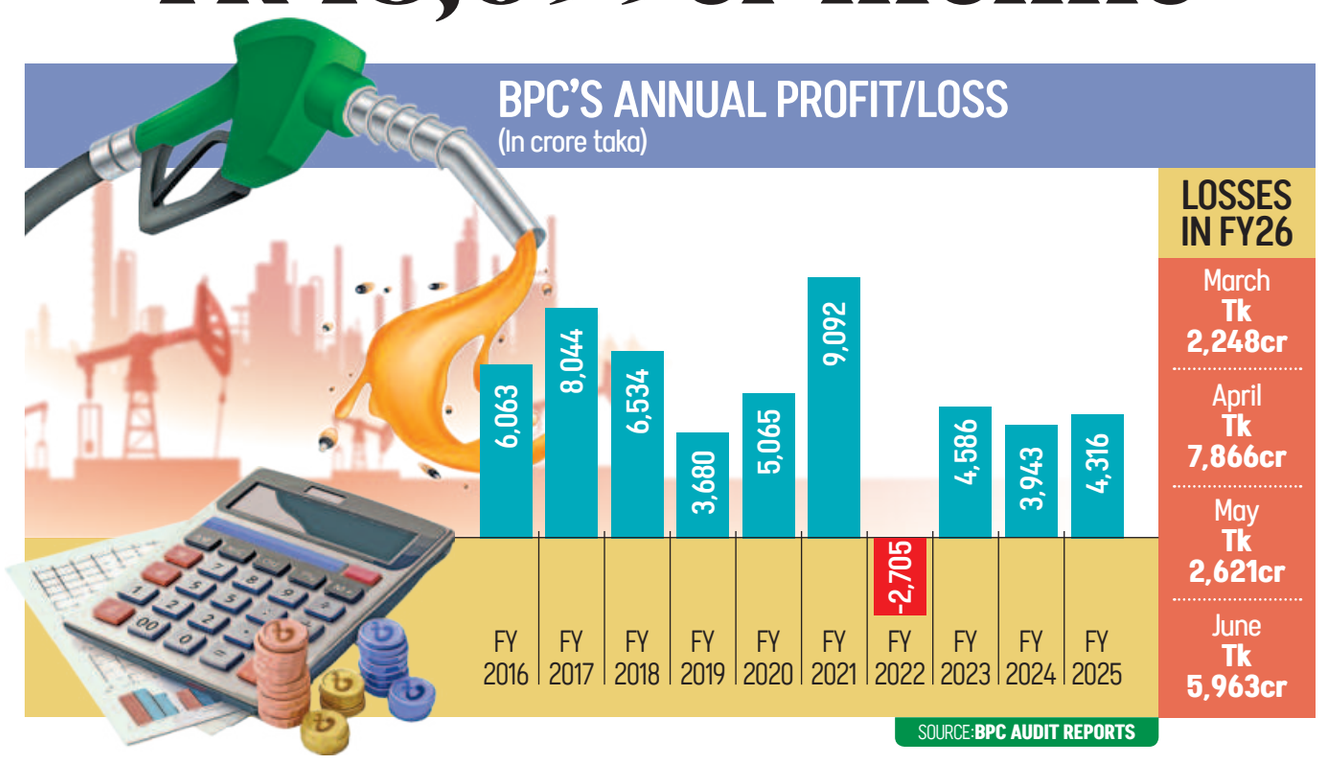
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Star BUSINESS



Profit streak to cash crisis: BPC seeks Tk 18,699cr lifeline



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Although the Bangladesh Petroleum Corporation (BPC) raked in profits almost every year in the past decade, four months of the US-Israel war on Iran have upended the balance sheet of the government agency that imports, distributes and markets oil and petroleum products.

Just in the four months to June, the state-run fuel importer incurred a loss of Tk 18,699 crore, as it bought petroleum products at higher prices and sold them at lower rates. To cover the gap, the corporation has already drawn money parked with banks and spent funds earmarked for development projects.

Now the cash-strapped corporation estimates that it needs around Tk 20,000 crore as working capital to maintain the country's mandatory 60-day fuel stock. Of that, it has asked the government for Tk 18,699 crore.

Citing the rapid depletion of its cash reserves, BPC said continued losses could affect its ability to open letters of credit (LCs) for future fuel imports, according to minutes of a BPC board meeting in July.

The scale of the cash squeeze is striking because BPC had built up a decade-long record of profits. It earned a cumulative Tk 48,618 crore in net profit from FY2015-16 to FY2024-25, making profits in nine of those 10 years.

Yet when the latest energy shock caused by the Middle East war struck, the corporation had no "General Reserve Fund" to fall back on.

BPC says no such fund has been created since its inception, despite provisions for one in the Bangladesh Petroleum Corporation Act. Now, after suffering an unprecedented loss, it has proposed to create a Tk 5,000 crore General Reserve Fund.

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BB waives merchant fees to boost Bangla QR adoption

STAR BUSINESS REPORT

Bangladesh Bank is waiving the merchant fee for small shopkeepers, street vendors, and small businesses for accepting digital payments using Bangla QR codes.

In addition, the central bank is also offering incentives for banks and other payment service providers to encourage transactions through the national QR platform for purchases up to Tk 2,000.

These new measures were taken to promote digital payments and to encourage small vendors to adopt the national Bangla QR system.

The directives, issued in two separate circulars yesterday, are set to take effect on October 1, 2026.

Under the new regulations, the central bank has eliminated the Interchange Reimbursement Fee (IRF) for all Bangla QR transactions, setting the rate at zero.

Previously, banks and mobile financial service (MFS) providers charged an IRF ranging from 0.35 percent to 0.70 percent. Under the revised framework, acquiring institutions will no longer receive fees or service charges on these transactions.

Additionally, Bangladesh Bank has repealed its July 1 instruction that mandated a minimum Merchant Discount Rate (MDR) of 1 percent. Without a fixed floor, acquiring institutions may now negotiate rates directly with merchants or waive fees entirely.

To further accelerate adoption among small and marginal traders, the central bank is introducing an incentive scheme for Bangla QR-based transactions up to Tk 2,000 processed through the National Payment Switch Bangladesh (NPSB).

The scheme applies to purchases at merchant points of small and marginal product sellers and service providers onboarded through individual retail accounts.

Under the incentive model, acquiring institutions will receive 0.10 percent of the transaction value, while issuing institutions will receive 0.20 percent, subject to specific conditions.

To prevent abuse, Bangladesh Bank explicitly stated that single transactions cannot be split into smaller amounts to claim incentives. Failed, refunded, reversed, or disputed payments will be ineligible.

The central bank retains auditing authority over all transaction and settlement records, with powers to recover or adjust funds paid out on artificial or excessive transactions.

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Can the new taskforce finally cut red tape?

JAGARAN CHAKMA

For years, businesses and investors have flagged the time and cost of doing business in Bangladesh as a major concern, citing bureaucratic red tape, overlapping approvals and licensing delays. The government has now formed a 21-member high-level taskforce, led by Minister Amir Khosru Mahmud Chowdhury, to address it.

Officials at the Bangladesh Investment Development Authority (Bida) have raised the same issue in past discussions on the investment climate, as have business chambers at budget talks, and ministers have acknowledged the problem publicly.

A recent study by the Business Initiative Leading Development (BUILD) found that plastic waste management firms alone need up to 31 licences and more than 235 documents, taking about 650 days to secure approvals.

Khosru, finance and planning minister, told a budget discussion organised by the Centre for Policy Dialogue in June that project preparation in Bangladesh takes more than a year and a half on average, with implementation taking considerably longer and driving up costs borne by ordinary people.

The taskforce will approve sector-specific reform roadmaps, review progress and identify unnecessary steps in obtaining licences, permits and clearances

In the World Bank's Business Ready report, which replaced the discontinued Ease of Doing Business index, Bangladesh placed 29th among 50 countries assessed in the 2024 edition, behind Nepal and Indonesia.

The country scored comparatively well on operational efficiency but lagged on regulatory framework and public services, the pillars most directly tied to licensing and compliance delays.

THE TASKFORCE

The new taskforce brings together cabinet members, senior officials and heads of regulatory agencies, according to a Cabinet Division circular issued on August 9.

It will approve sector-specific reform roadmaps, review progress and identify unnecessary steps in obtaining licences, permits and clearances for removal.

The panel will also oversee trade-facilitation measures, including the National Single Window and online approval tracking, address inter-ministerial bottlenecks and recommend legal changes. A separate Bida website is meant to provide online tracking and grievance-redress services.

The initiative follows the deregulation package announced in the fiscal year 2026-27 budget, part of a wider push to cut compliance costs and improve competitiveness ahead of Bangladesh's graduation from least developed country status.

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Students can now pay overseas tuition by card

STAR BUSINESS REPORT

Bangladeshi students will now be able to pay tuition and enrolment fees to foreign educational institutions using designated debit, credit or prepaid cards, making it easier to move away from the paper-heavy "student file" system.

In a circular issued yesterday, the Bangladesh Bank (BB) said authorised dealer banks may issue or approve the use of designated cards for such payments through the online platforms of foreign institutions.

The cards can be issued in the name of the student or the person responsible for paying for their education, according to the central bank.

The new payment facility covers a wide range of academic programmes, such as undergraduate and postgraduate degrees, language courses, and professional diploma or certificate programmes at recognised institutions.

The move comes as more foreign universities and other education service providers require students to pay fees through international cards on their admission and enrollment websites.

According to the BB circular, the new facility will be treated separately from the travel quota and other existing foreign exchange entitlements.

The travel quota is the amount of foreign currency a Bangladeshi citizen can legally take abroad for personal travel in a calendar year. The current limit for an adult is $12,000.

Until now, students paying for education abroad usually had to follow a formal and paper-heavy process.

As per the BB regulations issued in 2025, students had to open a student file with a designated bank branch to manage their foreign exchange transactions throughout their course. Banks would then send tuition payments directly to the foreign educational institution.

Students had to submit original admission letters, fee estimates and educational certificates before the bank could send the money.

Banks were also required to make direct wire transfers based on official estimates for tuition, board and lodging provided by the foreign institution.

READ MORE ON B2

FBCCI board reduced to 48 under new rules

JAGARAN CHAKMA

The government has reduced the board size of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) from 80 to 48 members, tightened election rules and increased membership and affiliation fees through amendments to the Trade Organization Rules, 2025.

The changes were announced in a recent commerce ministry notification published on its website. Issued under Section 30 of the Trade Organizations Act, 2022, the notification introduces a series of reforms aimed at improving the governance of trade bodies.

The reforms come as FBCCI prepares to hold elections under a government-appointed administrator. After the fall of the Awami League government in August 2024, the commerce ministry dissolved the elected FBCCI board on September 11, 2024. Since then, the organisation has been run by government-appointed administrators.

On July 26, the ministry appointed Md Fazlul Hoque, managing director of Plummy Fashions Ltd and former president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), as FBCCI administrator.

He has been tasked with completing the election process and handing over responsibilities to the newly elected board within 120 days.

Under the revised rules, the new FBCCI board will consist of the president, one senior vice-president, four vice-presidents, 30 elected directors from chambers and associations, 10 nominated directors, and one representative each from the Women's Chamber and the Women's Association.

The executive committee's term has been fixed at 24 months, with an extension to 36 months allowed only in exceptional cases.

Former FBCCI president Mir Nasir Hossain welcomed the reforms, saying the revised structure was better than the previous rules because it significantly reduced the number of nominated directors.

"At one point, the number of nominated directors had risen to 80. It was ridiculous," he said. "The number has now been reduced to a more reasonable level."

He said the revised rules allow five nominated directors each from the chamber and association groups. The nominees will be selected from organisations listed in the constitution based on their contribution to the national economy.



BOARD STRUCTURE

Board to have 30 elected directors

Nominated directors cut to 10

ELECTION RULES

Proxy voting scrapped for transparent polls

Each valid TIN business gets one vote

Tax documents required within 7 days of voter list release

GOVERNANCE

Executive committee term capped at 24 months

FEES

Chamber, association membership fees increased

FBCCI affiliation fees raised to Tk 2-5 lakh

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Bangladesh among most exposed to war fallout: ICCB

STAR BUSINESS REPORT

Bangladesh is among the economies most exposed to the fallout from the ongoing military conflict in the Middle East, with rising energy, fertiliser, and freight costs threatening to drive up domestic inflation, the International Chamber of Commerce-Bangladesh (ICCB) said.

In the editorial of its quarterly news bulletin published yesterday, the business chamber described the Middle East conflict involving the United States, Israel, and Iran as "the worst global crisis since the pandemic."

The chamber warned that escalating operational expenses threaten to hit core export industries -- most notably readymade garments -- while straining fiscal reserves through higher energy subsidies.

Consequently, the crisis undermines national macroeconomic stability and risks stalling Bangladesh's planned graduation from the least developed country (LDC) category.

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AI may replace workers, create new demand

Says Canadian economist

STAR BUSINESS REPORT

Artificial intelligence (AI) could replace workers in some tasks while increasing demand for labour in other parts of the production process, according to Canadian economist Jean-Louis Arcand.

The finding could have important implications for labour-intensive economies such as Bangladesh, where many workers are engaged in relatively low-productivity activities.

Arcand, president of the Global Development Network, said firms are likely to adopt AI first in tasks that are the weakest links in a production process. By removing these bottlenecks, AI could improve productivity in other tasks and increase demand for workers.

"AI is potentially labour's friend," Arcand said at a public lecture organised by the South Asian Network on Economic Modeling (Sanem) at BRAC Centre yesterday.

The lecture, titled "These Aren't the Droids You're Looking For: Endogenous AI, O-Rings, and the Bottleneck Reallocation Theorem", examined how firms decide where to use AI and how its adoption could affect workers.

Arcand's research builds on economist Michael Kremer's O-ring model of production, which says that production involves a series of interconnected tasks. A failure in one critical task can disrupt the entire production process.

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