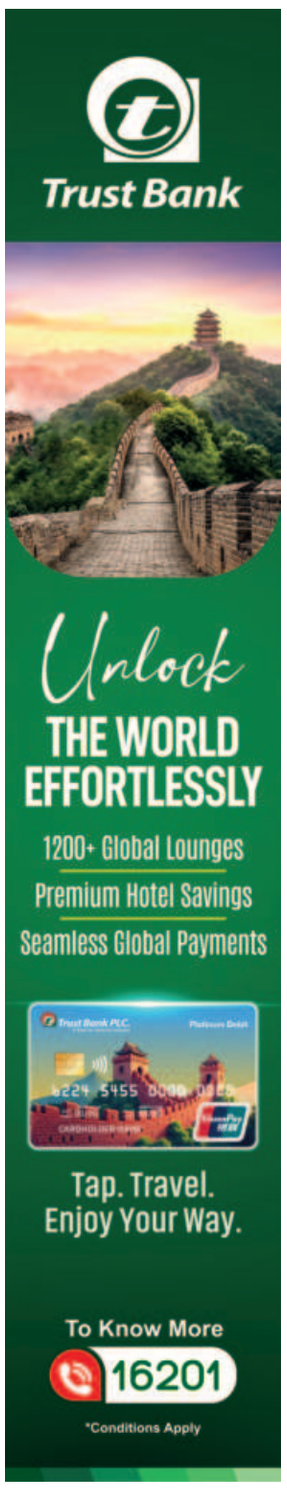
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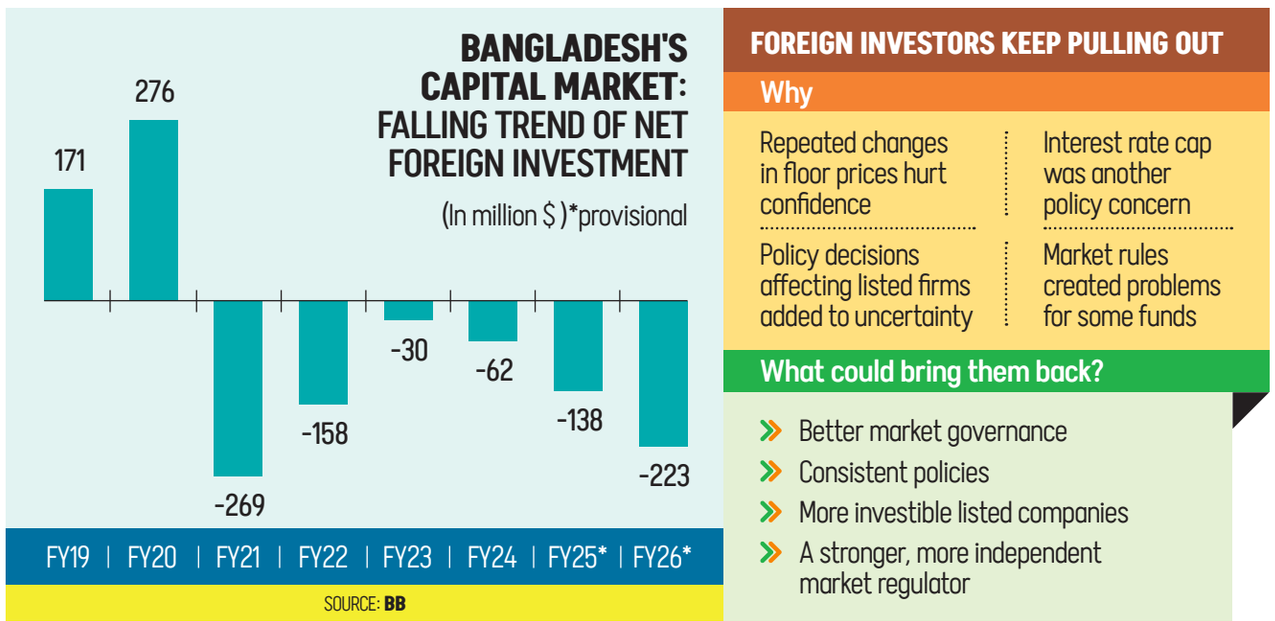
Burimari reels as Indian stone import halt drags on

B4



Foreign investment in stocks keeps falling

Policy uncertainty keeps overseas investors wary of Bangladesh stocks, although floor prices and other market restrictions have been removed



AHSAN HABIB

Foreign investors continue to pull out of the local stock market due to a mix of nearly half a dozen reasons, including policy and regulatory uncertainty, weak corporate earnings and banking-sector problems, currency risks and overall negative sentiment.

In the last fiscal year 2025-26, foreign investors withdrew a net $223 million from the stock market. The outflow in FY26 was higher than the $138 million recorded a year earlier, according to Bangladesh Bank data.

Net foreign portfolio investment has been in negative territory since FY21, meaning investors have sold more shares and other securities than they have bought.

Market insiders say the experience of past policy interventions, particularly the repeated use of floor prices, has left foreign investors wary of the market.

A floor price sets a minimum level at which a share can be traded, restricting normal price movements.

"Besides, the interest rate cap in the banking sector was another reason," said Kazi Monirul Islam, CEO of Shanta Asset Management.

The Bangladesh Securities and Exchange Commission (BSEC) introduced floor prices for the first time in 2020 to halt a fall in share prices during the Covid-19 pandemic. The regulator began lifting them in phases in 2021.

But the measure returned the following year. The BSEC lifted the floor price for 169 companies, while the remaining companies stayed under the restriction.

In 2023, the regulator again imposed floor prices on the 169 companies. A year later, the restriction was lifted from all but 35 companies.

After the fall of the Awami League government in August 2024, the floor price was lifted from all but two companies. After taking office in February this year, the BNP government lifted the floor price on the remaining two in June.

"There were some serious bad policies; the floor price was just one of them," said Saiful Islam, president of the DSE Brokers Association of Bangladesh (DBA).

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Minimum two years needed to fix power, gas crisis: Khosru

STAR BUSINESS REPORT

It will take at least two years to fully fix Bangladesh's power and gas shortages, Finance and Planning Minister Amir Khosru Mahmud Chowdhury said yesterday.

The government had inherited major infrastructure problems in the sector, he said at an event organised by the American Chamber of Commerce in Bangladesh (AmCham) at InterContinental Dhaka.

Resolving the problems would take time, the minister said, but the government was working to address them as quickly as possible. "We are not wasting a single moment on this."

Khosru said the economy could not move forward without adequate electricity and gas.

"Everyone has talked about the electricity and gas shortages. We are struggling with these problems, and we are dealing with them now. I must admit that these are also problems we inherited from the past," he said.

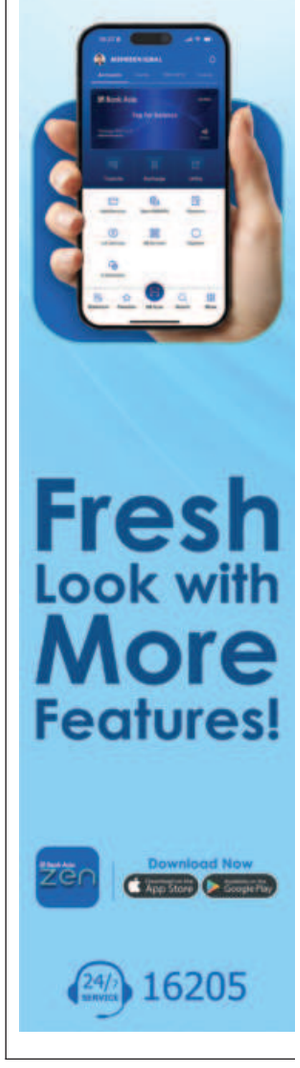
Regarding gas supply, he said decisions on floating liquefied natural gas terminals and onshore storage facilities were being finalised and would be announced within the next few days.

According to the minister, Bangladesh can generate a large amount of electricity, but inadequate transmission capacity has become a major problem.

The government is also reviewing its power generation policy and energy mix, he said. The mix would include renewable energy and gas-based power, while coal would remain an option.

"We are moving towards an integrated energy mix, and we have more or less

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Govt launches Tk 400cr fund to boost startup investment

STAR BUSINESS REPORT

The government yesterday launched a fund with an initial size of Tk 400 crore to boost investment in the country's startup ecosystem, attract local and international capital, and strengthen the venture capital industry.

Startup Bangladesh Limited (SBL), the government's venture capital and fund management institution under the ICT Division, announced the launch of the initiative, titled "Fund of Funds," at an event at ICT Tower in Dhaka.

Over the past decade, Bangladeshi startups have attracted around $1.2 billion in investment, but local investors accounted for only about 7 percent of the total, according to a Startup Bangladesh statement.

The Fund of Funds initiative will seek to address this gap by strengthening local institutional capital, attracting foreign investment, developing the venture capital industry and building a sustainable startup financing structure, it said.

Over the past decade, Bangladeshi startups have attracted around $1.2 billion in investment, but local investors accounted for only about 7 percent of the total

The fund will invest in selected local and international venture capital funds with strong governance, professional fund management and credible investment strategies, according to Nurul Hai, managing director and CEO of Startup Bangladesh.

The formal process for eligible venture capital fund managers also began through a Request for Expression of Interest (REOI), he said while presenting the fund's structure, investment strategy, fund manager selection process, co-investment mechanism and potential impact.

Speaking as the special guest at the event, Rehan Asad, the prime minister's adviser for ICT and Telecom, said venture capital and the startup sector would play an important role in diversifying Bangladesh's economy.

"Not only financing, but startups also need mentorship, skills, market linkages and technological support. Through the Fund of Funds, these supports must be ensured alongside investment," he said.

"The government is committed to protecting the interests of domestic and foreign investors in Bangladesh and to facilitating the smooth repatriation of lawful profits and capital. Through collective efforts, it is possible to build a strong startup ecosystem," he added.

Faqir Mahbub Anam, telecom and ICT minister, said Bangladesh has no shortage of talented entrepreneurs and innovative ideas, and that the government wants to build an investment-friendly environment where no promising venture is held back for lack of funding.

He said the Fund of Funds would be operated with a strong focus on skills, good governance and professionalism.

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Garment industry running out of time to go green: CPD

STAR BUSINESS REPORT

Bangladesh's garment industry must accelerate its shift to cleaner energy as rising power costs, dwindling gas supplies and tougher climate rules increasingly threaten the sector's competitiveness, according to a new study by the Centre for Policy Dialogue (CPD).

Greater use of renewable energy and more efficient machinery could help factories cut energy costs while meeting growing environmental requirements in key export markets, the study found. The findings were presented yesterday at a national dialogue on industrial decarbonisation at BRAC Centre Inn in Dhaka.

The study drew on data from 350 RMG factories and 65 types of machinery across eight production categories.

It identified rooftop solar as a clear opportunity, which can potentially lower electricity costs and reduce factories' exposure to volatile fossil fuel prices.

Average monthly energy expenditure among surveyed factories stood at Tk 9.98 lakh. Meeting 30 percent of energy needs through solar could cut costs to Tk 8.46 lakh, a 15.7 percent saving, the study found.

Machinery upgrades offer another opportunity, it noted. Cutting machines represent only 5.5 percent of installed capacity but could generate 27 percent of potential replacement savings. Sewing machines account for about 85 percent of machine stock but offer less than 3 percent savings potential. Smaller factories, however, face financing constraints and older machinery.

Speaking at the event, Asif Shahriar, assistant vice-president of Infrastructure Development Company Ltd (IDCOL), said limited financing capacity, a shortage of capable renewable energy service companies and the absence of standardised investment assessments are holding back industrial adoption.

Smaller factories often struggle to access financing because individual projects are too small for conventional financing models. He suggested grouping several small projects and financing them together.

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New panel formed to address tea industry woes

STAR BUSINESS REPORT

The government has formed a 12-member committee to oversee the development of Bangladesh's tea industry, which is facing financial strain from years of losses, high borrowing costs, falling exports, rising production expenses and low productivity.

The Prime Minister's Office issued a notification yesterday forming the Monitoring and Advisory Committee, with the commerce minister as its chairman.

The committee's terms of reference cover three main areas.

As per the notification, first, it will make recommendations on rescheduling classified loans held by tea garden owners and extending fresh loans to ease repayment of their existing debts.

Second, it will provide its opinion on establishing a revolving fund for the tea sector at a 6 percent interest rate.

Third, it will examine the possibility of officially declaring tea an agricultural product and commercially installing solar panels on unused tea garden land, and submit a report with its recommendations within the next 30 days.

The committee's members include the principal secretary to the prime minister, the governor of Bangladesh Bank, the land secretary, the finance secretary, the agriculture secretary, the chairman of the National Board of Revenue, the chairman of the Bangladesh Tea Board, and the chairman of the Bangladesh Tea Association.

In addition, M Wahidul Haque, former chairman of the Bangladesh Tea Association, and the chairman of the Tea Brokers Association of Bangladesh have also been included as members. The commerce secretary will serve as the member secretary of the committee.

In early June this year, a government taskforce was formed to recommend sweeping reforms in the industry.

It identified problems across eight priority areas, made 59 recommendations and laid out an implementation roadmap covering cheaper credit, tax cuts, debt restructuring, replanting, exports and investment.

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Ctg chamber seeks incentives for Shah Amanat airport

STAFF CORRESPONDENT, *Ctg*

The Chittagong Chamber of Commerce and Industry (CCCI) has urged the government to introduce concessional tariffs, round-the-clock operations, and transit and refuelling facilities at Shah Amanat International Airport to unlock its full potential.

In a letter sent to Finance and Planning Minister Amir Khosru Mahmud Chowdhury on August 15, CCCI President Mohammed Amirul Haque proposed a 40 percent concession on airport facility charges, along with permission for passengers to board and disembark during long-haul flight stopovers.

He also called for transit and refuelling facilities for long-haul flights, as well as the development of a cargo village, inland container depots (ICDs), and container freight stations (CFSs) near the airport to establish it as a regional aviation and logistics hub.

"Private businesses have the ability to invest, and they are ready to do so to develop infrastructure under public-private partnership, build-own-operate, or build-own-operate-transfer arrangements," Amirul said in the letter.

The CCCI said developing the airport as an east-west aviation gateway and a hub for tourism and logistics could help reduce the concentration of air traffic in Dhaka.

Citing the government's efforts to attract users to Mongla Port through reduced tariffs, the trade body called for similar incentives to boost the airport's use.

A lucrative stimulus package or concessional tariff needs to be introduced to attract more passengers and cargo and maximise the airport's capacity, the letter said.