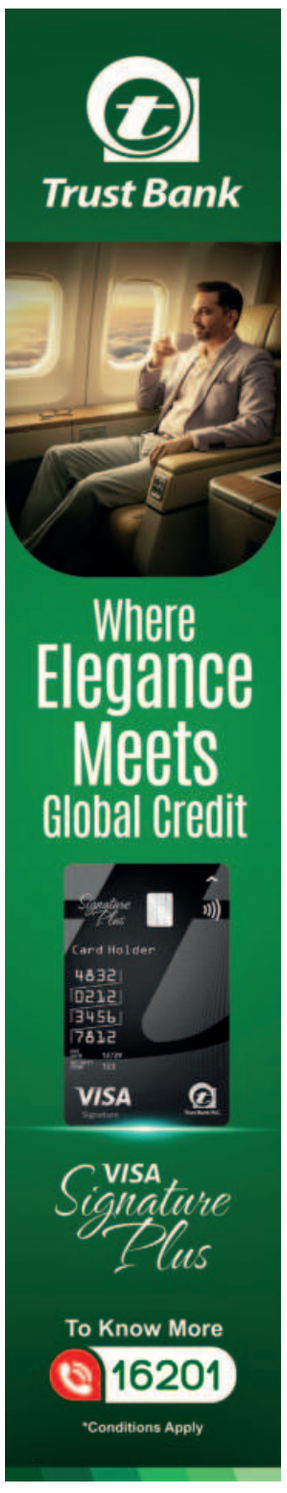
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Business


B4

POST-LARVAE SHORTAGE LEADS TO BAGERHAT HATCHERY CRACKDOWN



Foreign funding cuts put 2,200 NGOs at risk

STAR BUSINESS REPORT

Around 2,200 small and medium-sized NGOs in Bangladesh could be particularly vulnerable as foreign funding declines, with grant-reliant organisations providing social services facing the greatest risk, according to a study by the Bangladesh Institute of Development Studies (BIDS).

Unlike NGOs with microcredit operations, these organisations have no lending income to fall back on when foreign funding declines.

The study says the growth of NGOs without a lending arm is significant because they have no lending surplus to cushion a contraction in foreign grants.

A BIDS survey found that two-thirds of grant-dependent organisations reported significant damage from funding cuts

A BIDS survey found that two-thirds of grant-dependent organisations reported significant damage from funding cuts, with their budgets falling by an average of 40 percent. Among NGOs with microcredit operations, the average decline was 12 percent.

The findings were presented at a seminar titled "Beyond Foreign Dependence: The Future of NGO Financing in Bangladesh" at BIDS yesterday.

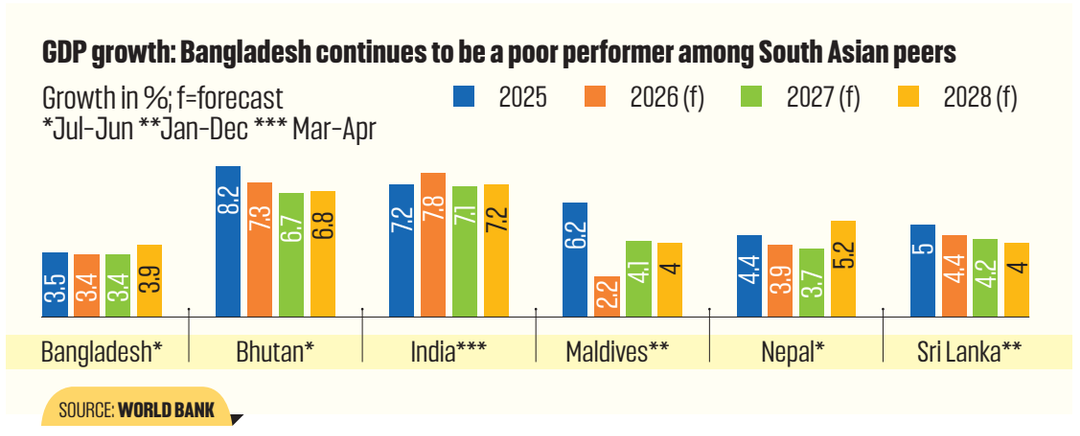
Finance and Planning Minister Amir Khosru Mahmud Chowdhury called for stronger institutional partnerships among the government, NGOs and the private sector to create sustainable financing for the sector.

He urged time-bound measures to help NGOs secure alternative funding as development assistance declines worldwide.

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Growth to stay below 4% until FY28 on energy, banking woes

World Bank forecasts Bangladesh's growth will be South Asia's weakest in 2027, even as the rest of the region accelerates



REJAUL KARIM BYRON *and* REFAYET ULLAH MIRDHA

Bangladesh is yet again set to register weak economic growth of 3.4 percent in the current fiscal year, according to the World Bank, marking a fourth straight year of slowing growth amid a deepening energy crisis, financial sector vulnerabilities and global uncertainties.

The Washington-based lender expects only a slight recovery to 3.9 percent in fiscal year 2027-28, meaning Bangladesh is set to record the weakest growth among its South Asian neighbours in 2027, according to the World Bank's latest economic update on Bangladesh and South Asia released yesterday.

The forecast is a further downgrade from the multilateral lender's April estimate. It also marks a sharp break from past years when Bangladesh was seen as one of the region's fastest-growing economies.

In the report, the World Bank said South Asia is forecast to accelerate from 6.8 percent in 2025 to 6.9 percent in 2026, after it revised up growth projections for most countries from its previous forecast.

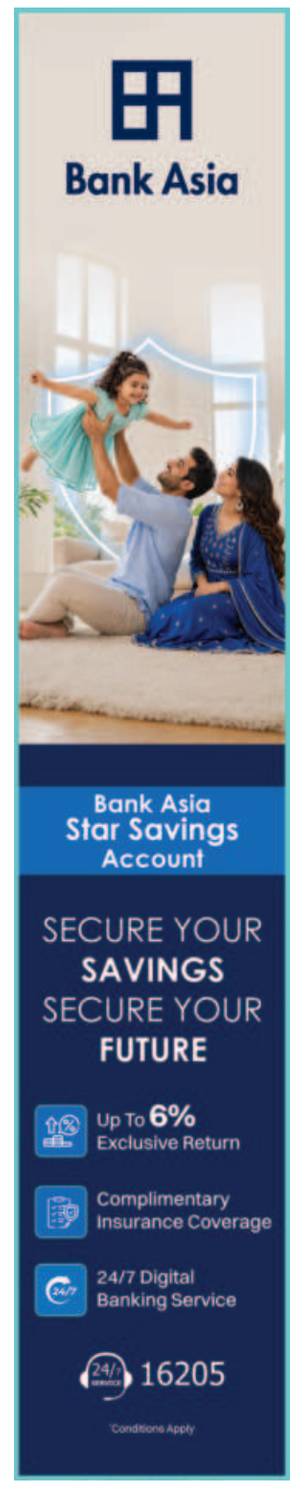
According to the lender, higher energy prices have not interrupted the region's momentum in consumption growth.

"The main exception is Bangladesh, whose forecast has been continually downgraded in recent years," said the report.

Bangladesh's gross domestic product (GDP) growth reached 7.1 percent in fiscal 2022 but began slowing the following year. Growth fell below 4 percent in FY25, and the World Bank now expects the weakness to continue until FY28.

The lender said the return of political stability was expected to support a rebound in economic activity. But that recovery has yet to materialise, prompting it to cut the FY27 growth forecast by 1.2

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Low costs no longer enough: Apparel loses ground in US

STAR BUSINESS REPORT

Bangladesh's apparel exports to the United States fell 5.3 percent in the first half of 2026 as rising demand for compliance, flexibility and supply chain transparency challenged the country's traditional low-cost advantage, according to a World Bank report released yesterday.

By contrast, imports from Vietnam, Indonesia and Cambodia grew 3.0 percent, 3.6 percent and 11.6 percent, respectively, indicating a relative erosion of Bangladesh's competitiveness in the US market.

The World Bank, in its flagship Bangladesh Development Update, noted that overall apparel demand weakened in the US, with imports declining 7.1 percent during the period.

Even so, the report added that Bangladesh's performance lagged behind key competitors.

The US is the largest single market for Bangladesh's ready-made garment exports, accounting for about one-fifth of the country's total apparel shipments.

The US is Bangladesh's single largest apparel market, accounting for about one-fifth of the country's total ready-made garment exports by value

Bangladesh, the world's second-largest apparel exporter, shipped $4 billion worth of garments to the US in the January-June period of 2026, according to data from the US Office of Textiles and Apparel (OTEXA).

The World Bank report, citing the 2026 United States Fashion Industry Association Benchmarking Study, said American fashion companies are operating in an environment increasingly shaped by rising compliance requirements, geopolitical risks and a greater emphasis on supply chain resilience.

"Against this backdrop, buyers are moving away from a strategy centred on shifting production from one large sourcing hub to another and are instead pursuing broader geographic diversification," it said.

The survey indicates that sourcing decisions are increasingly influenced not only by cost but also by flexibility, compliance capabilities, supply chain transparency and the ability to

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One of the textile and garment units at Beximco Industrial Park in Kashimpur, Gazipur, lies unused. The photo was taken yesterday. PHOTO: BEXIMCO

Beximco seeks to reopen factories with $23m investment

British and Chinese firms to make the investment under a five-year leasing arrangement, officials say

REFAYET ULLAH MIRDHA

Beximco Group is seeking government approval for a new leasing model to partially reopen its closed factory operations with investment from British and Chinese firms, according to officials.

British firm Charter HCP Ltd and Chinese company Besting Ltd plan to invest $23 million to partially restart Prefix Fashions Ltd at Beximco's industrial park in Gazipur under the proposed leasing arrangement.

Khalid Shahrior, senior general manager of Beximco's Textiles and Apparel Division, and Huda Mohammed Faisal, CEO of Revival Global, which is acting as an asset manager for the two investors, confirmed the development to The Daily Star in a group phone call recently.

Beximco officials are scheduled to meet the chairman of Invest Bangladesh, the country's apex investment facilitation agency, on October 11 to discuss the proposed business model, Khalid said.

If approved, the plan is to restart the factory in April next year, primarily producing export-oriented jackets, he said. About 90 percent of its production would be jackets, with the remaining 10 percent comprising other products.

Prefix Fashions, one of 16 textile and garment units inside the Beximco Industrial Park in Kashimpur, Gazipur, has been a joint venture with Besting since its inception, according to Khalid.

The factory will initially employ around 2,500 workers if the plan succeeds, according to the officials.

Under the proposed model, the foreign investors would sign a five-year agreement with Beximco Group. Loan repayments would be made directly from the factory's export proceeds through the banks holding liens over the assets, according to Khalid and Huda.

The arrangement is intended to prevent Beximco

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SPOTLIGHT

Trade deficit widens to $3.82b in Jul-Aug

STAR BUSINESS REPORT

Bangladesh's trade deficit widened to $3.82 billion in the first two months of fiscal year 2026-27 as import payments rose faster than export earnings.

Export earnings increased by 5.8 percent to $8.38 billion in July-August of this fiscal year, while readymade garment exports stood at $7.48 billion, according to Bangladesh Bank data.

Import payments, meanwhile, increased by 12.1 percent to $12.20 billion during the first two months of the fiscal year.

Import payments rose partly due to higher petroleum import costs amid tensions in the Middle East.

Among imports, petroleum products jumped 100 percent to $2.49 billion in the two-month period.

The trade deficit stood at $2.09 billion in July alone.

However, the country's current account balance rose to $599 million in the two-month period of this fiscal year, from $197 million in the same period of the previous fiscal year.

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BB to hold Tk 6,667cr bond buyback auction

STAR BUSINESS REPORT

Bangladesh Bank is set to hold a reverse auction tomorrow to buy back two-year government treasury bonds worth Tk 6,666.58 crore.

The central bank announced the move in a press release issued on October 5.

According to the press release, the auction involves treasury bonds issued on November 6, 2024, which carry a coupon rate of 12.30 percent and are scheduled to mature on November 6, 2026.

The buyback will be conducted following a multiple-price-based reverse auction procedure, with the settlement date fixed for October 12, 2026.

Primary dealer (PD) banks can submit bids directly, while non-PD banks and finance companies holding current accounts with Bangladesh Bank can participate through linked PDs.

Participating entities will be allowed to submit competitive bids for their own accounts, as well as competitive or non-competitive bids on behalf of their clients.

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