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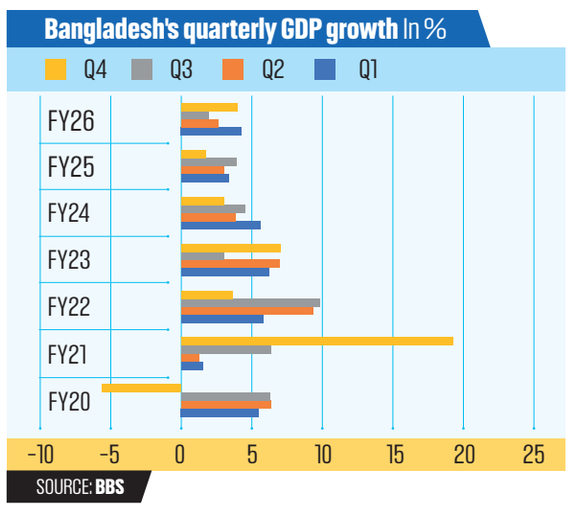
Business



B4

PAYRA PORT GETS FIVE MODERN CRANES

Manufacturing, services lift Apr-Jun GDP growth to 4.6%



REJAUL KARIM BYRON

Bangladesh's economic growth more than doubled to 4.6 percent in the final quarter of fiscal year 2025-26 (FY26) from 2.05 percent a year earlier, driven by a strong recovery in manufacturing and services, according to the Bangladesh Bureau of Statistics (BBS).

The growth estimate, however, comes against a backdrop of weak private-sector credit, energy supply constraints and financial-sector vulnerabilities, prompting economists to caution against interpreting the rebound as a broad-based acceleration of the economy.

Industrial production grew 6.52 percent in the April-June quarter, compared with just 0.92 percent in the same period a year earlier, the BBS reported in its quarterly estimate of the country's gross domestic product (GDP).

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Financial position

GPH Ispat owes about **Tk 12,000cr** to 24+ lenders

Profit topped **Tk 100cr** only twice in a decade

Last year's profit was just **Tk 3cr**

Banking and restructuring

Seeks four-month CIB relaxation from BB

UCB-led committee is drafting a restructuring plan

Industry context

Steel capacity utilisation stands at just **30-40%**

City Group received a similar lifeline in June

GPH Ispat seeks central bank help to reschedule Tk 12,000cr debt

Relief could unlock working capital and loan restructuring, as City Group received a similar lifeline

MD MEHEDI HASAN *and* AHSAN HABIB

GPH Ispat, a listed steelmaker with liabilities of around Tk 12,000 crore, has asked the Bangladesh Bank to waive or relax Credit Information Bureau (CIB) requirements for four months as it seeks to restructure debts owed to more than two dozen banks and finance companies.

In a letter to the central bank governor on September 24, the company said the bureau's procedural and regulatory requirements were complicating its efforts to secure banking facilities and complete the proposed loan restructuring on time.

Earlier in June, City Group was given a three-month lifeline until September to restructure its outstanding loans following its request. City Group's outstanding loans now stand at around Tk 25,000 crore, spread across 48 banks and non-bank financial institutions.

GPH Ispat said the CIB listing was affecting its working capital management and ability to keep operations running without interruption.

The CIB is the central bank's database of borrowers' credit histories. Banks consult it before approving new credit, meaning a borrower's CIB status can directly affect access to fresh financing, including working capital.

The steelmaker has liabilities of around Tk 12,000 crore with more than two dozen banks and finance companies, including United Commercial Bank, Pubali Bank, Mutual Trust Bank, Trust Bank, City Bank, One Bank, Dutch-Bangla Bank, BRAC Bank, Eastern Bank, Modhumoti Bank, Sonali Bank, NRBC Bank, Meghna Bank, Southeast Bank, NCC Bank, Mercantile Bank and Uttara Bank.

The company said it was taking steps to strengthen its finances, improve liquidity management, regularise its dues and keep the business running.

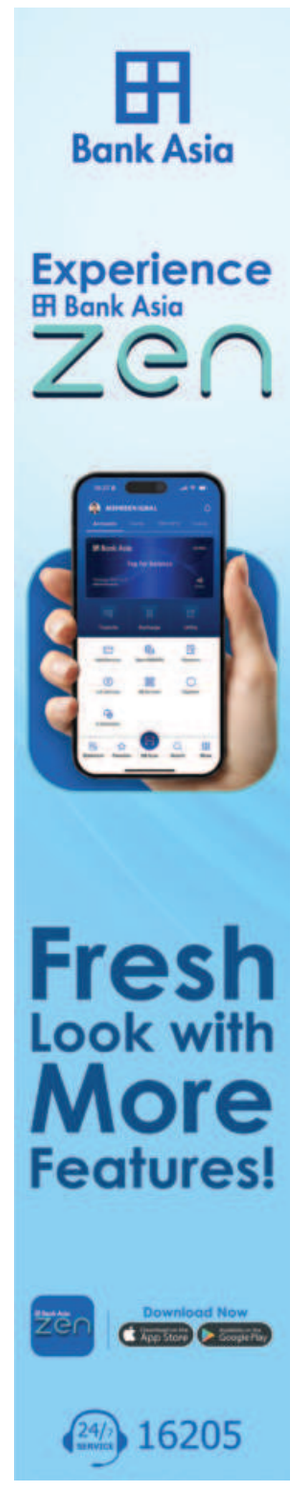
A meeting on the issue was held at the central bank on September 13, led by the governor. It considered restructuring and rescheduling the company's loans and credit facilities, as well as implementing a coordinated turnaround plan.

A committee headed by the managing director of United Commercial Bank has been formed to resolve the matter. At its meeting in September, the committee decided to prepare a realistic, coordinated plan to restructure the company's overall liabilities.

Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank, told The Daily Star, "We sat down with the BSEC chairman to discuss how the company can be supported."

"In the country's current situation, we must come forward to save companies like these," he said, adding that work was under way. "We are considering giving them loan rescheduling or restructuring facilities, and looking at new working capital."

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JOINT WORKING GROUP MEETING TODAY

Dhaka to raise trade barrier issues with New Delhi

REFAYET ULLAH MIRDHAT

Mohammad Abdur Razzaque, chairman of RAPID, said the meeting was a constructive approach by both countries at a time when bilateral relations remain strained.

The 16th Bangladesh-India Joint Working Group on Trade will be held in New Delhi today and tomorrow, with Bangladesh set to raise several bilateral trade issues, including non-tariff barriers, anti-dumping duties on jute goods and land port-related matters.

A 10-member government delegation led by Ayesha Akther, additional secretary to the commerce ministry, left the country yesterday to attend the meeting.

"We will raise almost all the trade-related issues from Bangladesh's side. But we do not know yet what the Indian side may raise. However, this is a platform for discussion, not a decision-making meeting," a delegation member, requesting anonymity, told The Daily Star over the phone.

Among the major issues, Bangladesh will discuss anti-dumping duties on Bangladeshi jute goods, rail freight and the normal movement of goods between the two countries.

Non-tariff barriers are major obstacles to bilateral trade and will also be discussed. However, the official said the Comprehensive Economic Partnership Agreement (CEPA) is not on Bangladesh's agenda.

The bilateral trade deficit will also come up for discussion, as India's exports to Bangladesh are much higher than Bangladesh's exports to India.

Mohammad Abdur Razzaque, chairman of Research and Policy Integration for Development (RAPID), said the meeting was a constructive approach by both countries at a

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Inflation edges up on food costs after fuel price hike

STAR BUSINESS REPORT

Inflation rose to 8.34 percent in September from 8.26 percent in August, ending two consecutive months of gradual easing as higher food costs pushed up overall consumer prices.

Food inflation increased to 7.22 percent last month from 7.02 percent in August, according to data released by the Bangladesh Bureau of Statistics (BBS) yesterday.

In contrast, non-food inflation eased slightly, falling from 9.32 percent in August to 9.30 percent in September.

Following the fuel price hike in the third week of September, price pressures mounted in both rural and urban areas. Rural households, however, faced higher price increases, with inflation rising to 8.38 percent last month, compared with 8.26 percent in cities.

Despite the monthly rise, September inflation was lower than the 8.36 percent recorded in the same month last year.

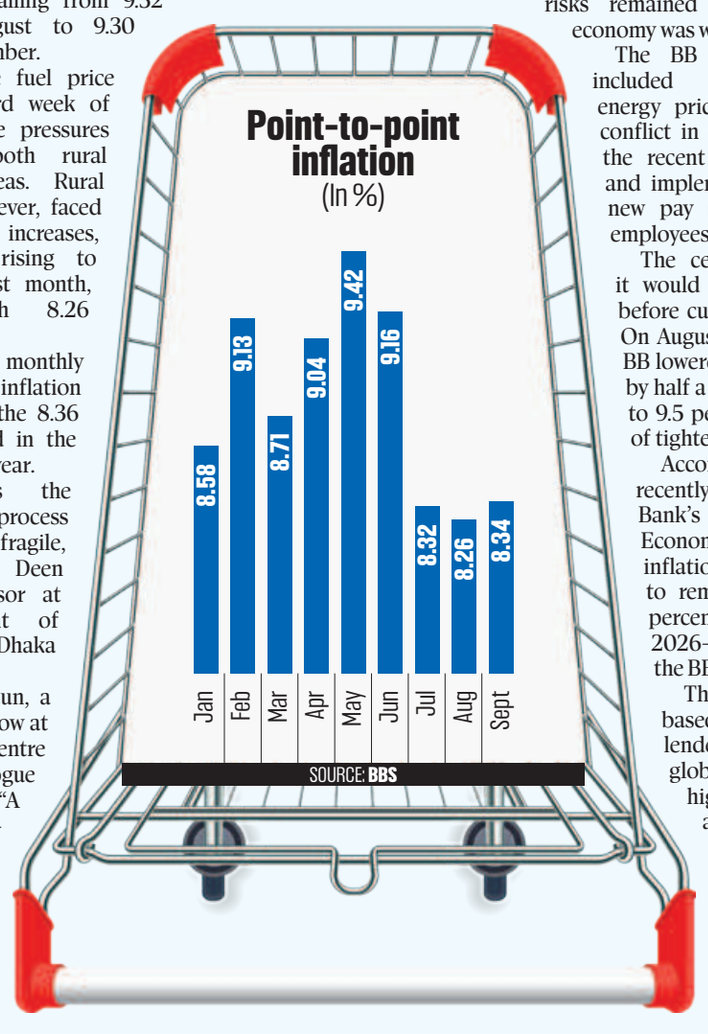
This means the disinflation process remains fragile, according to Deen Islam, a professor at the Department of Economics at Dhaka University.

Fahmida Khatun, a distinguished fellow at local think tank Centre for Policy Dialogue (CPD), said, "A small year-on-year decline in inflation is a good sign. But this does not mean prices have fallen."

"People's living standards will improve only when price hikes ease consistently for a longer period and wages begin to catch up," she said.

Sectoral inflation data for September showed notable cost increases across key spending categories.

Restaurant and hotel prices recorded the steepest increase at 13.26 percent, up from 12.49 percent in August. Housing and utility expenses rose by 9.81 percent, while transport costs increased by 9.46 percent.



Over the 12-month period to September, the national moving average inflation rate stood at 8.65 percent.

For the current fiscal year, the Bangladesh Bank (BB) set an inflation target of 7.5 percent. The central bank in late September kept its main interest rate unchanged at 9.5 percent for the October-December quarter, saying inflation risks remained large and the economy was weak.

The BB said the risks included higher global energy prices, the ongoing conflict in the Middle East, the recent fuel price hike and implementation of the new pay scale for public employees.

The central bank said it would wait and watch before cutting rates again. On August 2 this year, the BB lowered the policy rate by half a percentage point to 9.5 percent after years of tightening.

According to the recently released World Bank's South Asia Economic Update, inflation is projected to remain high at 8.6 percent in fiscal year 2026-27, staying above the BB's target.

The Washington-based multilateral lender says surges in global energy prices, higher import costs and local currency depreciation are behind stubbornly high inflation

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SPOTLIGHT

Beximco, Shinepukur boards reshuffled, excluding Salman

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has approved the formation of newly reconstituted seven-member boards of directors for Beximco and Shinepukur Ceramics, notably excluding former vice-chairman Salman F Rahman.

The decision was taken during a meeting of the regulatory body chaired by its chairman, Masud Khan, following verbal directions from the Supreme Court and in the interest of general investors.

Under the newly approved structure, Salman F Rahman's brother, ASF Rahman, will serve as chairman of both publicly listed companies.

Other nominated board members of Shinepukur Ceramics will be Iqbal Ahmed, Ajmal Kabir and Quamrun Nahar Ahmed. Two independent directors will be appointed in compliance with the Corporate Governance Code, 2018.

Shinepukur's Managing Director Osman Kaiser Chowdhury will also serve as managing director of both Shinepukur and Beximco.

Moreover, the nominated directors of the two

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Q-Cash services restored at 30 banks

STAR BUSINESS REPORT

Card, ATM, POS, internet banking and NPSB-IBFT services of around 30 banks resumed on Tuesday night after being disrupted since Sunday, October 4, following a sudden system upgrade by Q-Cash, an electronic payment network used by the lenders.

Several banks have since informed customers through Facebook, SMS and websites that the services are fully operational.

The affected banks are Agrani Bank, Bank Alfalah, BASIC Bank, Bank Asia, Bangladesh Commerce Bank, Bangladesh Krishi Bank, Bengal Commercial Bank, Community Bank, First Security Islami Bank, ICB Islamic Bank, Janata Bank, Jamuna Bank, Midland Bank, Meghna Bank, Mercantile Bank, Modhumoti Bank, National Bank, NRB Commercial Bank, NRB Global Bank, National Credit and Commerce Bank, One Bank, Rupali Bank, Shahjalal Islami Bank, Shimanto Bank, Sonali Bank, Social Islami Bank, South Bangla Agriculture and Commerce Bank, Trust Bank, Union Bank and Uttara Bank.

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