Stock brokers seek extension of bank liquidity scheme

STAR BUSINESS REPORT

The DSE Brokers Association of Bangladesh (DBA) has urged the Bangladesh Bank to extend the tenure of its special liquidity support scheme for commercial banks by five years and raise the funding limit for each bank to Tk 300 crore from Tk 200 crore.

DBA President Saiful Islam submitted a formal letter containing the proposals to the Bangladesh Bank governor on Tuesday.

In February 2020, the central bank allowed banks to form special funds, with some banks taking low-cost loans from the central bank for the purpose. The funds were initially set to remain in place until February 2025.

Following requests from market stakeholders, the banking regulator extended the tenure until November 30, 2026 last year, while instructing banks to gradually reduce their investments from the funds during the extended period.

However, stock market stakeholders fear that returning the funds to Bangladesh Bank after the deadline could further strain liquidity in the market. The DBA has therefore sought another five-year extension.

The association said the measures are crucial to addressing the ongoing liquidity crunch in the capital market, boosting institutional participation and restoring investor confidence, according to a press release issued yesterday.

The special fund facility, introduced to strengthen institutional investment and market stability, currently allows each scheduled bank to form a fund of up to Tk 200 crore for investment in the stock market.

The DBA said the facility should not be withdrawn amid current liquidity pressures and broader global uncertainties stemming from geopolitical tensions in the Middle East.

Expanding the fund's size and extending its tenure would deepen the market, increase institutional liquidity and create a foundation for sustainable growth in the country's capital market, it said.

The association said it was hopeful that Bangladesh Bank would consider its proposals in light of current economic and market conditions.

It also said it remains committed to working with the central bank and other market regulators to support the government's financial sector development goals.

From attracting FDI to growing it

KAZUIKI KATAOKA

For years, Bangladesh's debate on foreign direct investment (FDI) has centred on a familiar question: how can the country attract more foreign investors? That question remains important. As Bangladesh prepares for graduation from LDC status, it needs new investment to create jobs, diversify exports, introduce new technologies and strengthen its industrial base. But it is time to ask another question as well: how can Bangladesh help the foreign companies already operating in the country grow?

The answer matters because an increasingly large share of FDI appears to come not from new investors entering the market, but from companies that are already established in Bangladesh. According to the Bangladesh Bank, net FDI inflows reached $1.77 billion in 2025, up 39.4 percent from $1.27 billion in 2024. Of the 2025 total, equity capital accounted for $555 million, while reinvested earnings and intra-company loans amounted to $782 million and $434 million, respectively. Together, these two categories represented $1.22 billion, or 68.7 percent of total net FDI. While not a perfect measure, they provide a useful proxy for investment linked to foreign companies already operating in the country.

Investment associated with existing foreign firms



Investment promotion should be measured not only by the number of new investors, but also by how many existing investors expand, increase exports and deepen local linkages.

accounted for 38.1 percent of net FDI in 2021. By 2025, the share had climbed to 68.7 percent. Quarterly data tell a similar story. In the first quarter of 2026, reinvested earnings and intra-company loans represented 82.5 percent of net FDI, compared with 66.5 percent in the same period a year earlier.

Attracting investors is only the beginning. An existing foreign investor is fundamentally different from a company that has yet to enter the market. It already understands the business environment, has employees and suppliers, serves customers and has experience working within the regulatory system. Most importantly, it has already taken the initial risk of investing in Bangladesh.

When such a company expands production, adds a new product line or establishes another facility, the benefits can often materialise more quickly than those associated with entirely new investments. Existing investors can also become Bangladesh's most credible ambassadors. A company that expands from one factory to two sends a stronger signal to prospective investors. Its decision to reinvest demonstrates confidence in the country's business environment.

JETRO's experience reinforces this point. The overwhelming majority of inquiries received by JETRO come not from prospective investors, but from Japanese firms already operating in Bangladesh. Many relate to business expansion and operational challenges, underscoring the importance of supporting existing investors. This suggests that investment promotion should be measured not only by the number of new investors attracted, but also by how many existing investors expand, increase exports and deepen local linkages.

For Bangladesh, this means moving from a transaction-based approach to a relationship-based one. When foreign companies face challenges related to customs procedures, taxation, licensing, energy supply, land access or foreign exchange regulations, investment promotion institutions should have the capacity to coordinate with relevant agencies and help resolve problems promptly. Effective investor aftercare is not simply about listening to investors. It is about helping them succeed.

Bangladesh is currently reforming its investment promotion architecture, creating an opportunity to place aftercare at the centre of the system. The country will continue to need new foreign investors. But it should not overlook one of its most promising sources of future investment: the companies that have already chosen Bangladesh. The next wave of FDI may not be waiting somewhere overseas. It may already be here.

The writer is the country representative for Japan External Trade Organization (JETRO) in Bangladesh

Banglalink launches satellite-to-mobile service

STAR BUSINESS REPORT

Banglalink has launched a satellite-to-mobile service, powered by Starlink, which the mobile operator says makes Bangladesh the first country in South Asia to introduce it.

The service will keep customers connected during emergencies, natural disasters and prolonged power outages, when conventional mobile networks may be disrupted, the mobile operator said in a press release on Tuesday.

It will be particularly valuable for fishermen, people working at sea, travellers, and communities in remote and coastal areas, including deep-sea locations within Bangladesh's Exclusive Economic Zone.

Customers can access essential apps and location services beyond the reach of conventional mobile networks. They need only a 4G phone and a Banglalink SIM.

Banglalink is offering Starlink internet free with any internet or mixed bundle pack for the first month of the launch. From the second month, customers will continue to receive it at no additional cost with selected monthly internet and mixed bundle packs.

Customers will also receive five free SMS messages every month for use over the satellite network.

"Connectivity is ultimately about people," said Johan Buse, chief executive officer of Banglalink.

"With Satellite-to-Mobile, we are bringing connectivity to more people and more places across Bangladesh," he added.

Starlink is run by US-based SpaceX. In 2025, the Bangladesh Telecommunication Regulatory Commission (BTRC) issued guidelines for satellite services in non-geostationary orbit (satellites that circle closer to Earth than traditional ones).



Fan Zhou-6, a mother vessel carrying five modern cargo- and container-handling cranes, sits at the jetty of Payra Port in Kalapara, Patuakhali. The vessel's arrival marked the resumption of direct mother-vessel operations at the terminal after nearly two years. PHOTO: **SOHRAB HOSSAIN**

Payra Port gets five modern cranes

Direct mother-vessel operations resume after two years

OUR CORRESPONDENT, *Patuakhali*

Five modern cargo- and container-handling cranes have been added to the fleet of the first terminal of Payra Port in Kalapara, Patuakhali.

The equipment arrived aboard Fan Zhou-6, a mother vessel, which docked directly at the terminal jetty at around 9am yesterday.

The arrival marked the resumption of direct mother-vessel operations at the terminal after nearly two years.

Port authorities said the new equipment would speed up cargo handling, reduce vessel turnaround time and increase the terminal's capacity.

The machinery includes two 80-tonne ship-to-shore (STS) cranes for loading and unloading containers between vessels and the jetty, two 40-tonne rubber-tyred gantry (RTG) cranes for moving and stacking containers in the yard, and an 80-tonne mobile harbour crane (MHC) for handling various types of cargo.

The equipment was manufactured by China's Nanjing Port and Harbour Machinery Co (NPHMC) and Xuzhou Construction Machinery Group (XCMG).

Azizur Rahman, deputy director of the port's traffic department, said the STS cranes would handle containers on mother vessels, while the RTG cranes would move containers to trailers and manage yard storage. The MHC would be used to unload bulk cargo and containers.

Captain SM Sharifur Rahman, harbour master of Payra Port, said the 170-metre-long Fan Zhou-6 left China's Pingtan Port for Payra on September 18. The vessel has a draft of about six metres, meaning its hull sits that far below the waterline.

He said larger mother vessels with deeper drafts could dock directly at the jetty if the navigability of the Rabnabad Channel -- the main access route for Payra port -- improves through dredging.

Rear Admiral Syed Saiful Islam, chairman of Payra Port Authority, said the new equipment would bring the port closer to full operational capacity.

He said a dedicated yard for imported vehicles was also ready and that the new cranes had brought the 650-metre multipurpose berth to full operational capacity.

He stressed the need to maintain the channel's navigability to allow larger mother vessels to berth directly at the jetty.

Before this, two mother vessels had docked at the terminal, carrying 50,500 tonnes of stone on May 15, 2024, and 48,511 tonnes of stone in October-November 2024. The vessels were MV Zain and MV Da Hong-16, respectively.

Lotto investing Tk 15cr in new Gazipur plant

STAR BUSINESS REPORT

Lotto Bangladesh is investing Tk 15 crore to establish a new footwear manufacturing plant in Kapasia, Gazipur, as the Italian sports and lifestyle brand marks 15 years of operations in Bangladesh.

The investment is expected to create 1,800 employment opportunities for local people, said Kazi Jamil Islam, managing director of the company, at a media gathering at Gulshan Club in Dhaka yesterday.

The new plant will produce footwear using TPR (thermoplastic rubber), EVA (ethylene-vinyl acetate), PU (polyurethane) and PVC (polyvinyl chloride), which are widely used in shoe soles, synthetic leather and moulded footwear products.

The plant will primarily serve the local market, with potential for exports in the future, he said.

The facility is part of the company's expansion strategy, which also includes expanding its retail network and developing local entrepreneurs.

Currently, the footwear company operates 137 outlets and 110 franchise outlets across the country and has served more than one crore customers, according to the company.

The Kapasia plant will boost production capacity and create further employment and export opportunities, Jamil said.

The company also sees potential to manufacture products for other international brands in Bangladesh.

Lotto is now preparing to launch an Entrepreneur Development Programme targeting young and aspiring businesspeople at the thana level.

Participants will receive guidance on business operations, logistics support and potential access to financing through partner institutions.

The company aims to help successful entrepreneurs build networks of up to 20 outlets over the next 10 years.

Why have India-US trade talks stalled again and what's next?

REUTERS, *New Delhi*

Senior officials in India and the United States have indicated long-running efforts to finalise a bilateral trade agreement have stalled, again. Both nations had agreed to a framework for the deal in February which brought down to 18 percent from 50 percent the punitive tariff on most Indian goods imposed in August last year after a previous round of talks collapsed.

In the meantime, the Supreme Court invalidated US President Donald Trump's use of emergency powers to impose sweeping tariffs globally, leading to a 10 percent baseline rate. But a final deal between two of the world's biggest economies remains elusive.

WHY HAVE TRADE TALKS HIT A WALL?

Trade talks have reached a "plateau" with little room for manoeuvre, Finance Minister Nirmala Sitharaman said earlier this week, following United States Trade Representative Jamieson Greer's comment that a deal is not "imminent." Neither side has detailed reasons for the delay in finalising the deal.

But talks in the past months have met with complications, most recently a new US law that paves the way for up to 100 percent tariffs on Indian goods because of New Delhi's purchase of Russian oil. Those purchases have not been significantly reduced.

The potentially stiff levy goes against New Delhi's efforts to secure tariff terms better than peer economies, including Vietnam and China. A deal has also been held back because Washington is yet to complete a Section 301 trade investigation on several nations over alleged excess industrial capacity. The probe is to evaluate whether such overproduction is hurting or undercutting American industries.

Unless this probe is completed, it is hard to tell what final tariff Indian goods will attract. Overall, bilateral ties between India and the US have been rocky this past year, casting a shadow on efforts to stabilise their trade partnership. Events including a US military attack on a ship off Oman that killed three Indian seafarers and India rejecting Trump's repeated claim of brokering a ceasefire with Pakistan have hurt relations.

WHAT IS AT STAKE?

The US is India's largest export market and exports have so far been resilient. India's goods exports to the United States rose to $42.79 billion in April-August from $40.39 billion a year earlier. In the fiscal year 2025/26, India enjoyed a nearly $34 billion trade surplus with the US. India says many of its largest export categories to the US, including generic pharmaceuticals and smartphones, are not subject to the current 10 percent levy. But analysts say that in the absence of a trade deal, India risks higher US tariffs from the ongoing trade probe and purchase of Russian oil, even if it could negotiate for waivers under the sanctions law. Another increase in tariffs could hurt businesses, dent market sentiment and hurt the Indian currency, which is already trading close to record lows.



A mobile crane carries a container at the Thar Dry Port in Sanand in the western state of Gujarat, India. PHOTO: **REUTERS/FILE**

WHAT MORE DO THE TWO SIDES WANT?

India is striving to protect politically sensitive sectors, particularly agriculture, while securing better tariff treatment for its exporters. India has sought to keep dairy, poultry, rice, wheat and other farm products outside the scope of market-opening commitments. It wants greater certainty over US tariffs before making concessions.

The Trump administration wants India to cut Russian oil purchases, arguing Indian purchases of Russian crude help finance the war in Ukraine. India says decisions on where to source fuel are driven by the energy needs of its 1.4-billion-strong population. Russian crude became particularly important after Moscow's full-scale invasion of Ukraine because it was available at discounted prices. The war in the Middle East and resulting disruptions have sharpened the calculation over energy imports.