Business

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Govt repurchases Tk 1,716cr T-bonds in first-ever buyback auction

STAR BUSINESS REPORT

The government has bought back Tk 1,716 crore worth of two-year treasury bonds before their maturity in the country's first-ever government bond buyback auction, opening a new way for it to manage when and how its debt is repaid.

It means the government can now reduce the amount of debt that comes due at a particular time instead of waiting for all the bonds to mature and repaying investors in one go. Besides, such repurchases could help spread out future repayments and give the government more flexibility in managing its borrowing costs and risks.

The Bangladesh Bank conducted the buyback auction yesterday on behalf of the Finance Division. The bonds were issued on November 4, 2024 and were due to mature next month.



The central bank invited bids to buy back up to Tk 6,666.58 crore of the bonds through a multiple-price reverse auction.

It received 56 bids worth Tk 2,016.14 crore and accepted bids worth Tk 1,716.14 crore at the rates set by the auction committee.

The settlement is scheduled for October 12.

A buyback allows the government to repurchase bonds it has already sold before they mature. In effect, investors get their money back early, while the government reduces the amount it will have to repay when the bonds reach maturity.

The central bank described yesterday's auction as a new, market-based approach to managing public debt.

It said the move would make the maturity structure of government debt more balanced, provide greater flexibility in future borrowing and create scope to manage borrowing costs and risks more effectively.

The central bank said further buyback auctions would be held when necessary, depending on market conditions, liquidity,

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Govt secures $3.1b loan to keep fuel and LNG flowing

Indicative interest rate is about 5.38%

STAR BUSINESS REPORT

Bangladesh has secured a $3.1 billion non-concessional loan to finance fuel oil and liquefied natural gas imports, as the government moves to safeguard energy supplies from disruption.

The Standing Committee on Non-Concessional Loan -- the body responsible for approving commercial-rate foreign borrowing -- formally approved the facility on Wednesday, according to finance ministry officials.

The financing comes from the Jeddah-based International Islamic Trade Finance Corporation (ITFC), the trade-finance arm of the Islamic Development Bank Group.

The loan is split between the two state-owned energy companies. The Bangladesh Petroleum Corporation will use $2.5 billion to import fuel oil, while Petrobangla will use $600 million to purchase LNG.

The deal is structured as co-financing. ITFC will provide $600 million from its own resources, while Bangladesh Bank will provide the remaining $2.5 billion, or about 80 percent of the total.

The loan carries an interest rate of six-month term SOFR plus 1.70 percentage points, along with an annual administrative fee of 0.20 percent. Officials said the margin is 0.05 percentage points lower than last year's.

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National Bank depositors to get full access to funds from October 15

STAR BUSINESS REPORT

Customers of National Bank PLC will be able to avail themselves of all banking services, including withdrawing money, from October 15, 2026, as per their requirements, from all branches and ATM booths across the country.

From the same day, counter services, the mobile app, internet banking and all other digital and online services of the bank will be fully operational, said the troubled private bank after its top brass met with Bangladesh Bank Governor Md Mostaqur Rahman yesterday at the central bank's headquarters in Dhaka.

At the meeting, the central bank assured National Bank of its support, including providing fresh liquidity to help the lender repay its depositors.

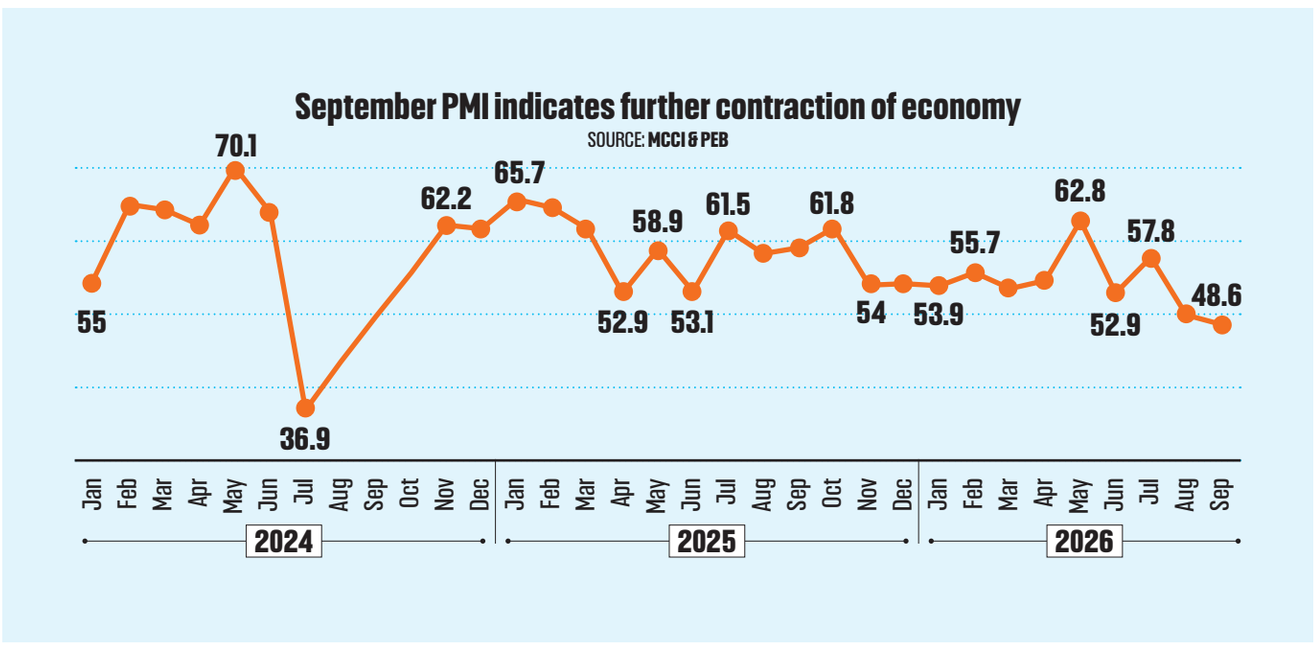
Mostaqur said protecting depositors would remain the regulator's priority and that the central bank would provide liquidity support so customers can access their funds.

He instructed National Bank to take the necessary measures to ensure that all its depositors can withdraw money according to their requirements from all branches and ATM booths of the bank.

"Depositors must not be turned away under any circumstances. From October 15, they will get their money back. In this regard, the bank will be provided with liquidity support as needed," said BB Executive Director and Spokesperson Arief Hossain Khan.

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Private-sector activity falls to lowest since Aug 2024: PMI



STAR BUSINESS REPORT

Bangladesh's private-sector activity showed further signs of weakness in September, with the Purchasing Managers' Index (PMI) falling to its lowest level since August 2024.

The headline PMI fell 1.3 points to 48.6 in September from 49.9 in August, signalling a second consecutive month of contraction, according to the latest report by the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) and Policy Exchange Bangladesh (PEB).

In August 2024, the PMI stood at 43.5 amid political upheaval and social unrest following a mass uprising that led to the ouster of the Awami League-led government. The PMI had plunged to 36.9 in July 2024 from 63.9 in June, marking the lowest reading since the index was launched.

The PMI is a monthly score showing whether businesses across the economy are growing or shrinking, based on a survey of purchasing managers at over 500 private firms. A score above 50 signals growth and below 50 signals contraction, while the further a reading moves from 50, the faster the pace of change.

Manufacturing recorded the sharpest deterioration in September, with its index falling 2.6 points to 44.8.

"New orders, new export orders, output, stocks of input purchases and finished goods, and imports continued to contract at a faster rate," the report said. "Order backlogs recorded a strong contraction, while supplier delivery times recorded a slower expansion."

Employment, however, returned to marginal expansion, while input prices continued to rise.

Construction slipped 3.8 points to 48.5, returning to contraction after expanding in August.

"New business and construction activity

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UN sets up group to review support for LDC graduation

REFAYET ULLAH MIRDHA

The United Nations has established a working group to review and update its support framework for countries graduating from the least developed country (LDC) category, as Bangladesh and Nepal await a decision on their requests to defer graduation.

The ad hoc "Working Group on Smooth Transition for Graduating LDCs" will be led by the permanent representatives of Angola and Finland, according to a recent ministerial declaration of the 81st United Nations General Assembly (UNGA).

The group is mandated to conduct a comprehensive review of existing provisions, support measures, including those introduced under the Doha Programme of Action, such as the Sustainable Graduation Support Facility (iGRAD), and other areas with relevance to smooth transition, according to the UN.

It will assess the implications of graduation, particularly the impact of the loss of LDC-specific international support measures, drawing on country experiences and existing assessments.

The group will also identify challenges faced by graduating countries and their development partners in designing, preparing and implementing smooth transition strategies.

Bangladesh, Nepal and Cambodia are scheduled to graduate from the LDC category in late November this year. However, Bangladesh and Nepal have applied for deferment of their graduation.

Officials who attended the UNGA sessions said the

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SPOTLIGHT

Bangladesh to launch sovereign AI within a year

STAR BUSINESS REPORT

Bangladesh plans to launch its sovereign artificial intelligence (AI) infrastructure within the next 12 months and make it available to the private sector, startups, universities and students, said Rehan Asad, adviser to the prime minister on ICT and telecommunications.

The infrastructure will allow local developers to build large language models (LLMs) in Bangla and develop AI-based services, he added.

"Most of the major global tech partnerships are already at a mature stage. We have secured the sourcing of computing chips," Rehan said at the AI and Innovation Dialogue jointly organised by the Ministry of Foreign Affairs and the Governance Innovation Unit of the Prime Minister's Office at the foreign ministry in Dhaka yesterday.

"We will launch our sovereign AI infrastructure within the next 12 months and open it to the private sector, startups, universities and students to build future LLMs in Bangla and develop innovative services," he said.

The government has opted for a small, modular facility instead of building a large AI centre from the outset, Rehan said.

If demand from the private sector is strong, locally owned companies could co-locate at the facility and

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AkijBashir joins RE100, pledges 100% renewable power by 2050

STAR BUSINESS DESK

AkijBashir Group has become the first Bangladeshi company to join RE100, a global corporate renewable energy initiative, committing to use 100 percent renewable electricity across its operations by 2050.

RE100 is led by Climate Group, an international non-profit organisation working with businesses and governments to accelerate the transition to a clean and sustainable economy.

The initiative brings together more than 400 companies globally that have committed to using 100 percent renewable electricity by 2050 at the latest.

For AkijBashir Group, the commitment provides a framework to make its renewable-energy transition more structured and measurable while strengthening accountability around renewable electricity sourcing.

"Joining RE100 is more than a renewable energy commitment for AkijBashir Group; it is a step towards transforming how we power our business and build sustainable growth," said Sk Bashir Uddin, managing director of AkijBashir Group.

"As the first company from Bangladesh to join this global initiative, we are proud to take a pioneering step towards 100 percent renewable electricity," he said.

The group said its RE100 commitment builds on renewable-energy and energy-efficiency investments already underway across its particle board, ceramics, glass and other manufacturing facilities.

AkijBashir Group has already developed around 90 megawatts (MW) of solar generation capacity and continues to expand its renewable-energy portfolio.

At Akij Ceramics in Trishal, a 24.39 MWp rooftop solar project is expected to generate around 28,050 megawatt-hours of clean electricity annually and reduce about 22,440 tonnes of carbon dioxide emissions each year.

Of the total capacity, 10 MW has been connected to the national grid through net metering.

AkijBashir Glass in Habiganj has installed an 18.2 MW rooftop solar

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