Business

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For new loan, IMF may seek deadline for fixing weak banks

REJAUL KARIM BYRON

The International Monetary Fund (IMF) is likely to seek time-bound measures to resolve problems in vulnerable banks and set specific targets and deadlines for domestic revenue collection as conditions for a new loan programme, according to government officials.

The possible conditions will be discussed when a Bangladesh delegation led by the finance minister meets senior IMF officials in Bangkok later this week on the sidelines of the IMF-World Bank Annual Meetings, scheduled for October 12-17, finance ministry officials confirmed to The Daily Star on condition of anonymity.

The delegation is set to leave for Bangkok today, with Dhaka seeking to finalise a new loan programme by January next year.

The team will hold separate meetings with Nigel Clarke, the IMF's deputy managing director, and Krishna Srinivasan, director of the lender's Asia and Pacific Department.

Discussions will focus on economic reforms, structural adjustment conditions and the timeline for finalising the proposed financial package, according to officials.

An IMF mission is likely to visit Dhaka later this month to work out the details of the proposed programme following the Bangkok meetings.

A loan proposal generally takes at least two months to reach the IMF's executive board for approval after a staff-level mission completes its on-the-ground assessment, officials said.

CONDITIONS EXPECTED

On the banking front, the IMF is likely to seek clear deadlines for resolving problems at vulnerable banks, reducing high non-performing loans (NPLs) and recapitalising lenders, including state-owned commercial banks, according to sources.

A finance ministry official, seeking anonymity, said the government would prepare an action plan with specific implementation deadlines, which would then be finalised through mutual agreement with the IMF.

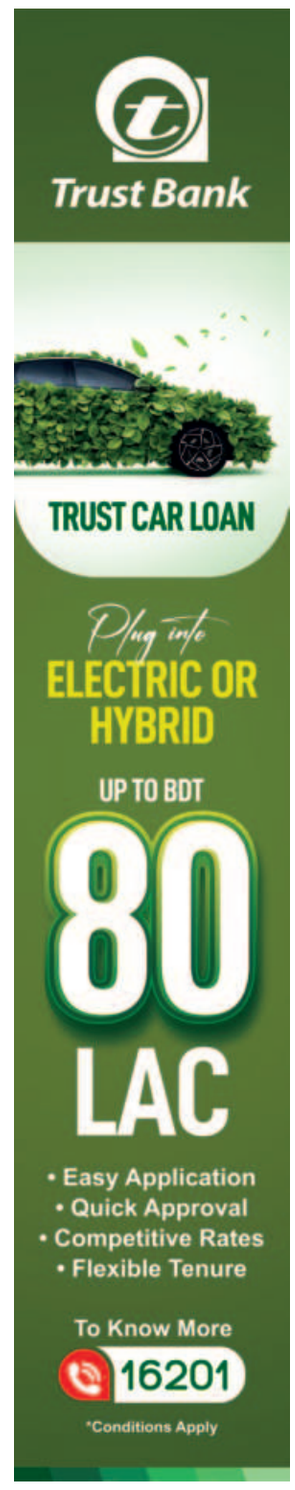
The lender is also expected to press for subsidy rationalisation in the power, gas and agriculture sectors.

On revenue mobilisation, the IMF is expected to seek specific collection targets and deadlines for meeting them, alongside measures to bring more people and businesses into the tax net, sources said.

LOAN TALKS GATHER PACE AS GOVT NEEDS $4b

Amid mounting economic uncertainty stemming from the ongoing conflict in the Middle East, Bangladesh plans to seek around $4 billion in budget support from multilateral and bilateral lenders in the current fiscal year, 2026-27.

READ MORE ON B3



Businesses urged to rely less on bank loans

STAR BUSINESS REPORT

Bangladesh needs to bring more companies to the stock market and diversify corporate financing beyond bank loans to build a more balanced and resilient financial system, speakers said at a capital market conclave in Dhaka yesterday.

Speaking at the IDLC Capital Market Conclave 2026 at Renaissance Dhaka Gulshan Hotel yesterday, they also called for encouraging financially sound companies to raise funds through initial public offerings (IPOs), direct listings and bonds, while strengthening corporate governance and investor confidence.

"We want companies to enter the capital market voluntarily, without being compelled to do so, and benefit from it," said Masud Khan, chairman of the Bangladesh Securities and Exchange Commission (BSEC).

The BSEC has already held direct discussions with several domestic, foreign and multinational companies, he said, urging private-sector entrepreneurs to give serious consideration to listing on the stock market.

Mesbah Uddin Ahmed, managing director of IDLC Investments Ltd., said companies in Bangladesh rely on bank borrowing for around 75 percent of their financing, compared with about 53 percent in India and 15-20 percent in more developed markets.

Bangladesh also has the lowest market capitalisation among neighbouring countries, underscoring the need to develop alternative sources of corporate financing.

"We are not saying that dependence on banks is bad. However, we need to work towards building a more resilient and balanced financial structure," he said.

Mominul Islam, chairman of the Dhaka Stock Exchange (DSE), said the country's market capitalisation was below 8 percent of gross domestic product, and the exchange aimed to raise the ratio to 20 percent by 2030.

READ MORE ON B3

Subsidised food distribution falls, raising poverty concerns

SOHEL PARVEZ

Foodgrain distribution at subsidised rates declined in the first quarter of the current fiscal year, mainly because of a fall in open market sales (OMS), raising concerns about the impact on poverty and food security.

Government agencies, including the Directorate General of Food, distributed 7.55 lakh tonnes of grains in the July-September period of fiscal year 2026-27, down 7 percent from the same period a year earlier, according to food ministry data.

The downturn comes at a time when inflation remains persistently high and wage growth continues to lag behind rising consumer prices, eroding purchasing power and increasing the risk of higher poverty.

Selim Raihan, executive director of the South Asian Network on Economic Modeling (SANEM), said the fall in public food distribution raises questions about Bangladesh's policy priorities.

"With inflation still high and wage growth for unskilled workers lagging behind prices, households need stronger protection against falling purchasing power," he said.

Bangladesh has been facing high inflation since fiscal year 2022-23. Consumer prices rose by 10 percent in FY25 before inflation eased to 8.7 percent in FY26, primarily because food inflation moderated.

In September, the 12-month average inflation rate stood at 8.65 percent, according to the Bangladesh Bureau of Statistics (BBS). Meanwhile, real wage growth for low-paid workers remained negative in FY26, according to the World Bank's Bangladesh Development Update, released last week.

The multilateral lender warned that nearly 6.2 crore people in Bangladesh are currently living just one economic shock away from falling below the poverty line, as persistently high inflation and severe energy shortages are reversing years of hard-won economic gains.

The World Bank report estimated that national poverty would rise to 22.5 percent in 2026 from 18.7 percent in 2022, as a prolonged economic slowdown erodes household welfare through weak labour demand and persistent inflation.

Selim, also a professor of economics at Dhaka University, said cutting food distribution at such a time risks worsening food insecurity and indebtedness, while forcing households to spend less on health and education.

"With about half of the poorest households still outside social protection programmes, fiscal pressures should lead to better targeting, not weaker essential support," he said.

Food ministry data showed that open market sales of rice and wheat flour at prices well below market rates fell 22 percent to 2.05 lakh tonnes in the July-September period of FY27.

However, grain distribution under the government's Vulnerable Group Development (VGD), Vulnerable Women Benefit (VWB) and Food Friendly Programme (FFP) increased slightly, according to the ministry.

Nazneen Ahmed, executive director of the Centre for Policy Dialogue (CPD), said OMS sales provide significant support to vulnerable households that do not qualify as poor during periods of high inflation.

"In view of inflation, food distribution should have been increased. We see the opposite," she said. "This is not a good sign. The decline in distribution amid falling real incomes will have an impact on poverty."

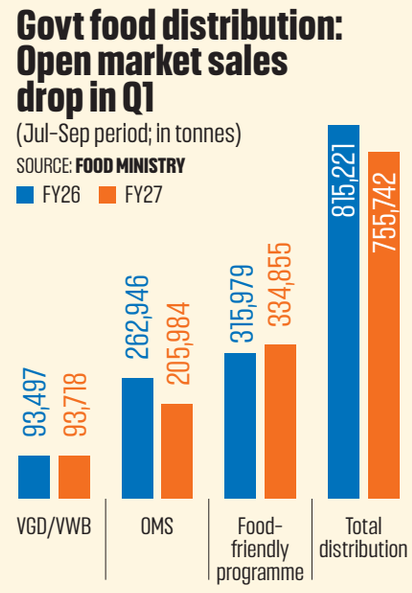
Food Secretary Abu Taher Md Masud Rana could not be reached for comment by phone despite repeated attempts.

Early last month, the Food and Agriculture Organization (FAO) projected that about 1.81 crore people in Bangladesh would face high levels of acute food insecurity between September and December 2026, 18 percent more than the estimated number for May-August this year.

The increase was mainly attributed to constrained household purchasing power amid persistently high inflation, driven by elevated fuel and energy costs associated with disruptions in the Strait of Hormuz. Floods had also affected livelihoods in some areas, the FAO said.



Crowds gather around a government-run open market sale (OMS) truck on Aurangzeb Road in Mohammadpur, Dhaka. As inflation squeezes household budgets, declining food supplies threaten low-income families' access to essentials. PHOTO: PRABIR DAS



Recognise halal sector as key to export diversification

Businesses urge govt

STAR BUSINESS REPORT

Bangladesh could capture a share of the global halal food market, estimated at $5.2 trillion, if it adopts a comprehensive national policy and internationally accepted certification, business leaders said.

According to them, this will diversify the country's export basket and help it reach its ambitious $1 trillion economy goal by 2034.

Speaking at the launch of a report titled "Halal Product Exports: One of the Key Sectors for Diversification" in Dhaka yesterday, they urged the government to recognise halal as a key sector, as exports still depend heavily on readymade garments.

The report recommends tax exemptions and export incentives for halal product manufacturers and exporters

The report, prepared by the Bangladesh Chamber of Industries (BCI), proposes a national policy to coordinate the ministries involved. It suggests the Ministry of Industries could act as the lead ministry, with the Ministry of Commerce as co-lead.

It also recommends tax exemptions and export incentives for halal manufacturers and exporters to help the industry take root. To make this work, the government must put forward a stable support and incentive plan spanning 10 to 15 years, it said.

The halal sector should be named in the current five-year plan and firmly embedded in the next as a national priority, the report added. This would make it easier to approve and carry out the infrastructure projects the sector needs.

READ MORE ON B3

Steelmakers pin hopes on revival of govt projects

JAGARAN CHAKMA

The resumption of public infrastructure projects has raised hopes of a recovery among steelmakers, who have been struggling with weak demand, rising costs and financial pressure. However, a lasting recovery will depend on whether renewed construction activity translates into stronger steel sales.

Steel demand declined mainly because public construction and government infrastructure projects slowed after the political changeover in August 2024, said Sumon Chowdhury, secretary general of the Bangladesh Steel Manufacturers Association (BSMA).

"The steel sector has been struggling for nearly two and a half years as the domestic economy and construction activity remain sluggish," said Md Mamun Kabir, director of sales and marketing at KSRM.

Manufacturers said the prolonged downturn had exposed the industry's heavy dependence on public spending. Sluggish property development and weak private construction have added to the pressure.

Annual domestic steel consumption has fallen to an estimated 40 lakh tonnes from around 70 lakh tonnes previously, Sumon said. The government's share of steel consumption has also dropped from around 60 percent to 20 percent, he added.

At the same time, steelmakers are facing higher raw material and utility costs, expensive bank loans and a shortage of working capital.

International scrap prices have risen by around $20 per tonne, while electricity prices have increased by 18 percent. Gas and power shortages have also disrupted production. However, weak demand has prevented manufacturers from passing on the full increase in costs to customers, Mamun said.

READ MORE ON B3



Demand and prices

- Public infrastructure projects may revive steel demand
- Annual consumption falls from 70 lakh to 40 lakh tonnes
- Rod prices rise despite weak demand

Rising costs

Higher scrap, power and financing costs squeeze steelmakers

Production

- Seven out of 39 steel mills reportedly shut down
- Operating mills run at just 40% to 60% capacity

SPOTLIGHT

BTRC puts Tk 500 emergency balance proposal on hold

MAHMUDUL HASAN

The Bangladesh Telecommunication Regulatory Commission (BTRC) is considering a proposal to raise the maximum Emergency Balance (EB) limit for mobile subscribers from Tk 200 to Tk 500, but has put the proposal on hold for now to scrutinise the conditions attached to the service and ensure that customers are not adversely affected.

"We want to increase the Emergency Balance limit, but we need to study the conditions first. Different conditions are attached to different services, so we need to evaluate them carefully to ensure that customers do not suffer," Md Emdad ul Bari, chairman of the BTRC, told The Daily Star.

"After the evaluation, we will consider increasing the limit at the next commission meeting," he added.

The decision to conduct further scrutiny was taken at a recent commission meeting after reviewing proposals from mobile operators and the Association of Mobile Telecom Operators of Bangladesh (AMTOB) to increase the Emergency Balance limit.

Emergency Balance allows subscribers with insufficient account balances to continue using voice calls, SMS and data services, with the amount recovered after they recharge.

BTRC introduced regulatory guidelines on the facility following customer complaints. In February 2019, the commission directed operators to provide at least Tk 10 as Emergency Balance without charge.

READ MORE ON B3



Md Mostaqur Rahman, governor of Bangladesh Bank, and Md Abul Kashem Mia, vice-chancellor of United International University, jointly inaugurate "Bangla QR", launched by ONE Bank PLC, on the university campus in Dhaka yesterday. PHOTO: ONE BANK

ONE Bank launches Bangla QR at UIU to promote digital payments

STAR BUSINESS DESK

ONE Bank PLC, in partnership with United International University (UIU), has launched "Bangla QR" to promote convenient and interoperable digital payments among students and the university community.

Md Mostaqur Rahman, governor of Bangladesh Bank, and Md Abul Kashem Mia, vice-chancellor of UIU, jointly inaugurated the national interoperable quick response (QR) payment standard on the UIU campus in Dhaka yesterday, according to a press release.

Commenting on the initiative, Muhit Rahman, managing director of ONE Bank PLC, said, "Digital transformation becomes meaningful when financial services become easier and more accessible in everyday life.

"Bringing Bangla QR to UIU gives students an opportunity to experience interoperable digital payments firsthand while building greater awareness of the possibilities of a digitally enabled financial ecosystem.

"We are pleased to partner with UIU in supporting Bangladesh Bank's vision and engaging the young generation in shaping the future of digital payments," he added.

The initiative supports Bangladesh Bank's vision of building an inclusive, digitally empowered and increasingly cashless economy. Under the initiative, UIU students can now use Bangla QR for selected payments on the university campus. Various businesses also set up stalls, allowing students and guests to experience Bangla QR payments firsthand.

During an interactive session, the governor engaged with students on digital payments, financial innovation and the future of banking.

The programme also highlighted Bangladesh Bank's initiatives related to Bangla QR and its role in advancing the country's digital payment ecosystem.

The event also marked the launch of cashless payments at UIU, demonstrating how digital payments can become part of everyday transactions.

Through this partnership, ONE Bank and UIU aim to raise awareness of and encourage the adoption of digital payments among young people, contributing to a more inclusive and digitally connected payment ecosystem.

More than 400 students, faculty members and university officials, along with senior officials from Bangladesh Bank and ONE Bank, attended the event.

IFIC Bank celebrates 50th anniversary

STAR BUSINESS DESK

IFIC Bank PLC celebrated its 50th founding anniversary with a programme, titled "Golden Jubilee Celebration", at the IFIC Tower in Dhaka yesterday.

Md Mehmood Husain, chairman and independent director of the bank, inaugurated the celebrations as the chief guest, according to a press release.

Addressing the gathering, Mehmood said the bank's five-decade journey marked a significant milestone in Bangladesh's banking sector, but sustaining the achievement amid growing competition would be an even greater challenge.

Meeting evolving customer needs requires renewed emphasis on good governance, effective management and modern banking services, he said, adding that the bank's ongoing reform and modernisation initiatives were progressing in the right direction.

He expressed optimism that employees' collective commitment and concerted efforts would help IFIC strengthen its position as a more resilient financial institution.

Syed Mansur Mustafa, managing director of the bank, said customer trust and affection remained the greatest achievement of IFIC's five-decade journey.

"Fifty years is more than a passage of time; it is a remarkable story shaped by the aspirations of countless individuals, enduring relationships, and collective dedication," he said.



PHOTO: IFIC BANK

Md Mehmood Husain, chairman and independent director of IFIC Bank PLC, inaugurates the celebrations at the IFIC Tower in Dhaka yesterday to mark the bank's 50th anniversary.

Mustafa said the bank aimed to make a meaningful difference in people's lives and nurture trust across generations, ensuring that IFIC remained a symbol of reliability for the next 50 years and beyond.

Founded on October 8, 1976, IFIC Bank has remained associated with Bangladesh's economic progress, striving to make banking services more accessible.

The government holds a 32.75 percent stake in the bank, which serves more than 2.5 million customers through over 1,400 branches and sub-branches nationwide.

With a deposit portfolio exceeding Tk 550 billion, the bank provides financial services across urban centres and remote communities, seeking to expand financial inclusion and support the country's economic development.

BRAC Bank, Arogga partner to offer discounts on healthcare products



Officials of BRAC Bank and online pharmacy Arogga Limited exchange signed MoU documents at BRAC Bank's head office in Dhaka recently, offering cardholders exclusive discounts on healthcare products and diagnostic services. PHOTO: BRAC BANK

STAR BUSINESS DESK

BRAC Bank debit and credit cardholders will get discounts on healthcare products and laboratory tests through Arogga Limited, a Dhaka-based healthtech startup and online pharmacy.

The benefits come under a memorandum of understanding (MoU) recently signed by officials of the two organisations at BRAC Bank's head office in Dhaka, according to a press release.

Under the agreement, cardholders will receive a 7.5% discount on purchases through the Arogga platform, on top of any existing offers.

They will also get an additional 10% discount on laboratory tests. Combined with Arogga's existing offers, the total discount on laboratory tests can reach up to 30%.

Md Mahiul Islam, deputy managing director and head of retail banking at BRAC Bank, said the partnership would make healthcare products and diagnostic services easier to access through a trusted digital platform.

"We hope this collaboration will make everyday healthcare needs easier to manage while delivering greater value to our cardholders," he said.

Mithila Alamgir Juhi, head of credit cards, and Rasif Al Karim, head of debit cards, represented BRAC Bank at the signing ceremony, along with other bank officials.

Prime Bank ties up with Plan Medi Trip for healthcare benefits

STAR BUSINESS DESK

Prime Bank PLC has signed an agreement with Plan Medi Trip Ltd, a Bangladesh-based medical tourism facilitation startup, to provide healthcare-related benefits to the bank's priority banking customers.

Nahreen Quayyum, senior vice-president and acting head of priority banking at the bank, and Flora Nazneen Neela, managing director of the medical tourism facilitation startup, signed the agreement at a ceremony recently held at Prime View in Gulshan, Dhaka, according to a press release.

Under the agreement, Prime Bank's priority banking customers will enjoy discounts and EMI facilities on services offered by Plan Medi Trip Ltd, enhancing the range of privileges and value-added services available to them.

The partnership reflects Prime Bank's continued commitment to providing privileges, convenience and added value to its priority banking customers through strategic partnerships with service providers, the release added.



Flora Nazneen Neela, managing director of Plan Medi Trip Ltd, and Nahreen Quayyum, senior vice-president and acting head of priority banking at Prime Bank PLC, pose for a photograph after signing the agreement at Prime View in Gulshan, Dhaka recently. PHOTO: PRIME BANK



Officials of Bangladesh Bank and United Commercial Bank PLC (UCB) pose with a banner at a Bangla QR promotional campaign at ShoppingBag Super Market on Chatteswari Road in Chattogram. PHOTO: UCB

UCB promotes Bangla QR payments in Chattogram

STAR BUSINESS DESK

United Commercial Bank PLC (UCB) recently organised a promotional campaign at ShoppingBag Super Market on Chatteswari Road in Chattogram to encourage the use of Bangla QR for digital payments.

Swarup Kumar Chowdhury, executive director (current charge) of Bangladesh Bank, and Mohammad Mamdudur Rashid, chief executive officer of UCB, demonstrated the payment system by making transactions using Bangla QR, according to a press release.

Bangla QR is an interoperable payment solution that allows customers to pay merchants by scanning QR codes through supported banking and payment applications.

The initiative aimed to familiarise customers and merchants with the payment system and encourage wider adoption of digital transactions.

"Digital payments can create greater value when they are simple, accessible and convenient for everyday use," Rashid said.

Through this initiative, he added, UCB wanted more customers and merchants to experience the convenience of Bangla QR and remained committed to supporting a more digital and inclusive financial ecosystem in Bangladesh.

Also present at the event were Md Sajjad Hossain Chowdhury, additional director; Md Rashedul Islam, joint director; and Mahfuzur Rahman, assistant director of Bangladesh Bank, along with Md Abdullah Al Mamoon, deputy managing director and chief operating officer of UCB, and Zeeshan Kingshuk Huq, the bank's chief communications officer.

Islami Bank Hospital inaugurates Bangla QR payments

STAR BUSINESS DESK

Islami Bank Hospital recently held a views-exchange meeting on "Cashless Payment in Healthcare Services" at the Islami Bank Foundation auditorium, in line with Bangladesh Bank's vision of building a cashless Bangladesh.

Mohammad Zahir Hussain, chairman of Islami Bank Bangladesh PLC, inaugurated the programme as the chief guest, according to a press release.

In his speech, Zahir said a cashless Bangladesh and digital transactions are not only the need of the time but also a key foundation for building a modern and efficient economy.

"Through Bangla QR, a timely initiative of Bangladesh Bank, the hassle and inconvenience of carrying cash at various institutions, including healthcare facilities, are decreasing. As a result of introducing the QR-based payment system, counter transactions have become faster, easier and more convenient."

He further said ensuring digital transactions maintains a reliable record of every account, thereby enhancing transparency and accountability in the financial sector. Through the combined efforts of banks and various institutions, it is possible to build a secure and accessible digital payment ecosystem for everyone.

Md Altaf Hossain, managing director (acting) of Islami Bank, presided over the programme.

ANM Moinul Kabir, director of Bangladesh Bank; Md Parwez Anjam Munir and Mohammad Moin Uddin, additional directors; and KM Munirul Alam Al-Mamoon, executive director of Islami Bank Foundation, addressed the programme.

Following the event, Bangla QR transaction services were launched by Islami Bank chairman at Islami Bank Hospital.

M Kamal Uddin Jasim, additional managing director of Islami Bank; Mahmudur Rahman, Md Rafiqul Islam, Md Maksudur Rahman, Abu Sayeed Md Idris and Md Gakir Hossain, deputy managing directors; along with executives and officials of Islami Bank and the foundation, were also present on the occasion.



Mohammad Zahir Hussain, chairman of Islami Bank Bangladesh PLC, inaugurates Bangla QR transaction services at Islami Bank Hospital in Dhaka recently. PHOTO: ISLAMI BANK BANGLADESH

Deli ACI to start stationery production next year

JAGARAN CHAKMA

Deli ACI Bangladesh Ltd, a joint venture between Chinese stationery maker Deli Group and ACI Bangladesh, plans to start manufacturing stationery products locally by the end of 2027.

The company will import machinery and other equipment to set up a factory at the BSCIC Industrial Estate in Tongi, Gazipur, officials familiar with the matter confirmed to The Daily Star.

The move aims to reduce the company's reliance on finished goods imported from China as the joint venture establishes a manufacturing base in Bangladesh.

Initially, the venture will manufacture writing instruments before expanding into exercise books, notebooks, diaries, drawing books, calculators and other stationery products, the officials said.

ACI sees stationery as a relatively resilient market, they said, supported by Bangladesh's large young population and steady demand from schools, colleges and offices.

"We have a plan to localise because this is the starting point," said KM Arifur Rahman, business manager of ACI Edulink, an ACI concern.

Deli ACI currently imports finished Deli products from China. Under the manufacturing plan, Deli Group will provide the technology, while the joint venture will source raw materials from different countries depending on availability and cost.

Officials expect the shift to reduce the company's dependence on imported finished products. They, however, noted that the company does not plan to immediately make the entire production chain local.

ACI has not disclosed how much of each product's inputs will eventually be sourced from Bangladesh.

The company also does not initially plan to manufacture paper. It intends to buy paper from local manufacturers for exercise books, notebooks and other paper-based products.

ACI sees scope for expansion in Bangladesh's stationery market, which it estimates at around Tk 12,000 crore. The market has grown by about 8 percent annually over the past five years, Arifur said.

Paper-based products account for Tk 7,500 crore to Tk 8,000 crore of the market, while school and office stationery account for another Tk 4,000 crore, according to company estimates. The calculator market alone is worth more than Tk 1,000 crore, ACI estimates.

The market potential was one of the reasons for the partnership, said ACI Executive Director and COO Md Quamrul Hassan.

ACI aims to make Deli Bangladesh's number one stationery brand within five years, he said.

Major local stationery players include Matador, Fresh, Bashundhara and RFL. International brands such as Pilot and Parker are also present, although ACI says they mainly operate through third parties rather than local manufacturing entities.

ACI's board approved the formation of the joint venture with Deli at a meeting on April 29, 2026, according to a Dhaka Stock Exchange filing.

Deli ACI Bangladesh has an authorised capital of Tk 100 crore and a paid-up capital of Tk 27 crore. ACI holds 50 percent of the shares, subject to approval from the concerned authority.

The two companies signed the joint-venture agreement in June, Arifur said. Company officials said the venture plans to invest Tk 100 crore in the business.

However, the Tk 100 crore authorised capital is the maximum share capital the company is permitted to issue and does not represent the amount already invested.

The venture has already created around 300 direct jobs, mainly in sales. Employment could rise to 700-800 as manufacturing and distribution expand, while more than 1,000 jobs could potentially be generated when partner factories and distribution activities are included, according to company officials.

BEPZA launches country desks for investors from China, Korea, Japan

STAR BUSINESS REPORT

The Bangladesh Export Processing Zones Authority (BEPZA) has launched three dedicated country desks for investors from China, South Korea and Japan to provide faster, more targeted and effective services.

The desks were inaugurated at the 'Meet the Investors' event held in Dhaka yesterday.

Investors from 38 countries have invested in the eight export processing zones (EPZs) and two economic zones under BEPZA. China, South Korea and Japan are the three largest sources of investment in these zones.

The dedicated desks aim to strengthen communication with existing and prospective investors from the three countries, offer direct assistance tailored to their investment-related needs and streamline the investment process.

They will provide relevant information, guidance and necessary support to existing and prospective investors interested in investing in BEPZA's EPZs and economic zones.

Welcoming the participants, BEPZA Executive Chairman Major General Mohammad Moazzem Hossain said the gathering would help strengthen partnerships, hear directly from investors, understand their concerns and expectations, and identify ways to make Bangladesh's investment environment more competitive and business-friendly.

In the 2025-26 fiscal year, BEPZA signed investment agreements with 36 enterprises, while exports from its zones reached $8.41 billion, marking a 2.22 percent year-on-year increase, the executive chairman said.

He also described the designation of BEPZA Economic Zone-1, BEPZA Economic Zone-2, Jashore EPZ and Patuakhali EPZ as full-fledged zones as another significant milestone of the year.

Expressing optimism about the newly launched country desks, Hossain said the facilities would help build closer relationships with existing investors from China, South Korea and Japan and encourage them to expand their businesses. They would also play an important role in attracting new investment to BEPZA's zones, he added.

Representatives of the Korea-Bangladesh Chamber of Commerce and Industry, the Bangladesh-China Chamber of Commerce and Industry, and the Japan-Bangladesh Chamber of Commerce and Industry attended the event, along with more than 100 local and foreign investors.

Total investment in BEPZA's zones stands at approximately $7.50 billion, while cumulative exports have reached around $130 billion. The zones account for around 20 percent of Bangladesh's total exports.



Melita Mehjabeen, chairman of National Bank PLC, presides over a meeting on resuming full banking services from October 15 following discussions with the Bangladesh Bank governor. PHOTO: NATIONAL BANK

National Bank depositors to withdraw money as needed from Oct 15

STAR BUSINESS DESK

National Bank PLC will resume full banking services from October 15, allowing customers to withdraw money according to their needs from all its branches and ATM booths across the country.

The bank's counters, mobile app, internet banking and other digital channels will also become fully operational from the same day, according to a press release.

On October 8, National Bank Chairman Melita Mehjabeen and Acting Managing Director Zahidul Haque met Bangladesh Bank Governor Md Mostaqur Rahman.

Bangladesh Bank Deputy Governors Md Habibur Rahman, Md Kabir Ahmed, Md Sarwar Hossain and Md Anis Ur Rahman were also present at the meeting.

The governor emphasised protecting depositors' interests and maintaining public confidence in the banking sector. He instructed National Bank to take necessary measures to ensure that all depositors could withdraw money according to their needs.

Following the meeting, the National Bank board of directors instructed the management to make all banking facilities available to customers at every branch and ATM booth from October 15.

Melita informed the governor that various recent initiatives by Bangladesh Bank had helped establish good governance at National Bank. Changes had also been made to senior management to enhance the bank's efficiency and capacity.

"With the overall cooperation of Bangladesh Bank and the coordinated efforts of the board of directors and the management, National Bank is returning to customer service at full pace," she said.

She thanked customers for their patience and said the bank had maintained a strict stance on recovering defaulted loans.

"No defaulter will be spared in the future either," she said, adding that the bank was determined to restore customers' trust through good governance, transparency and accountability.

Zahidul said preparations were underway at all branches and ATM booths to ensure uninterrupted operations from October 15.

For new loan, IMF may seek

FROM PAGE B1

The country also faces higher import costs for energy and fertiliser due to the crisis.

Bangladesh would need an additional $1.82 billion for liquefied natural gas (LNG) imports, around $70 million for fertiliser and $2.21 billion for oil between March and September, said Prof Rashed Al Mahmud Titumir, the prime minister's adviser on finance and planning.

He made the remarks at a high-level conference titled 'An Asia for Everyone: Public Services, Social Protection and the Promise of Shared Prosperity' at Chulalongkorn University in Bangkok on Friday, according to a UNB report.

He said the international community must take responsibility for the economic costs borne by developing countries through no fault of their own.

Preliminary discussions with key development partners, including the World Bank and the Asian Development Bank, have already begun.

However, prospects for securing support from these lenders will depend heavily on progress towards a new IMF programme, according to sources familiar with the matter.

The government decided in May to exit its existing IMF programme, eight months before its scheduled expiry, and seek a fresh arrangement.

The $4.7 billion programme was signed by the previous Awami League government in January 2023 and later increased to $5.5 billion by the interim government.

Bangladesh has received $3.8 billion in five tranches, while the sixth tranche was delayed after the IMF suspended talks in November last year and decided to resume discussions with the new government following the election.

In a June 3 statement, Ivo Krznar, the IMF mission chief for Bangladesh, said the government applied for a fresh package.

"The authorities' request for a successor arrangement provides an opportunity for the Fund and the authorities to agree on a potential programme that both reflects the current challenges and incorporates the new authorities' objectives and priorities," reads the statement.

Any new arrangement would need to address Bangladesh's balance-of-payments needs and be backed by strong policy commitments and a credible reform agenda, subject to the IMF's policies and executive board approval, the statement said.

After the government sought a new programme, an IMF fact-finding mission visited Dhaka in July. The two sides have also held several virtual meetings over the past two months to review updated economic and financial data supplied by Bangladeshi authorities.

Besides the IMF officials, the Bangladeshi delegation is scheduled to meet representatives of Fitch Ratings and JPMorgan, as well as Liao Min, China's vice finance minister, and officials of China Exim Bank. The team is also set to meet Makhtar Diop, managing director of the International Finance Corporation (IFC).

Businesses

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Including bonds and government securities, the market could grow from the current equity market value of around $30 billion to more than $200 billion, he said. "This is certainly achievable when compared with other Asian countries. However, it will require the active participation, confidence and trust of all stakeholders," he added.

In his welcome address, M Jamal Uddin, chairman of IDLC Investments, said the financing needs of banks and financial institutions were rising alongside economic growth, making alternative sources of funding increasingly important.

A more effective capital market could provide long-term financing for businesses and ease mounting financing pressures on banks, he said.

Kazi Mahmood Sattar, chairman of IDLC Finance, said poor mutual fund management practices had undermined the confidence of savers who might otherwise invest in the stock market.

In many countries, savers rely on mutual funds when they lack the knowledge or confidence to invest directly in capital markets.

Steelmakers

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Despite these challenges, steel rod prices have increased. According to the Trading Corporation of Bangladesh, prices of 60-grade mild steel rods rose to Tk 92,500 to Tk 94,500 per tonne as of October 5, from Tk 83,500 to Tk 86,000 a year earlier.

Prices of 40-grade rods also climbed to Tk 89,000 to Tk 91,000 per tonne from Tk 75,000 to Tk 79,000 over the same period.

Higher selling prices, however, have not translated into better profit margins. Rising production costs and weak sales have left manufacturers struggling to cover operating expenses and repay loans.

GPH Ispat's financial performance reflects the industry's difficulties. Its gross revenue fell nearly 25 percent to Tk 3,320 crore in the first nine months of fiscal 2025-26, from Tk 4,400 crore a year earlier.

The company reported a loss of Tk 10.65 crore during the period, compared with a profit of Tk 30.31 crore in the same period a year earlier.

With liabilities of around Tk 12,000 crore, the company has sought a four-month waiver or relaxation of Credit Information Bureau requirements from Bangladesh Bank to restructure its debt with more than two dozen banks and financial institutions.

"Rising raw material, fuel and transport costs continue to squeeze margins," said Mohammed Jahangir Alam, chairman of GPH Group and managing director of GPH Ispat.

Industry insiders said seven of the country's 39 steel mills had shut down, while those still operating were running at only 40 percent to 60 percent of their annual production capacity.

The industry represents around Tk 1 lakh crore in investment. Further closures could threaten jobs, reduce government revenue and weaken the country's domestic steel production capacity.

The BSMA has repeatedly sought meetings with the prime minister, the National Board of Revenue chairman and the Bangladesh Bank governor to discuss the industry's problems. However, it has been unable to secure appointments despite making requests over the past two to three months, Sumon said.

He urged policymakers to ensure affordable working capital and restructure loans for viable mills rather than spend heavily to revive plants that have been closed for years.

There are, however, some signs of hope. The Executive Committee of the National Economic Council (ECNEC) recently approved 12 development projects worth Tk 1,68,780 crore, which are expected to support steel demand.

The projects include a new 17.20-kilometre southern route of MRT Line-5, running from Gabtali to Dasherkandi, as well as revised budgets for MRT Line-1 and the northern route of MRT Line-5.

Jahangir of GPH Group said demand was gradually improving, partly because of projects approved under the Mass Rapid Transit programme.

"Large infrastructure projects could boost demand for steel, cement, glass, cables and electrical equipment," he said.

BTRC puts Tk 500 emergency balance proposal on hold

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Later that year, the regulator decided that Emergency Balance of up to Tk 10 would be provided free, while higher amounts could be offered subject to charges.

Currently, mobile subscribers can receive up to Tk 200 in Emergency Balance, with a service fee of Tk 2.78 in applicable cases. Teletalk's maximum limit is Tk 50, while its applicable service fee can go up to Tk 6.95.

The issue of raising the limit came up after Grameenphone sought regulatory approval in March this year to offer Emergency Balance ranging from Tk 10 to Tk 2,000, with a maximum service fee of Tk 20.

The country's largest mobile operator cited changing customer usage patterns, rising prices of larger service packages, increasing digital adoption and the need to ensure uninterrupted services during emergencies, according to documents.

Other operators, however, raised concerns that a higher limit could create an uneven competitive environment and increase bad debt.

At a meeting between BTRC and all mobile operators in June, the commission asked AMTOB to submit a common proposal covering the maximum credit limit, slab-wise service fees, customer eligibility criteria and service categories.

The operators subsequently failed to reach a consensus, with Grameenphone telling BTRC that the provision of Emergency Balance and associated financial risks varied according to each operator's commercial considerations. It therefore requested that its original application be considered separately and submitted a slab-based proposal.

Meanwhile, AMTOB proposed in July that the maximum Emergency Balance be increased from Tk 200 to Tk 500.

Under its initial proposal, Emergency Balance of Tk 1-Tk 10 would carry no service fee, while the existing Tk 2 fee would remain applicable for amounts between Tk 10 and Tk 200. A maximum service fee of Tk 15 was proposed for the Tk 200-Tk 500 range.

Following a subsequent BTRC-AMTOB meeting in August, the commission asked AMTOB to consult operators on reducing the proposed maximum service fee for the Tk 200-Tk 500 slab to Tk 10.

AMTOB later informed the commission that Grameenphone, Robi and Teletalk had agreed to a maximum Tk 10 service fee for the Tk 200-Tk 500 range while retaining the existing fee structure for lower slabs.

Banglalink, however, proposed a progressive slab-based fee structure instead of a uniform fee.

The operators also proposed that eligibility and credit limits should be determined based on customers' usage patterns, recharge and payment behaviour, network tenure, revenue contribution, risk profile and other business criteria.

The BTRC's System and Services Division noted that Emergency Balance is a long-standing customer-support facility and that there is broad agreement among operators on retaining the existing fee structure up to Tk 200.

However, differences remain over the fee structure for the Tk 200-Tk 500 range and the extent of operators' discretion in determining eligibility and credit limits.

Recognise halal sector

FROM PAGE B1

Halal manufacturing in Bangladesh grew mainly out of private initiative, with Bengal Meat a pioneer.

The Bangladesh Islamic Foundation began halal certification in 2007, and in 2011 received permission from Malaysia's Department of Islamic Development (JAKIM) to issue certificates.

JAKIM renewed its approval this year for another three years.

The foundation has applied for approval from the Saudi Accreditation Center and the Halal Product Assurance Organizing Agency in Indonesia. So far, it has issued halal certificates for 600 products from 276 organisations and has drawn up the "Halal Certification Policy 2023".

But large food processors such as PRAN, along with other industrialists, said the foundation's certification carries little weight in export markets. Because it is not widely accepted, importing countries require exporters to have their products assessed and verified separately.

Bangladesh has the world's third-largest Muslim population, with about 91 percent of its people following Islam. Demand for halal products is rising steadily among the world's nearly 2 billion Muslims, and among consumers of other faiths.

According to 2026 data, global halal demand stands at $5.2 trillion, is growing by an average of 12.4 percent a year and could reach $9.45 trillion by 2034. Only about 20 percent of that demand is currently met.

Bangladesh exports roughly $940 million worth of halal products, a tiny share of the market.

Readymade garments, meanwhile, make up about 81.5 percent of the country's $48 billion in total exports, and many existing trade benefits will shrink or vanish after graduation from least developed country status. Export diversification is no longer optional.

This year's budget earmarks special support for 14 sectors to broaden exports, as part of a goal to build a $1 trillion economy and create 10 million jobs by 2034. The report said halal products stand out as a promising part of this push.

It identified the Middle East, Europe and North America, where large Muslim diaspora communities live, and the Muslim-majority countries of Southeast Asia as Bangladesh's natural markets.

Anwar-ul Alam Chowdhury, president of the BCI, said halal output would rise if the current setup is reorganised, without any extra investment. "What we need is halal certification and the necessary recognition."



A stone-laden truck stands next to the BGB checkpost at Nakugaon Land Port in Sherpur, where trade remains heavily dependent on stone imports despite the port's broader commercial potential. The photo was taken recently. PHOTO: PRABIR DAS

Nakugaon Land Port fails to expand beyond stone imports

The land port's strategic location and existing facilities have yet to translate into a thriving cross-border trade hub

MD AMINUL ISLAM, *Mymensingh*

The Nakugaon Land Port in Nalitabari, Sherpur, has yet to operate as a full-fledged port since beginning operations in 2015, despite its strategic location on the Bangladesh-India border and its potential to facilitate trade with India's northeastern states.

Stone is the only commodity currently imported through the port, according to port sources.

Managed by the Bangladesh Land Port Authority (BLPA), the port covers 13.46 acres and connects Bangladesh with the Dalu Customs Station in Barangapara, Meghalaya, on the Indian side.

Declared a land port in 2010, Nakugaon began operations in June 2015. It also has immigration facilities for cross-border passenger movement, said Md Jahidul Islam, additional director (Traffic) of the port.

Permissible imports include stone and boulders, coal, limestone, China clay, timber, chemical fertiliser, onions, chilli, garlic, ginger, fresh fruits, plants, seeds, wheat, quartz, fly ash and other goods.

Products originating in or processed in Bhutan can also be imported, with some exceptions. Bangladesh may export all legally exportable products through Nakugaon, subject to applicable regulations.

According to the BLPA, stone imports from India rose from 85,035 tonnes in FY2019-20 to 276,483 tonnes in FY2021-22. Imports peaked at 391,137 tonnes in FY2023-24 before falling to 195,655 tonnes in FY2025-26.

Although the port's Importers and Exporters Association has 250 members, only around 35 local businessmen are currently involved in the stone trade, according to traders.

Managed by the Bangladesh Land Port Authority (BLPA), the port covers 13.46 acres and connects Bangladesh with the Dalu Customs Station in Barangapara, Meghalaya, on the Indian side.

Md Mizanur Rahman, secretary of the association, alleged that prominent businessmen from both countries had lost interest in the business because stone had become expensive due to extortion by different groups on the Indian side.

Fahim Hossain Chowdhury, lawmaker for Sherpur-2 (Nalitabari-Nakla), recently discussed the issue of multi-purpose visas for businesspeople with the Indian high commissioner, Mizanur said.

"Multi-purpose visas would allow us to visit India whenever necessary, improve communication between businesspeople in the two countries and help expand trade in other goods permitted through the port," Mizanur said.

He added that the initiative could also encourage people-to-people contact, tourism and business travel between northern Bangladesh and India's northeastern region, provided passenger facilities and connectivity were developed alongside trade infrastructure.

Md Mustafizur Rahman Mukul, senior vice-president of the association, said the port's direct connection with Meghalaya gave Bangladesh access to India's northeastern market and offered opportunities for trade with and through neighbouring states.

He said the port's dependence on stone was a major weakness, leaving it vulnerable to fluctuations in the construction sector, changes in import policy and disruptions in bilateral trade. Diversifying trade would help reduce these risks, he added.

Md Arif Hossain, president of the Sherpur Chamber of Commerce and Industry, said the port has a 400-tonne-capacity warehouse, transhipment yard, open-stack yard, parking yard, weighbridge, office facilities, dormitory, barracks and watchtowers. The authority also maintains arrangements for cargo-handling services.

He said making the port fully functional required an environment conducive to bilateral trade, supported by efficient customs clearance, adequate roads, predictable regulations, competitive transport costs and stronger links with traders on both sides of the border.

Port sources said revenue earnings had increased in recent years and could rise further if the port operated at full capacity.

The port earned around Tk 8.9 crore in FY2024-25, over Tk 10 crore in FY2025-26 and over Tk 37 lakh in the first two months of the current fiscal year.

Shankar Saha, vice-president of the Mymensingh Chamber of Commerce and Industry, said a fully functional land port with immigration facilities would generate substantial revenue for the government and create hundreds of jobs. He said the port had significant potential to boost economic activity in the region.

How do we get an efficient BPC?

MAMUN RASHID

The Bangladesh Petroleum Corporation (BPC) made Tk 4,316 crore in profit last year. Yet, between March and August this year, it incurred losses of around Tk 22,875 crore. This shows why BPC's efficiency cannot be judged simply by whether it makes a profit in a particular year. The real question is whether BPC can procure fuel competitively, manage cash and inventories efficiently, maintain energy security and withstand international price shocks without repeatedly seeking emergency government support. BPC earned Tk 4,586 crore in FY2022-23, Tk 3,943 crore in FY2023-24 and Tk 4,316 crore in FY2024-25. Its recent losses were driven primarily by higher international fuel and freight costs, while domestic prices were not fully adjusted to reflect them.

A loss caused by a government decision to keep domestic fuel prices below cost is not necessarily evidence of operational inefficiency. But it becomes a management problem when losses erode working capital and threaten the corporation's ability to finance future imports. The first priority should be to make the automatic fuel-pricing mechanism credible. Introduced in 2024, the system adjusts domestic prices periodically according to international prices, exchange rates, taxes, transport and other costs. It should work in both directions. If the government chooses to subsidise fuel, the subsidy should be transparently budgeted and reimbursed to BPC. The second priority is procurement. BPC imports millions of tonnes of petroleum products annually, making procurement decisions critical. It should benchmark term and spot purchases, freight, insurance, premiums and payment terms against international alternatives. Transparent tendering, stronger contract management and independent benchmarking could reduce costs and strengthen confidence. BPC also needs better risk management. Petroleum prices and freight rates can change rapidly, while fuel imports create substantial foreign exchange and letter of credit exposure. A formal framework should cover price, currency, liquidity and supply risks.



BPC's efficiency cannot be judged simply by whether it makes a profit in a particular year. The real test is securing fuel at the lowest sustainable cost.

Inventory management presents another challenge. Strategic stocks are essential for an import-dependent country, but maintaining them ties up working capital. Bangladesh currently has roughly 60 days of strategic fuel storage and plans to raise this to 90 days. The goal should be not simply more storage, but the right mix of products, locations and inventory levels based on consumption, supply risks and financing costs.

Efficiency must extend beyond imports. BPC's storage terminals, pipelines, depots and distribution companies should be measured against benchmarks for handling losses, inventory turnover, operating costs and service reliability. The refining and infrastructure strategy also deserves attention. Eastern Refinery's capacity, utilisation and crude procurement, alongside facilities such as the Single Point Mooring system, should be evaluated as one integrated supply chain. Infrastructure should reduce costs and supply risks, not simply increase capacity. Financial discipline is equally important. BPC reportedly had only about Tk 12,368 crore in usable working capital in September and estimated that another Tk 15,000-Tk 20,000 crore would be needed to maintain adequate import support. It has also drawn around Tk 19,500 crore from funds earmarked for development projects.

BPC should build reserves from profitable years while ring-fencing development funds. These reserves should absorb temporary price shocks without disrupting imports. Finally, governance must improve. Commercial decisions should be separated from policy decisions and properly accounted for. BPC and its subsidiaries should publish quarterly indicators covering procurement savings, inventory losses, financing costs, working capital adequacy, storage utilisation and service reliability. These should be independently audited.

An efficient BPC does not have to maximise profits. Its role is to secure fuel for the economy at the lowest sustainable cost while remaining financially sound. The real test is whether BPC can navigate price cycles without turning temporary shocks or policy decisions into recurring fiscal burdens. It should be prepared financially, commercially and operationally before the next crisis arrives.

The writer is an economic analyst and lead partner at Financial Excellence Ltd

India rejects Musk's monopoly claim over Starlink launch

REUTERS, *Bengaluru*

India's telecom minister said on Friday the country does not allow monopolies in any sector, pushing back after Elon Musk suggested billionaire Mukesh Ambani was using political influence to block Starlink's launch in the country.

"India does not allow a monopoly in any sector," telecom minister Jyotiraditya Scindia said at a media briefing on Friday, addressing Musk's remarks.

Musk's SpaceX unit is seeking entry into a telecom market with more than a billion internet users, currently dominated by the mobile networks of Ambani's Reliance Jio and Sunil Mittal's Bharti Airtel.

"Is Ambani the real boss of India?", Musk wrote on X on Thursday, questioning why Starlink still lacked a license despite what he said were years of compliance with Indian requirements. He provided no evidence against Ambani.

Ambani's Reliance Jio did not respond to a request for comments on Musk's remarks.

A four-year wait to launch Starlink's satellite internet services in India has sparked heated exchanges online over business influence and regulatory delays, with Musk targeting Ambani and the political opposition joining the row.

While Starlink has already secured a licence to operate in India, a commercial launch still requires it to meet security compliance conditions and receive a spectrum assignment.

The government said on Thursday that all three licensed satellite operators, including Starlink, were at broadly the same regulatory stage, calling suggestions of an unfair or discriminatory process "baseless and misconceived".

Asia's coal imports set to surge as LNG stays costly

REUTERS

Global exports of thermal coal are currently on track to register a second consecutive annual contraction.

But thanks to thermal coal's widest price discount to LNG in four years, coal shipments look set for a late-year resurgence.

Benchmark Australian thermal coal export prices are currently around 80 percent cheaper than liquefied natural gas for delivery in Asia.

This cements coal's place as the most affordable power generation fuel in the region.

The fourth quarter of the year is also the traditional high point for coal demand in Asia.

This is when utilities replenish stocks ahead of the winter heating period.

That combination of a growing price advantage over alternate fuels just as the peak demand period kicks in has the potential to propel coal export volumes sharply higher over the final weeks of the year.

For climate trackers hoping to see a permanent decline in coal use, any late-year renaissance in coal flows may be a disappointment.

But for utilities across the world's most populous region, the economics of generation may trump climate concerns over the near term. This will ensure coal retains its central role in power production mixes across Asia.

Australian export prices of thermal coal from Newcastle are currently trading around $143 per metric ton.

This is equivalent to around $5.40 per million British thermal units, according to LSEG. That compares to the latest quotes for LNG delivered to Asia of around $25.00 per MMBtu.

This means that high-quality thermal coal is roughly $20 per MMBtu cheaper than LNG in key Asian power markets.

With thermal coal prices from Indonesia routinely at least $1 per MMBtu cheaper than Australian coal, power generators have a strong economic incentive.

They are opting for coal over LNG for the upcoming winter heating season.

Power fuel importers are already into the fuel restocking cycle in preparation for a pick-up in heating demand across major markets.

Major coal-consuming markets include China, Japan, and South Korea.

Those three countries imported around 122 million metric tons of coal during the July-through-September quarter, data from Kpler shows.

That is when power demand for cooling peaks in those countries.

However, those same countries imported an average of 143 million tons of thermal coal during the last quarter of the year in 2024 and 2025.

This is when heating demand peaks.

That means the combined coal imports of China, Japan, and South Korea alone could jump by around 20 million tons during the last quarter of the year.

For major coal exporters such as Indonesia and Australia, those import trends mean the final months of the year are usually the busiest.

Export data for Indonesia show that average shipment volumes during the October-to-December quarter averaged around 137 million tons for the 2023 to 2025 period.

During the third quarter of 2026, Indonesia shipped out just under 107 million tons. This was the lowest tally for that quarter since 2021.

Australia also tends to see export volumes reach their peak during the final quarter. Exports averaged around 55 million tons for the October-to-December period from 2023 through 2025. During the third quarter this year, Australia's export tally was 52 million tons.

If utilities across East Asia ramp up their coal import orders, Indonesia and Australia will see a significant rise in purchase orders.



Coal is unloaded from a ship at Lianyungang port in China. The combined coal imports of China, Japan, and South Korea alone could jump by around 20 million tonnes during the last quarter of the year. PHOTO: REUTERS/FILE

Global trade keeps growing after record year: UN

AFP, *Geneva*

Following a record year in 2025, the value of global trade flows continues to rise, the United Nations said Friday.

The UN Trade and Development (UNCTAD) agency said global trade in goods and services was expected to grow by around four percent in 2026, though this chiefly reflects an increase in prices rather than volumes.

UNCTAD said that in 2025, trade increased by 4.7 percent to reached a record high of $35 trillion.

While trade between China and the United States has declined by more than 20 percent since 2024, East Asia has expanded its trade with both China and North America, UNCTAD said, highlighting a shifting landscape.

The agency also forecasts global growth of 2.6 percent this year, down from 2.9 percent in 2025.

Trade is being driven primarily by products related to artificial intelligence.

Over the 2020-2025 period, developed economies captured approximately 70 percent of the value of foreign investment projects announced in strategic, high-value-added sectors -- notably in semiconductors, energy transition technologies and AI infrastructure.

Within high-value-added sectors, developing economies lead only in critical minerals and strategic materials, in which they account for 60 percent of new foreign direct investment.

UNCTAD said the energy shocks resulting from the conflict in the Middle East had particularly affected import-dependent developing economies, as well as the poorest households.

It also highlighted that development assistance -- a vital source of funding for least developed countries and small island developing states -- is projected to fall by nearly seven percent in 2026, marking its third consecutive annual decline.