Business

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Govt plans unified online portal for trade licences

STAR BUSINESS REPORT

The government plans to issue trade licences through a single online portal and introduce a joint inspection system involving multiple agencies to ease business operations and reduce costs.

It has also identified five priority areas to eliminate delays and duplication among agencies involved in business and investment-related approvals, permits and licences, according to a statement from the commerce ministry.

Trade licences are currently issued through separate systems by union parishads, municipalities and city corporations. An initiative is underway to bring the process under a unified online platform, Commerce Minister Khandakar Abdul Muktadir said.

Once the portal becomes operational, business owners will be able to log in, upload documents, pay the prescribed fees and obtain their trade licences from home, he said at the first meeting of the National Task Force on Deregulation and Business Facilitation at the Ministry of Finance.

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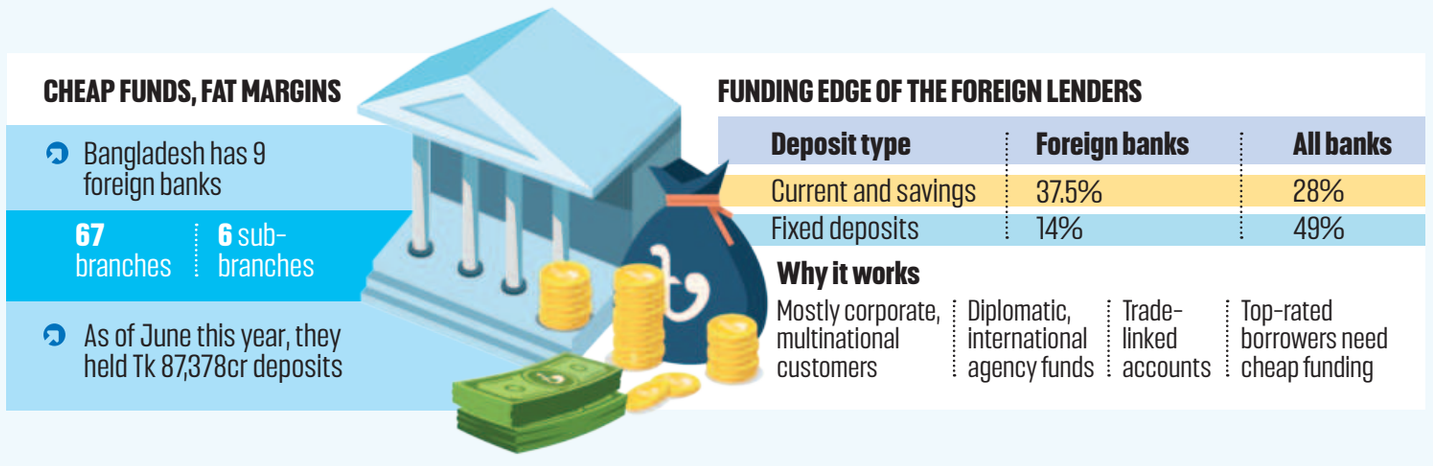
In August, the government formed the task force, comprising representatives of leading trade bodies, to improve the business climate and attract investment.

The 21-member task force, headed by Finance and Planning Minister Amir Khosru Mahmud Chowdhury, was formed in line with the government's commitment, outlined in the budget speech for fiscal year 2026-27 in June, to cut red tape, reduce compliance costs and boost business competitiveness ahead of Bangladesh's graduation from the least developed country (LDC) category.

At the meeting, chaired by Khosru, Muktadir said the government was considering extending the validity of trade licences and renaming the document as a "Business Registration Certificate" or a similar title to simplify the process and reduce administrative delays.

To address the hassles caused by separate inspections by different agencies, the government is also considering a joint inspection system. Under the proposed arrangement, relevant agencies would conduct inspections on building safety, fire safety and environmental standards on the

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Foreign banks play it safe with low-cost deposits, careful lending

Nine foreign lenders in Bangladesh keep their bad loans near 6.5%, versus 33% industry-wide

AHSAN HABIB

Foreign commercial banks in Bangladesh rely more heavily on low-cost deposits from businesses than their local peers, helping them keep funding costs down while lending to large corporations and multinational companies with strong credit records.

Their business model, built on relatively cheap deposits, lower-risk corporate borrowers and strong financial buffers, has helped them maintain healthy profit margins, according to Bangladesh Bank data.

As of June 2026, nine foreign commercial banks held Tk 87,378 crore in deposits. Current and savings accounts accounted for 37.5 percent of the total, while fixed deposits made up just 14 percent.

As current and savings accounts pay little or no interest, they help foreign banks keep funding costs low. Their high share also reflects close ties with large corporate clients, which use these accounts for everyday payments and trade transactions, giving foreign banks access to a steady source of low-cost funds.

By contrast, fixed deposits accounted for 49 percent of total deposits across the banking sector. Current and savings accounts contributed 28 percent, according to central bank data.

The foreign lenders are Standard Chartered Bank, HSBC, Citibank NA, Woori Bank, State Bank of India, Commercial Bank of Ceylon, Habib Bank Limited, Bank Alfalah, and National Bank of Pakistan.

They run 67 branches and six sub-branches. The country has 63 scheduled banks under the supervision of the Bangladesh Bank.

Muhammad A (Rumee) Ali, the first Bangladeshi to become chief executive of ANZ Grindlays Bank (Bangladesh) in 1997, said lowering funding costs and serving low-risk corporate borrowers at competitive interest rates had been central to the business strategy he adopted at the time.

"Foreign banks usually lend to leading corporations and multinational companies, which carry lower credit risks and can borrow at lower interest rates. Keeping funding costs low is therefore essential to maintaining healthy profit margins," he said.

Rumee Ali said foreign banks generally try to retain fixed deposits from corporate clients with which they have established business relationships. Before accepting large fixed deposits, they weigh the costs against the potential benefits and proceed only when the expected net interest income from the client justifies the expense.

If banks could lend to companies with slightly higher risk profiles, they would be willing to accept more fixed deposits at higher interest rates to protect their margins, he said.

Mamun Rashid, lead partner of FinExcel, former chief executive of Citibank N.A. Bangladesh and former head of corporate and institutional banking at Standard Chartered Bangladesh, said large international banks have access to funds from diplomatic missions and international organisations that cannot place deposits with banks carrying weak credit ratings.

For these institutions, the safety of their deposits takes priority over returns. Large foreign banks have benefited from access to such low-cost funds, enabling well-rated lenders to offer competitive loan rates and invest in government securities, he said.

Despite their relatively cautious lending practices, foreign banks saw their profitability weaken in the first half of 2026. Their net profit fell by Tk 1,417 crore from Tk 3,738 crore in July-December 2025, according to central bank data.

In previous years, foreign banks recorded higher profit margins than their local peers.

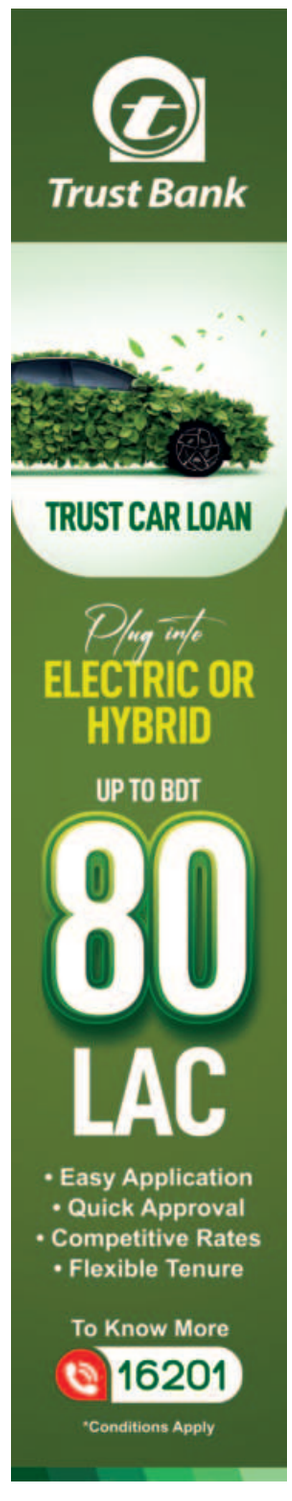
Their asset quality also came under some pressure, with the non-performing loan (NPL) ratio rising over the six months to June 2026. However, it remained well below the industry average.

The NPL ratio of foreign banks rose to 6.5 percent in June 2026, from 5.9 percent in December 2025 and 6.1 percent a year earlier.

Across the banking sector, the overall NPL ratio stood at around 33 percent in June 2026.

Despite this increase, foreign banks continued to focus on highly rated corporate borrowers and self-liquidating credit facilities, in which loan repayment is linked to the proceeds of a specific transaction.

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IMF warns AI boom is widening global divide

MD MEHEDI HASAN, *from Bangkok*

Low-income countries that rely on imported energy and remain outside the artificial intelligence (AI) value chain risk falling further behind as the technology boom increasingly supports global economic growth, the International Monetary Fund (IMF) has warned.

Speaking at the closing press briefing of the IMF-World Bank Annual Meetings in Bangkok yesterday, IMF Managing Director Kristalina Georgieva said discussions were marked by both optimism and concern.

"There is no room for complacency," said Mohammed Aljadaan, chair of the International Monetary and Financial Committee (IMFC) and Saudi Arabia's finance minister.

Georgieva said the AI boom was a major source of support for the global economy but warned that relying on a single growth driver could be risky.

"It's like we stand on one leg," she said, stressing the need for safeguards to protect people and businesses.

She cited Thailand, the host country for the meetings, as an example of how sound policies and strong institutions can expand opportunities, noting its integration into the global AI supply chain.

She named no South Asian country, but her description of energy-importing economies outside the AI value chain is one that many in the region will recognise.

She also warned that AI could widen economic disparities, particularly for low-income countries and fragile states.

The IMF's concerns extend beyond technology to mounting debt-service costs, which are putting pressure on poorer economies even as their debt ratios show some improvement.

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SPOTLIGHT

IDRA bars forced policy purchases

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The Insurance Development and Regulatory Authority (IDRA) has barred life insurance companies from forcing policyholders or nominees to purchase new policies as a condition for receiving insurance claims.

The regulator has also prohibited insurers from deducting premiums for new policies from the proceeds of existing claims, saying such practices violate the law and undermine policyholders' interests.

In a circular issued on October 15, IDRA said it had observed that some life insurers were making the purchase of new policies a condition for settling maturity claims, death claims and survival benefits.

In some cases, insurers were deducting premiums for new policies from the amounts payable under existing policies and handing over the remainder to policyholders or nominees.

Under the existing legal framework, insurers are required to settle the full amount of insurance claims within 90 days, the circular said.

The regulator said insurers must transfer the entire amount payable against a claim to the bank account of the policyholder or nominee in a single transaction. No amount may be deducted from the claim proceeds, except applicable government revenue, it added.

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Customs houses open during Puja holidays

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All customs houses and land customs stations across the country will remain open during the Durga Puja holidays to keep import and export activities running on a limited scale.

The National Board of Revenue (NBR) took the decision to ensure uninterrupted trade during the festival, the biggest religious occasion of the Hindu community in Bangladesh.

In a letter dated October 15, the NBR asked the authorities concerned to take the necessary measures to keep customs-related activities running.

The letter was sent to the commissioners of eight customs houses, including those in Dhaka, Chattogram, Benapole, Mongla and Bhomra, and 16 customs, excise and VAT commissionerates.

The government has declared a three-day public holiday from October 20 to 22. As October 23 and 24 fall on Friday and Saturday, the regular weekly holidays, the break will extend to five days.

Banks will also remain closed during the public holidays, followed by the weekend, giving bankers a five-day break.

RMG exports to Poland rise amid Russia war



REFAYET ULLAH MIRDHA

Bangladesh's garment exports to Poland are rising as the Russia-Ukraine war disrupts direct trade with Russia and buyers shift sourcing from China, even as shipments to several major markets face pressure.

Garment exports to Poland grew 9.8 percent year-on-year to $1.86 billion in fiscal year 2025-26 (FY26), according to Export Promotion Bureau (EPB) data.

In contrast, Bangladesh's total garment exports fell 1.64 percent during the fiscal year.

The slowdown has continued in major destinations. Bangladesh's garment exports to the US fell 5.3 percent in the first half of 2026, while shipments to the European Union declined 11.67 percent in the first eight months, according to World Bank and Eurostat data.

Industry leaders attribute the growth in exports to Poland partly to Polish buyers re-exporting garments to neighbouring Russia, where sanctions-related payment difficulties have complicated direct trade.

They also cite demand for basic garment items and opportunities created by Chinese suppliers losing orders.

A GROWING MARKET

Bangladesh exported garment items worth $1.38 billion to Poland in FY21, with the amount rising to $2 billion in FY22, according to EPB data.

Exports fell to $1.40 billion in FY23 before recovering to $1.54 billion in FY24 and $1.69 billion in FY25.

In contrast, garment exports to Russia have declined since the war began in February 2022.

Before the war, Bangladesh exported more than $665 million worth of garment items to Russia in FY21, with industry players considering it as a rising market for Bangladeshi apparels.

Exports to the country have since continued to fall, standing at $257.26 million in FY26.

POLAND AS A ROUTE TO RUSSIA

Mahmud Hasan Khan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said a significant volume of garment items was being re-exported from Poland to Russia.

Before the Russia-Ukraine war, Turkish traders also imported Bangladeshi garments for re-export to Russia, he said. Exports to Turkey declined after the country imposed a 17 percent duty on Bangladeshi garment items in 2011, according to him.

After the war began, Polish importers started re-exporting garments to Russia, contributing to the growth in Bangladesh's exports to Poland, said Mahmud.

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