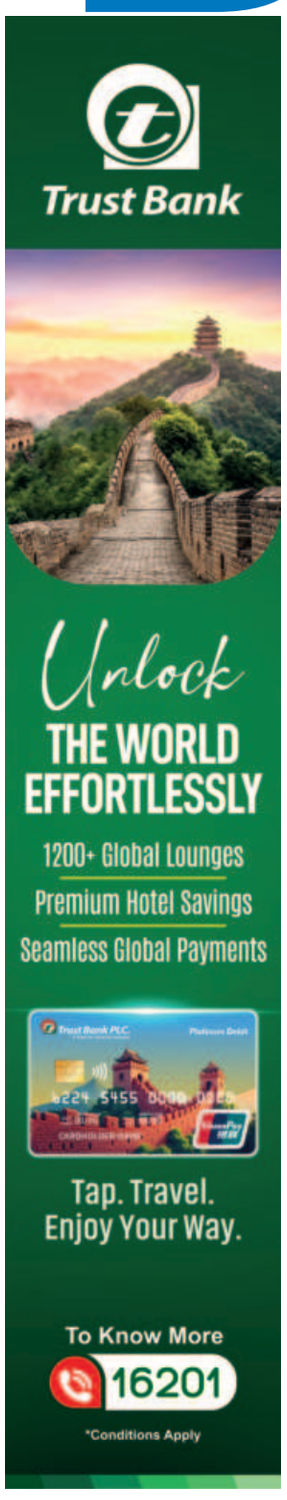
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Business

B4 WHAT HAPPENS AFTER LDC GRADUATION?



BB to relax lending rules for Tk 1,700cr City Group bailout

Eight banks to extend fresh loans to the debt-laden conglomerate

MD MEHEDI HASAN

Eight private commercial banks are set to receive regulatory relief to extend Tk 1,700 crore in fresh loans to debt-laden City Group, in a move aimed at keeping its operations running and ensuring supplies of essential commodities ahead of Ramadan.

The banks are City Bank, Mutual Trust Bank, Prime Bank, Dutch-Bangla Bank, Southeast Bank, Trust Bank, NCC Bank and Pubali Bank.

In consultation with the government, the decision in principle was taken at a meeting between the eight banks and Bangladesh Bank Governor Mostaqur Rahman at the central bank's headquarters yesterday, according to meeting sources.

Bangladesh Bank plans to exempt them from Section 27(Ka Ka) of the Bank Company Act, 1991, which restricts lending to loan defaulters

At the lenders' request, Bangladesh Bank plans to exempt them from Section 27(Ka Ka) of the Bank Company Act, 1991, which restricts lending to loan defaulters. The central bank intends to use its authority under Section 121 to grant the exemption.

The conglomerate owes around Tk 26,000 crore to 48 domestic and foreign banks and financial institutions, some of which have already classified its loans as defaulted. The exemption would allow the banks to extend fresh loans and open letters of credit (LCs) for City Group despite its default status.

A source present at the meeting said a syndication agreement between the eight banks and the group is nearing completion.

Under the proposed syndication, City Bank would provide Tk 300 crore, while each of the other seven banks would contribute Tk 200 crore, the READ MORE ON B2

Japanese firms warming up to Bangladesh



REFAYET ULLAH MIRDHA

Japanese companies are increasingly looking to Bangladesh, attracted by its large consumer base, growing middle class and potential for investment.

Surveys by the Japan External Trade Organisation (JETRO) show that consumer goods are among the main areas of interest of the firms.

Over the years, the organisation has also identified Bangladesh as one of South Asia's most promising destinations for business, citing its large population and rising purchasing power.

Japan has spent years planning to expand investment and relocate more industries to Bangladesh, particularly in garments and textiles, under its Big B plan, or Bay of Bengal Industrial Growth Belt.

The plan envisages an industrial corridor linking Dhaka, Chattogram and Cox's Bazar, modelled on the industrial hubs of Tokyo and Osaka that developed between the 1960s and 1980s and helped drive industrial growth of the island nation.

A few years ago, more than 85 percent of the nearly 338 Japanese companies running businesses in Bangladesh told JETRO they wanted a free trade agreement between the two countries to boost bilateral trade and investment.

More recently, nearly 72 percent said they planned to expand in Bangladesh within a year or two, viewing the country as a promising market.

In February this year, Bangladesh and Japan signed an Economic Partnership Agreement (EPA) to strengthen trade and investment ties.

Kazuiki Kataoka, country representative of JETRO Bangladesh and the current president of the Japan-Bangladesh Chamber of Commerce and Industry (JBCCI), said many Japanese companies are relocating from China to Bangladesh, drawn mainly by lower labour costs and the size of the domestic market.

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Websites still vulnerable despite cyber warnings

MAHMUDUL HASAN

Several government and private organisations in Bangladesh are using outdated or unsupported versions of PHP, a programming language widely used to build websites, potentially leaving their public-facing online services vulnerable to cyberattacks, the government's cyber security agency has warned.

The Cyber Threat Intelligence (CTI) Unit of Bangladesh e-Government Computer Incident Response Team (BGD e-GOV CIRT) identified the weaknesses through routine monitoring, according to a high-severity alert issued yesterday.

Despite earlier warnings and advisories, several organisations have yet to respond or confirm that they have taken the necessary security measures, the alert said.

Govt, private organisations yet to confirm security fixes as PHP flaw disrupts online services

"Continued exposure of these services without verified security updates may increase the risk of exploitation and compromise," it added.

The agency did not name the organisations or disclose how many websites remain vulnerable.

The warning came three days after CIRT issued an advisory on October 22 about "PHP2Shell", a set of vulnerabilities that could allow attackers to run malicious code on servers remotely without logging in. Such attacks could expose sensitive information, compromise servers and disrupt online services.

CIRT identified five potential risks: attackers running malicious code remotely, gaining unauthorised access to web applications and underlying systems, stealing data, disrupting services and using compromised systems to launch further attacks.

However, the agency cautioned that running an outdated version of PHP does not necessarily mean a system has been attacked. The actual risk depends on the version in use, whether security patches have been applied, how the system is configured and how exposed it is to the internet.

IMMEDIATE ACTION URGED

CIRT urged organisations to take immediate steps to secure their internet-facing systems.

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SPOTLIGHT

ADP spending hits 17-year low in Q1

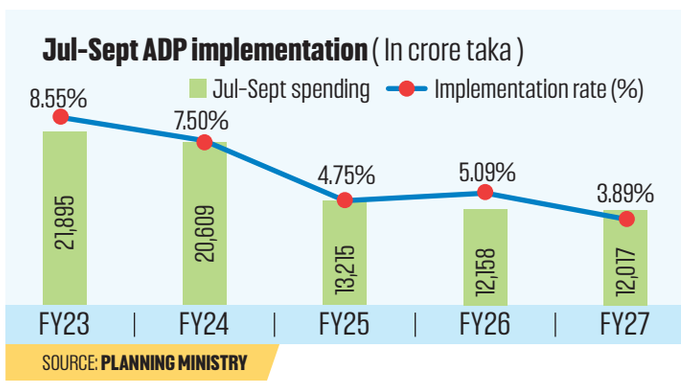
MD ASADUZ ZAMAN

The government's development spending in the first quarter of fiscal year 2026-27 (FY27) fell to its lowest level in at least 17 years, raising concerns about its ability to implement budget plans and support economic growth.

Ministries and divisions spent Tk 12,017 crore, or just 3.89 percent of the Annual Development Programme (ADP) allocation, between July and September, according to data from the Implementation Monitoring and Evaluation Division (IMED) released yesterday.

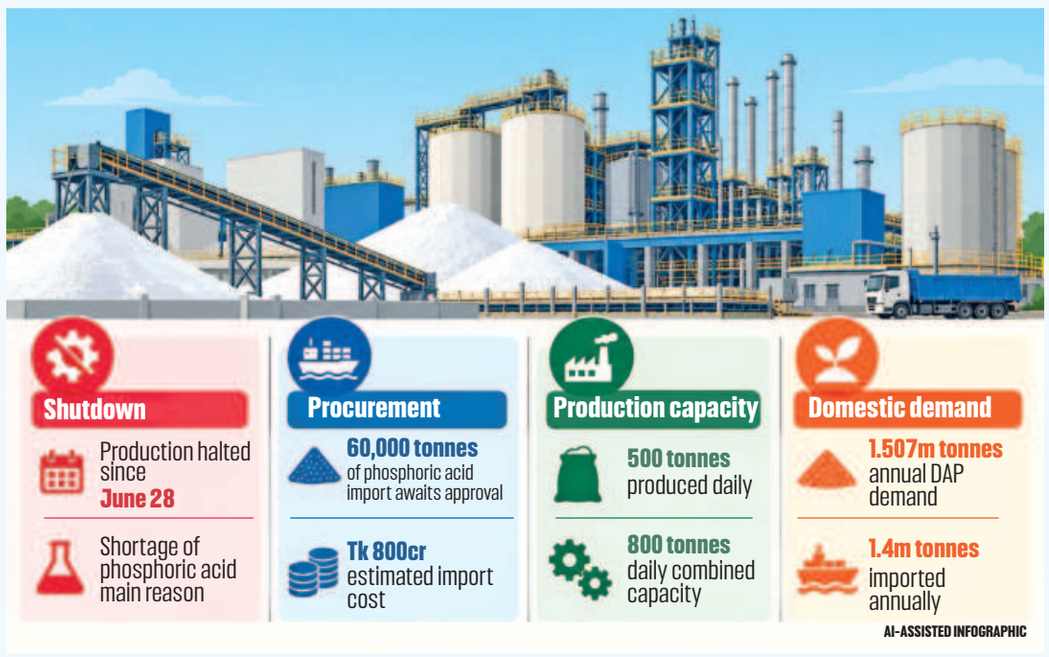
The implementation rate was 5.09 percent in the same period of FY26, 4.75 percent in FY25 and 7.5 percent in FY24.

ADP implementation this year was also slower than in either of the previous two fiscal years, when widespread administrative disruption following the 2024 mass uprising hampered development spending.



Spending was particularly low in the health sector, despite growing concerns about access to healthcare. The Medical Education and Family Welfare Division spent just 1.86 percent of its allocation, while the Health Services Division used only 1.78 percent, IMED data showed.

Md Deen Islam, a professor of economics at READ MORE ON B2



Country's only DAP fertiliser plant remains shut for 4 months

MOHAMMAD SUMAN

The country's only diammonium phosphate (DAP) fertiliser factory has been shut for nearly four months due to a shortage of phosphoric acid -- a key raw material -- with a government approval delay holding up fresh imports.

The DAP Fertilizer Company Limited (DAPFCL), located in Anwara upazila of Chattogram, suspended production on June 28.

The Bangladesh Chemical Industries Corporation (BCIC) subsequently floated a tender to procure 60,000 tonnes of phosphoric acid in three lots, but the purchase is still awaiting government approval.

According to DAPFCL, the estimated cost of procuring the raw material is $64.8 million, equivalent to around Tk 800 crore. Each lot comprises 20,000 tonnes.

The lowest bids for the three lots were $1,079, $1,087 and $1,071.90 per tonne, respectively.

Officials said phosphoric acid prices had risen since March amid tensions in the Middle East, a major market for the chemical. Bangladesh purchased the raw material at around $750 per tonne at the beginning of this year, they added.

Mainul Haque, managing director of DAPFCL, told The Daily Star that the factory had set a production target of around 100,000 tonnes for the current fiscal year but had been unable to produce any fertiliser over the past four months.

"We have been sourcing ammonia from KAFCO and Chattogram Urea Fertilizer Company Limited (CUFL), but phosphoric acid depends on imports and is procured through tenders. BCIC conducts the tender process, and we do not know why it has yet to complete the import of the raw material," he said.

Md Moniruzzaman, BCIC's director (commercial, production and research) said, "The proposal to purchase 60,000 tonnes of phosphoric acid through three lots at the lowest bids had been forwarded through the Ministry of Industries and was awaiting government approval."

He said the government had been supplying gas to most fertiliser factories to keep production running in response to domestic demand.

Moniruzzaman noted that of the country's six major fertiliser factories, CUFL, Karnaphuli Fertilizer Company Limited (KAFCO), Shahjalal Fertilizer Company Limited and Ghorashal were receiving gas.

Jamuna had also received gas until Sunday, he said.

Factory officials said DAPFCL had also remained shut for at least a month in April and May due to gas shortages. READ MORE ON B2