Business

DHAKA TUESDAY OCTOBER 27, 2026, KARTIK 11, 1433 BS
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State banks get MDs from private sector after 20 years

STAR BUSINESS REPORT

The government has appointed private-sector executives to lead Janata and Agrani banks for the first time in 20 years, following a recent relaxation of eligibility criteria for chief executives of state-owned lenders.

In four separate letters issued yesterday, the Financial Institutions Division (FID) of the Ministry of Finance appointed managing directors (MDs) to Agrani, Janata and BASIC banks and reinstated the incumbent head of Sonali Bank.

Md Mahbub Alam, former additional managing director of Southeast Bank, has been appointed MD of Janata Bank, while Noor Mohammed, former deputy managing director of Jamuna Bank, will lead Agrani Bank.

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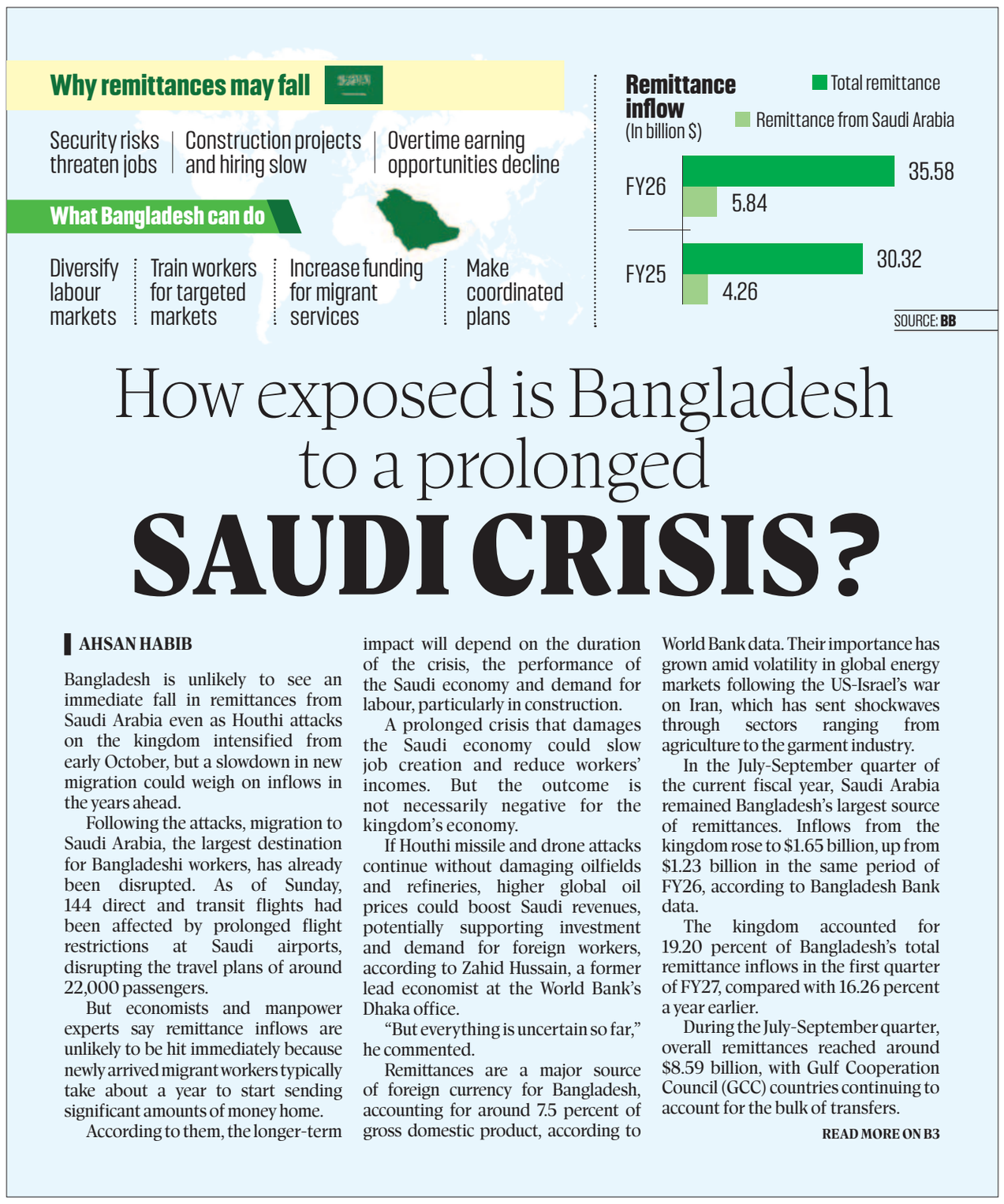
The FID has also appointed Md Nurul Huda, a former deputy managing director of Janata Bank, as MD of BASIC Bank.

Meanwhile, Shawkat Ali Khan has been reinstated as MD of Sonali Bank after the government reversed its earlier decision to cancel his appointment. He will complete his existing three-year tenure, which expires in October 2027.

The three other appointees will serve three-year terms on a contractual basis.

The appointments follow a broader reshuffle at state-owned banks. Last week, the government

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How exposed is Bangladesh to a prolonged SAUDI CRISIS?

AHSAN HABIB

Bangladesh is unlikely to see an immediate fall in remittances from Saudi Arabia even as Houthi attacks on the kingdom intensified from early October, but a slowdown in new migration could weigh on inflows in the years ahead.

Following the attacks, migration to Saudi Arabia, the largest destination for Bangladeshi workers, has already been disrupted. As of Sunday, 144 direct and transit flights had been affected by prolonged flight restrictions at Saudi airports, disrupting the travel plans of around 22,000 passengers.

But economists and manpower experts say remittance inflows are unlikely to be hit immediately because newly arrived migrant workers typically take about a year to start sending significant amounts of money home.

According to them, the longer-term impact will depend on the duration of the crisis, the performance of the Saudi economy and demand for labour, particularly in construction.

A prolonged crisis that damages the Saudi economy could slow job creation and reduce workers' incomes. But the outcome is not necessarily negative for the kingdom's economy.

If Houthi missile and drone attacks continue without damaging oilfields and refineries, higher global oil prices could boost Saudi revenues, potentially supporting investment and demand for foreign workers, according to Zahid Hussain, a former lead economist at the World Bank's Dhaka office.

"But everything is uncertain so far," he commented.

Remittances are a major source of foreign currency for Bangladesh, accounting for around 7.5 percent of gross domestic product, according to World Bank data. Their importance has grown amid volatility in global energy markets following the US-Israel's war on Iran, which has sent shockwaves through sectors ranging from agriculture to the garment industry.

In the July-September quarter of the current fiscal year, Saudi Arabia remained Bangladesh's largest source of remittances. Inflows from the kingdom rose to $1.65 billion, up from $1.23 billion in the same period of FY26, according to Bangladesh Bank data.

The kingdom accounted for 19.20 percent of Bangladesh's total remittance inflows in the first quarter of FY27, compared with 16.26 percent a year earlier.

During the July-September quarter, overall remittances reached around $8.59 billion, with Gulf Cooperation Council (GCC) countries continuing to account for the bulk of transfers.

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Govt wants $1b Korean budget support to tackle energy shocks

JAGARAN CHAKMA

The government is looking to secure $1 billion in budget support from South Korea to help manage the economic fallout from prolonged unrest in the Middle East, as rising energy costs put pressure on public finances and foreign exchange reserves.

The loan is expected to be sought for the ongoing fiscal year 2026-27 under a programme-based policy loan financed through Korea's Economic Development Cooperation Fund (EDCF), according to a Finance Division proposal seen by The Daily Star.

Such loans typically support policy reforms and institutional changes over a defined period.

The proposal was prepared ahead of a high-level government delegation's visit to South Korea from October 31 to November 7.

Finance and Planning Minister Amir Khosru Mahmud Chowdhury is scheduled to lead the delegation. It will meet Korean government agencies, development finance institutions and investors to explore economic cooperation, financing and investment opportunities.

The proposed financing aims to help Bangladesh withstand external energy shocks and address structural weaknesses in the sector

The proposed financing aims to help Bangladesh withstand external energy shocks and address structural weaknesses in the sector. These include the growing fiscal burden of subsidies and outstanding payments to power producers and fuel suppliers.

Bangladesh relies heavily on imported liquefied natural gas (LNG), fuel oil and coal, which leaves the economy exposed to international price movements.

Government officials, experts, and international organisations have repeatedly warned that prolonged instability in the Middle East could intensify those pressures, complicating efforts to contain inflation and maintain macroeconomic stability.

The proposal identifies widening budget deficits, commodity-price volatility, foreign exchange pressure and exchange-rate instability as key risks the programme would seek to address.

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Dollar edges up as oil, gas import payments mount

STAR BUSINESS REPORT

The US dollar rose slightly against the taka yesterday as banks faced mounting pressure to settle letters of credit (LCs) for oil and gas imports.

Eastern Bank PLC quoted the dollar at Tk 123.98 for spot selling and Tk 122.98 for spot buying, up from Tk 123.95 and Tk 122.95, respectively, a day earlier. The rates were considerably lower a week ago.

State-owned Sonali Bank quoted the dollar at Tk 123.90 for spot selling and between Tk 122.63 and Tk 122.90 for spot buying.

In the interbank market, the weighted average dollar rate rose to Tk 123.75 yesterday from Tk 123.73 a day earlier and Tk 123.45 a week ago, according to Bangladesh Bank (BB) data.

Bankers attributed the increase mainly to higher payment pressure for oil and gas imports.

A BB official said dollar inflows and outflows were roughly balanced, but payment pressure usually increases towards the end of a month

A treasury head of a state-owned bank, who wished to remain anonymous, told The Daily Star that government payments for oil and gas imports were putting heavy pressure on the market. His bank was also facing a slight dollar shortage, he said.

Import payments rose 12 percent year-on-year to $12.20 billion in July and August of the current fiscal year, according to BB data. Payments for petroleum products alone doubled to $2.49 billion.

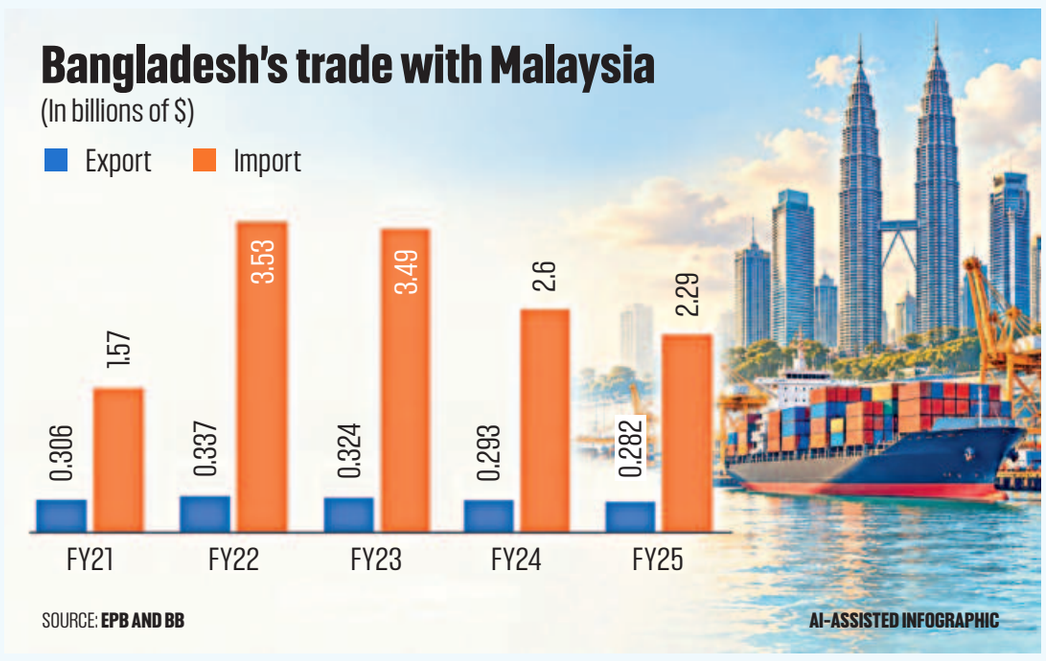
Industry insiders said global fuel prices had risen amid tensions in the Middle East, increasing the country's import bill.

A BB official said dollar inflows and outflows were roughly balanced, but payment pressure usually increased towards the end of the month, pushing up the exchange rate.

Remittance inflows also tended to slow towards the end of the month, creating a temporary mismatch in the market, the official added.

Expatriate Bangladeshis sent home $2.13 billion between October 1 and 24, up from $2 billion in the same period last year.

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First round of FTA talks with Malaysia starts today

REFAYET ULLAH MIRDHA

Bangladesh and Malaysia will begin negotiations for a free trade agreement (FTA) in Dhaka today as Bangladesh seeks to secure preferential market access after its graduation from the least developed country (LDC) category.

The first round of talks aims to advance an agreement by next year, a commerce ministry official told The Daily Star, asking not to be named.

Additional Commerce Secretary Khadiza Nazneen will lead the Bangladesh delegation at the meeting at Hotel Pan Pacific Sonargaon Dhaka, the official said. A 30-member Malaysian delegation is in the capital for the negotiations.

The proposed FTA is part of Bangladesh's efforts to expand trade agreements with potential partners ahead of LDC graduation, which will erode some of the trade preferences the country currently enjoys.

Bangladesh signed an economic partnership agreement (EPA) with Japan and a comprehensive economic partnership agreement (CEPA) with South Korea this year to secure preferential market access.

However, both agreements are yet to take effect as they require parliamentary ratification in the respective countries.

Bangladesh also signed a preferential trade agreement (PTA) with Bhutan in December 2020, covering 34 Bhutanese products and 100 Bangladeshi products. The agreement is now in operation.

'INCLUDE MANPOWER EXPORTS IN NEGOTIATION'

Md Anwar Shahid, president of the Bangladesh Malaysia Chamber of Commerce and Industry (BMCCI), welcomed the initiative, saying Bangladesh should pursue FTAs with potential trading partners to prepare for the loss of preferential market access.

"Trade should be used as a tool for development, as many developed and developing countries have already demonstrated," he said.

He noted that an FTA with Malaysia could reduce the National Board of Revenue's tariff revenue but argued that the potential benefits of a trade agreement should not be overlooked.

Anwar also called for including manpower exports in the negotiations, saying Bangladesh's economic ties with Malaysia remained limited in scope and that Bangladesh had yet to diversify its exports significantly beyond garment products.

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SPOTLIGHT

Foreign loan disbursements fall 42% in Jul-Sept

STAR BUSINESS REPORT

Bangladesh received about half of the $1.27 billion in foreign loan commitments in the first quarter of the 2026-27 financial year, according to provisional data released by the Economic Relations Division (ERD) yesterday.

Bilateral and multilateral lenders disbursed $662 million in July-September of the current fiscal year. This was 42 percent lower than the $1.14 billion received during the same period a year earlier.

ERD data showed that most lenders made no financing commitments during the period, except for the Islamic Development Bank (IsDB). Last month, the government signed a $1 billion financing agreement with the IsDB to modernise and expand Eastern Refinery Limited, the country's only oil refinery.

Japan was the only other financier to commit funds, pledging $3.5 million during July-September. Including the IsDB commitment, total financing pledges increased during the period.

In terms of disbursements, the International Development Association (IDA), an arm of the World

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Govt's one-stop service portal myGov goes offline

MAHMUDUL HASAN

Bangladesh's one-stop government service portal, myGov, went offline yesterday, leaving citizens and businesses unable to access a wide range of public services, as authorities announced "urgent maintenance" for security and service quality upgrades.

Visitors to mygov.bd this afternoon were met with a "Web server is down" message and Cloudflare error code 521, which indicates that the origin web server is not responding to connection requests.

The error page showed that the user's browser and Cloudflare's Dhaka node were working, while the host server for www.mygov.bd was in error.

Aspire to Innovate (a2i), which runs myGov, displayed an "emergency announcement" saying urgent maintenance was under way to improve security and service quality.

The notice said the work would continue until midnight on October 27 and that users might face temporary disruption.

"We sincerely regret this," it said. The

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