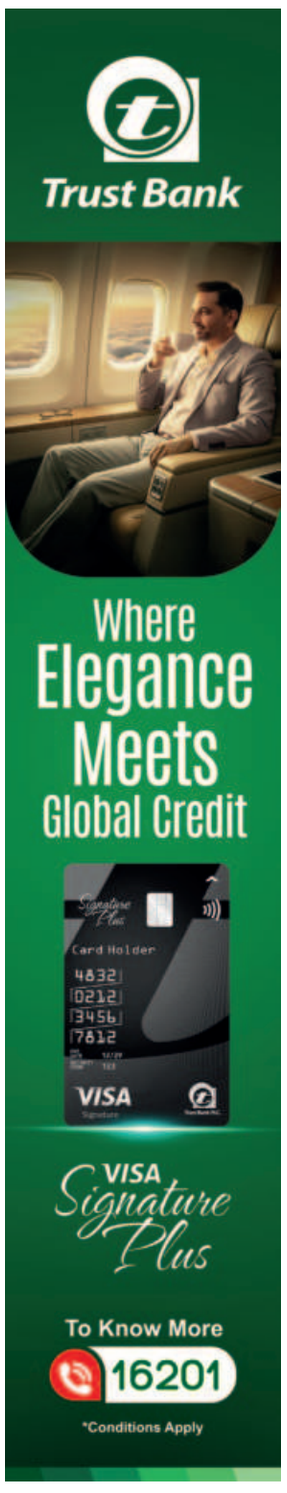
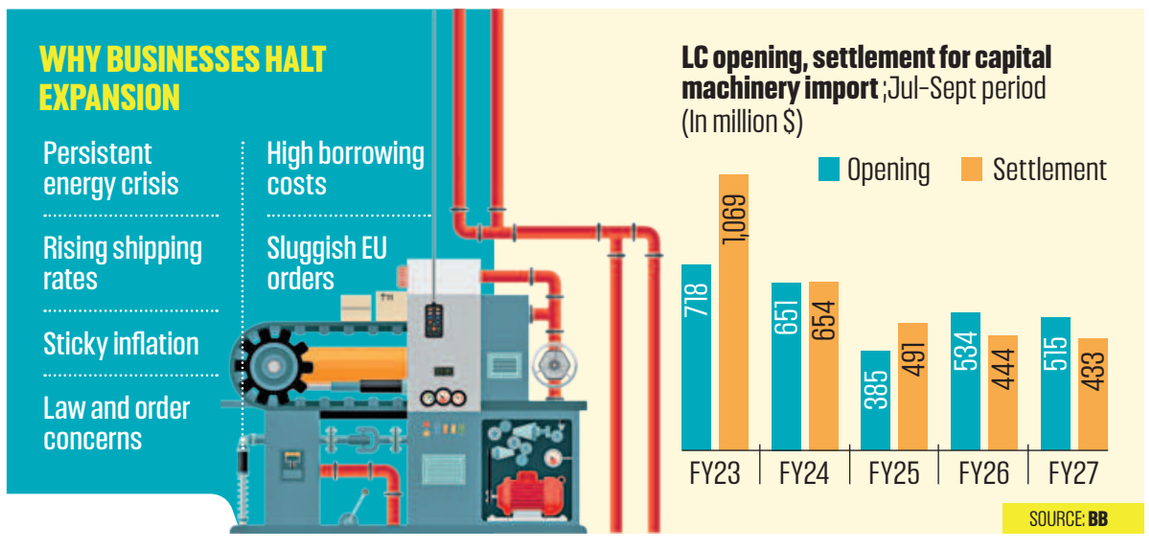
DHAKA WEDNESDAY OCTOBER 28, 2026, KARTIK 12, 1433 BS
starbusiness@thedailystar.net

Business


B4

KARNAPHULI GARDEN CITY SHUTS AS OLD SHOPPING MALLS STRUGGLE





Gas crisis slows machinery imports

Entrepreneurs say high borrowing costs, elevated inflation and weaker exports make a quick rebound unlikely

JAGARAN CHAKMA

Businesses ordered fewer machines from abroad and paid for less equipment already shipped in the July-September quarter than a year earlier, as a severe LNG and power crisis brought production lines in key industrial areas across the country to a standstill.

In the first quarter of the fiscal year 2026-27, fresh letters of credit (LCs) openings for capital machinery fell by 3.58 percent to $515 million from $534 million a year earlier, according to Bangladesh Bank data.

Similarly, LC settlements for manufacturing equipment declined by 2.56 percent to $433 million from $444 million a year ago.

The fall contrasted with a rebound in LC openings for capital machinery in the July-December period last year. In the first six months of FY2025-26, new LC openings rose 24 percent to more than $1 billion.

Besides, this slowdown came at a time when LC openings and settlements for overall import activities were resurging.

LC openings for capital machinery show how willing businesses are to invest and expand, while settlements show how much of that investment has become actual imports and payments. Rises in both can signal stronger business confidence, while falls may point to cautious investment.

In July, a technical fault at a floating liquefied natural gas (LNG) terminal in Cox's Bazar set off a worsening gas crisis and, in turn, a power crisis that lasted until mid-September.

The energy shortage eased in late September, but the continuing conflict in the Middle East threatens the country's overall energy security and its exports to Western markets.

Taskeen Ahmed, president of the Dhaka Chamber of Commerce and Industry (DCCI), said businesses are holding back on new machinery purchases because expansion has become increasingly risky amid economic uncertainty at home and abroad.

He said the conflict in the Middle East and disruption to global shipping have pushed up fuel and freight costs, while weaker demand in Europe, Bangladesh's largest export market, has left factories with fewer orders.

"With interest rates high and access to finance and reliable utilities still uncertain, entrepreneurs are reluctant to make large investments," said Taskeen.

READ MORE ON B3

BB lets UCB offer up to 30% stake to an investor

STAR BUSINESS REPORT

The Bangladesh Bank has relaxed the shareholding ceiling for United Commercial Bank PLC (UCB), allowing a single investor or family to hold up to 30 percent of the lender's paid-up capital as the bank seeks fresh investment to strengthen its capital base.

In a circular issued on Tuesday, the central bank exempted UCB from Section 14 (Ka) of the Bank Company Act, 1991, which generally bars any individual, institution, company or family from holding more than 10 percent of a bank's shares.

The exemption was granted under Section 121, which empowers Bangladesh Bank, in consultation with the government, to exempt a specific bank from provisions of the law through a gazette notification, either generally or for a specified period.

The move could widen the scope for large investors to enter the bank at a time when a substantial portion of its shares is blocked by a High Court order, according to a Bangladesh Bank official

The move could widen the scope for large investors to enter the bank at a time when a substantial portion of its shares is blocked by a High Court order, according to a Bangladesh Bank official.

The circular said the decision was taken "to strengthen the capital base" of the bank. It did not name any prospective investor or specify how much capital UCB intended to raise.

A BB official, requesting anonymity, said the shares blocked by the court order belonged to former land minister Saifuzzaman Chowdhury, also a former director of UCB.

The relaxation is intended to create an opportunity for the bank to raise capital, the official said.

Following the fall of the Awami League regime in the face of a mass uprising in August 2024, the BB dissolved UCB's 18-member board, which was dominated by members of the family of Saifuzzaman.

His wife, Rukhmila Zaman, was the bank's chairman, while his sister Roxana Zaman Chaudhury

READ MORE ON B3



Telcos seek deeper cuts in spectrum renewal prices

MAHMUDUL HASAN

Mobile phone operators have urged the telecom regulator to further cut spectrum renewal prices and allow payments in 20 equal annual instalments instead of 12.

In a letter to Bangladesh Telecommunication Regulatory Commission (BTRC) Chairman Md Emdad Ul Bari on October 25, the Association of Mobile Telecom Operators of Bangladesh (AMTOB) welcomed the commission's proposal to extend the spectrum renewal tenure to 20 years, calling it a progressive measure aligned with international practice.

Moreover, the regulator proposed payment in 12 instalments, up from the eight instalments proposed earlier.

The proposed tenure was previously 12 years and four months.

AMTOB also sought the withdrawal of the annual spectrum charge and an urgent meeting between the regulator's top leadership and the heads of mobile operators.

The letter, signed by AMTOB Secretary General Lt Col Mohammad Zulfikar (retd), covers the 900MHz, 1800MHz and 2100MHz bands held by Grameenphone, Robi and Banglalink.

READ MORE ON B3

Bangladesh, Malaysia target FTA by 2027

STAR BUSINESS REPORT

The government began formal negotiations with Malaysia for a free trade agreement (FTA) in Dhaka yesterday, targeting a deal by 2027 to expand bilateral trade and investment as Bangladesh prepares to graduate from least developed country status.

At the opening of the three-day first round of talks at the Pan Pacific Sonargaon Dhaka, the two sides signed the terms of reference (ToR), setting out the framework and scope of the negotiations, according to a statement from the commerce ministry.

The talks will continue until October 29.

Additional Commerce Secretary Khadiza Nazneen led the Bangladesh team, while Malaysia's 31-member delegation was headed by Rashidi Said, a senior director of the Bilateral Economic and Trade Relations Division at the country's Ministry of Investment, Trade and Industry.

The negotiations will cover trade in goods and services, rules of origin and customs procedures, with the two sides seeking to improve market access and reduce trade barriers while safeguarding their respective interests, Khadiza said.

She said the FTA would create opportunities for investment and employment by easing market access and reducing trade barriers.

Commerce Secretary Sharf Uddin Ahmed Choudhury noted that an FTA was critical for Bangladesh to address the challenges of LDC graduation and maintain its competitiveness in international markets.

Although trade relations between the two countries were promising, opportunities to diversify trade and expand investment remained largely untapped, he said.

There are opportunities for joint investments in the halal industry, semiconductor skill development, digital

READ MORE ON B3

Ramadan essentials see rise in imports, LC openings

SUKANTA HALDER

Imports of major essentials, including edible oil, sugar, chickpeas, red lentils and dates, have increased in the first four months of the current fiscal year, improving the supply outlook ahead of Ramadan.

Import commitments have also increased for several items, suggesting that supplies could receive further support from upcoming shipments, although international prices, import costs and domestic market conditions will remain crucial to keeping prices stable.

Data from the Bangladesh Trade and Tariff Commission (BTTC), presented at a review of the market situation for essential commodities on Monday, showed that imports of the five items rose between July 1 and October 25 compared with the same period a year earlier.

Edible oil imports rose to 8.23 lakh tonnes during the period from 7.05 lakh tonnes a year ago. Letters of credit (LCs) opened for the commodity also increased, reaching 8.05 lakh tonnes, up 1.31 lakh tonnes year-on-year.

Imports of soybean seed, used to produce soybean oil, reached 5.01 lakh tonnes, an increase of 1.13 lakh tonnes from the same period last year.

Sugar imports rose to 6.87 lakh tonnes, up 1.53 lakh tonnes year-on-year, while LCs opened for the commodity stood at 8.10 lakh tonnes, indicating further import commitments.

Chickpea imports, particularly important during Ramadan for preparing iftar items, increased to 82,000 tonnes from 12,000 tonnes a year earlier.

LCs opened for chickpeas reached 1.38 lakh tonnes, substantially exceeding the volume imported so far in the current fiscal year.

Red lentil imports rose to 1.22 lakh tonnes, up 64,000 tonnes from the same

READ MORE ON B3

SPOTLIGHT

RMG wage board gazette to be published soon: minister

STAR BUSINESS REPORT

The government will soon form the minimum wage board for garment workers, Labour and Employment Minister Ariful Haque Choudhury said yesterday.

The list of representatives from the employers' side has already been received, and the gazette notification for the formation of the wage board will be published as soon as the list from the workers' side arrives, according to a statement from the labour ministry.

The six-member wage board for garment workers consists of employer, worker, government and independent representatives.

READ MORE ON B3

Indian firm L&T wins $1b Dhaka Metro contracts

STAR BUSINESS REPORT

India's infrastructure major Larsen & Toubro (L&T) has secured contracts worth up to $1 billion to design and build two key system packages for Dhaka Metro Rail Line 1.

The contracts cover track works, electrical systems, signalling, telecommunications and platform screen doors, the company said in a stock exchange disclosure.

Dhaka Metro Rail Line 1 is Bangladesh's first underground metro rail project. It will connect Hazrat Shahjalal International Airport (HSIA) to Kamalapur, passing through Rampura, Malibagh and Rajarbagh, before branching towards Purbachal.

READ MORE ON B3

