Karnaphuli Garden City shuts as old shopping malls struggle

At least 10 other shopping complexes in Dhaka face possible closure amid falling footfall and sales, insiders say

DIPAN NANDY *and* **SUKANTA HALDER**

For many Dhaka residents now in their 30s, Karnaphuli Garden City Shopping Complex in Kakrail evokes memories of a bustling retail hub that drew shoppers from different income groups.

Opened in 1998, the complex shut down on October 1 after years of dwindling business, with only 25 of its 198 shops operational before the closure, according to its owners' association.

Its closure highlights the challenges facing Dhaka's older shopping destinations, as changing shopping habits, intensifying competition and falling sales erode their business.

At least 10 other older shopping complexes in the capital are also facing the prospect of closure amid dwindling customer numbers and a prolonged business slump, according to information gathered for this report.

The owners of Karnaphuli Garden City have decided to sell the property, with a hospital, diagnostic centre or office space among the possible future uses.

The development raises questions about whether other established shopping complexes can adapt to changing market conditions and remain viable.

FROM BUSTLING HUB TO CLOSURE

Developed by Karnaphuli Group, the complex occupied the basement and first four floors of a 20-storey building, with residential apartments above. Its shops sold ready-made garments, shoes, cosmetics, jewellery and other goods, alongside a food court.

AKM Iqbal, president of the Karnaphuli Garden City Shop Owners' Association, told The Daily Star that the owners had unanimously decided to sell the property.

"We are selling it. All the owners are making this decision together. It could become a hospital, a diagnostic centre, a television centre or any other type of office," he said.

The main complex has shut down, although a handful of shops near the entrance remain open to generate rental income to cover essential expenses, including security guards' and a manager's salaries. The owners are even borrowing money to meet these costs, Iqbal said.



PHOTO: MEHEDI HASAN

The shuttered Karnaphuli Garden City Shopping Complex in Kakrail, Dhaka, which closed on October 1 after years of declining business.

The closure does not affect the residential apartments on the upper floors, according to the authorities.

Concord Twin Tower in nearby Shantinagar is also grappling with sluggish business. Although reports suggested the complex might close, its owners later backed away from the decision.

Syed Sharif Uddin, joint secretary of the Concord Twin Tower Owners' Association, said there were no plans to shut down the complex.

"Our business is not doing well. However, no decision has been taken to close the complex. We are trying to attract customers," he said.

CHANGING SHOPPING HABITS

Iqbal said Dhaka's retail market had changed significantly, with new malls, branded outlets and online shopping giving customers more choices.

"Customers can now compare prices and product quality across shops and online platforms. They do not always need to visit traditional shopping complexes," he said.

Declining footfall has made it harder for shop owners to cover rent, service charges, staff salaries and electricity bills, he added.

Md Helal Uddin, president of the Bangladesh Dokan Malik Samity, said shopping markets had been facing a severe downturn for nearly two to two and a half years. Some shopkeepers go three to five consecutive days without making a sale, he said.

Many businesses can no longer pay staff from their earnings and are dipping into their capital to meet payroll costs. Even those willing to sell goods without making a profit are struggling to stay afloat.

Helal Uddin warned that two or three more markets could close within the next two to three months if the situation did not improve. Representatives of two markets, each with around 300 shops, had recently told him they could no longer sustain their businesses.

He said small and medium-sized businesses had received little government support during the downturn, claiming they had not benefited from taxpayer-funded relief measures since the Covid-19 pandemic.

Closures could wipe out investments worth hundreds of crores of taka and leave thousands of workers unemployed, with few alternative job opportunities, he warned.

Citing Karnaphuli Market, he said the four-floor commercial centre had employed around 3,000 workers and attracted shoppers with its shopping environment and competitive prices.

The association also identified Molla Tower in Rampura, opposite the Television Center, and Bishal Centre in Maghbazar as struggling.

It estimated that another 10 to 12 shopping centres in Dhaka faced a serious risk of closure but declined to identify them.

Russia could build wheat silo at Payra port

Food Minister Afroza Khanam suggests

STAR BUSINESS REPORT

Food Minister Afroza Khanam has proposed that Russia build a wheat silo using its own funds on unused land at Payra sea port in Patuakhali.

The proposal followed a suggestion by Russian Ambassador to Bangladesh Alexander Khozin to finance a wheat silo at Moheshkhali in Cox's Bazar. He made the proposal during a courtesy call on the food minister at the Ministry of Food yesterday.

The ambassador also proposed exporting wheat to Bangladesh on a government-to-government basis.

Responding to the Moheshkhali proposal, the minister said finding suitable land for such a large infrastructure project in the area could be difficult because of a shortage of land.

She suggested Payra sea port as an alternative location, saying it has the necessary port infrastructure and communication facilities to accommodate a large-capacity wheat silo.

The silo could initially have a storage capacity of 200,000 tonnes, which could gradually be increased to 500,000 tonnes, she said.

A silo at Payra would facilitate the transportation of wheat to key distribution and supply hubs across the country, including Narayanganj and Baghabari in Sirajganj, she added.

The minister invited the Russian ambassador to visit Payra sea port to assess the feasibility of the proposal. An on-site visit would help identify a suitable location, assess the available infrastructure and determine how the project could be implemented, she said.

The ambassador welcomed the proposal and expressed interest in it.

A wheat silo is a specialised structure designed to store large quantities of wheat in a controlled environment, protecting the grain from weather and other external factors.

According to food ministry data, Bangladesh currently has 12 silos, of which 10 are operational. Work on the remaining two has yet to be completed. Of the 10 operational silos, six are used for wheat and four for rice. The wheat silos have a combined storage capacity of 350,000 tonnes.

GP revenue, profit fall in Jan-Sept

STAR BUSINESS REPORT

Grameenphone Ltd's (GP) revenue and profit declined in the first nine months of 2026, as business performance remained weak despite marginal growth in third-quarter revenue.

The country's largest mobile operator reported revenue of Tk 11,756 crore in January-September, down 1.6 percent year-on-year, according to its unaudited interim financial statements published recently.

Net profit fell 4 percent to Tk 2,172 crore from Tk 2,264 crore in the same period last year. Earnings per share (EPS) also declined.

However, third-quarter revenue edged up to Tk 4,017 crore in July-September from Tk 4,010 crore a year earlier.

Net profit stood at Tk 751 crore, almost unchanged from the same quarter last year, while EPS remained at Tk 5.56 during the period.

The company's operating cash flow, however, rose 9.2 percent year-on-year to Tk 5,683 crore in January-September from Tk 5,205 crore.

In China, the AI bubble has already burst

REUTERS

While global tech stocks teeter, in China they have already crashed as lofty valuations collapse under worries about AI demand and curbs on Chinese exports.

The meltdown, tanking the mainland STAR50 index of AI and semiconductor leaders by 40 percent in less than four months and vaporising some $480 billion in market value, is an ill omen for wobbly world markets and a dampener on China's efforts at encouraging its savers into stocks to fund the AI boom.

It has also slammed the brakes on a rally running two years, since economic stimulus promises sent shares soaring, and has stalled Beijing's push to break with a long boom-bust pattern and drive a "slow bull" market that delivers reliable performance. China's broad blue-chip index has dropped about 20 percent from highs made in June.

"The stock market later evolved into a speculative crazy bull," said Beijing-based fund manager Dong Baozhen. "And now we see the bubble bursting."

The reversal reflects a rally that ran to higher heights than markets in the West or elsewhere in Asia, and compares with a mere prick to US AI stocks, which have led a 6 percent drawdown in the Nasdaq from a record high scaled three weeks ago.

There has been no obvious selling trigger in China, although traders said high prices, tax bills and the threat of the US or other nations banning Chinese equipment in data centres all contributed.

With AI stocks running to 42 percent of China's market capitalisation and 57 percent of turnover across mainland-listed A-shares and Hong Kong's H-shares, according to Goldman Sachs, few in a market dominated by small investors have escaped pain.

Shares in robot-maker Unitree 8,000 times oversubscribed by retail buyers at listing, have halved since they started trading in August, and chipmaker CXMT has lost more than a quarter of its value in the past month.



A robot makes a drink at the opening of Hong Kong's first Embodied AI International Applications Hub recently. PHOTO: AFP

Chipmakers MetaX Integrated Circuits and Moore Threads Technology, which leapt 700 percent and 400 percent respectively on their market debuts last year, have also halved in value since July.

Across the river is Kaepung County in North Korea.

Chen Wensheng, a small business owner and investor from China's southern Hainan, said he bought into the rally emboldened by what he felt was official support for the likes of Unitree, which counted state-backed funds as investors. But Chen and his friends are now nursing losses.

Frustration that an investment theme backed by Beijing has ended so badly has driven many investors into defensive assets and is likely to slow equity fundraising by tech firms.

Shares in optical parts makers Zhongji Innolight and Eoptolink Technology are down roughly 60 percent from highs in June and July, in part as Washington moves towards banning the one-time darlings from supplying US data centres.

With the STAR50 index still at around 100 times trailing earnings, albeit down from a high of nearly 250, investors compare the Nasdaq 100's multiple of 30 and worry the selloff could get worse before it gets better.

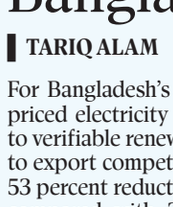
Making merchant solar work for Bangladesh's industry

TARIQ ALAM

For Bangladesh's garment industry, reliable, competitively priced electricity is fundamental to manufacturing. Access to verifiable renewable electricity is also becoming essential to export competitiveness. Inditex, owner of Zara, targets a 53 percent reduction in greenhouse-gas emissions by 2030, compared with 2018, and net-zero emissions by 2040. Vietnam also clearly demonstrates the urgency. In June 2026, Samsung Electronics Vietnam became the first corporate consumer to procure electricity through the grid-connected DPPA mechanism, contracting approximately 70 million kWh of solar electricity annually.

The government's rooftop solar initiative is an important step towards expanding renewable generation. However, limited roof space in manufacturing clusters makes merchant solar a valuable complement, enabling manufacturers to procure electricity from larger projects elsewhere. The regulatory foundation is in place. The 2025 merchant renewable-power policy permits private developers to sell electricity directly to large industrial consumers through negotiated Merchant Power Purchase Agreements (MPPAs).

Consider a garment manufacturer in Dhaka consuming 4 million kWh annually. Inditex targets 50 percent renewable electricity across its supply-chain manufacturing processes by 2030, rising to 100 percent by 2040. Although this is an aggregate target, a manufacturer aiming for 50 percent renewable electricity would need 2 million kWh from renewable sources. If rooftop solar provides 0.6 million kWh annually, requiring approximately 3,000 sqm of suitable roof space, the remaining 1.4 million kWh could be contracted through a 15-year MPPA with a 50 MW solar plant near Chattogram supplying multiple industrial customers. At an illustrative negotiated solar tariff of Tk 6 per kWh, plus approximately Tk 1.60 in assumed transmission, distribution and settlement charges, the indicative cost would be Tk 7.60 per kWh before network losses, renewable-energy certificates, taxes and other charges.



Merchant solar can help garment manufacturers access renewable electricity, meet buyers' decarbonisation targets and strengthen export competitiveness

Three areas require attention. First is settlement and risk allocation during grid constraints. If the Chattogram plant generates electricity while the Dhaka factory experiences load shedding, how is contracted generation accounted for, and who bears the financial consequences? BERC should ensure its framework provides clear, enforceable provisions for settlement, unmatched generation and financial-risk allocation, reflected in standard MPPAs.

Second is bankability. Unlike conventional power projects selling to BPDB, merchant projects depend on private industrial buyers. Standard MPPAs should incorporate payment security through revolving letters of credit or bank guarantees, enforceable default provisions, lender step-in rights and the ability to replace defaulting customers. Recent government-ADB discussions on several hundred million dollars in proposed renewable-energy financing offer an opportunity to engage other development finance institutions (DFIs) in establishing a merchant-power credit-enhancement facility, potentially through IDCOL.

Partial credit guarantees and risk-sharing arrangements for qualifying industrial buyers could strengthen payment security, improve project bankability and help commercial banks finance merchant solar projects, mobilising private investment. Third is verification of renewable electricity for international buyers. As electricity from different sources mixes within the national grid, renewable-electricity procurement can be substantiated through internationally recognised Energy Attribute Certificates (EACs). Under the I-REC(E) system, each certificate represents one megawatt-hour (1,000 kWh) of verified renewable electricity generation.

In the Dhaka-Chattogram example, verified generation from the solar plant could support corresponding renewable-energy certificates, transferred and redeemed for the garment manufacturer under the MPPA. Standard MPPAs should establish certificate ownership, transfer and redemption to prevent double counting. Addressing these areas requires coordinated implementation. The Power Division should coordinate standardised MPPAs in consultation with BERC, developers, industrial buyers and lenders. Merchant solar enables factories to procure additional renewable electricity from larger projects through the national grid, helping meet international buyers' decarbonisation requirements. Making merchant solar bankable is an important part of the country's industrial and energy strategy.

The writer is a strategic consultant across technology, media and infrastructure industries

HSBC net profit jumps in Q3 but misses forecasts

AFP, *Hong Kong*

Banking giant HSBC said Tuesday that net profit in the third quarter rose less than expected, as it carries out sweeping job cuts and an AI expansion.

Profit attributable to shareholders rose 45.5 percent year-on-year to US$7 billion from July to September, the bank said in a filing to the Hong Kong stock exchange. That figure was up from US$4.87 billion a year earlier, but fell short of the US$7.3 billion market estimate.

HSBC has been carrying out job cuts and a global restructuring since CEO Georges Elhedery took the helm two years ago, turning the London-headquartered bank's focus to core Asian markets.

Pre-tax profit in the third quarter grew 32 percent to US$9.6 billion, with revenue increasing by US$800 million to US$18.6 billion, the filing said.

HSBC also approved a third interim dividend of US$0.10 per share, and announced a second US$1 billion buyback after completing one in the previous three months.

"As we simplify HSBC, we are creating greater capacity to invest, grow and deliver strong returns for our shareholders," Elhedery said in the filing.

The third quarter performance "shows that in a more complex world, clients continue to turn to us to navigate uncertainty and seize new opportunities", he added. However, Tuesday's results left investors disappointed.

Shares in Hong Kong plunged more than 6 percent, at around HK$133.5 apiece, during afternoon trading, wiping out the morning's gains.

Restructuring and cost-saving actions, which include selling off a series of business units this year, have saved the bank US$1.4 billion since 2025, according to its report.

HSBC has also been increasingly adopting artificial intelligence in its operations, which Elhedery has said "will change how work is done across industries, impacting some jobs, transforming others."