Islami Bank to raise authorised capital to Tk 10,000cr

STAR BUSINESS REPORT

Islami Bank Bangladesh plans to raise its authorised capital to Tk 10,000 crore from Tk 2,000 crore, the shariah-based lender said yesterday.

Authorised capital is the maximum amount of share capital a company is permitted to issue.

The plan requires amendments to the bank's Memorandum and Articles of Association, which set out its authorised capital and internal governance rules, according to a disclosure by the bank to the Dhaka Stock Exchange (DSE).

It remains subject to clearance from Bangladesh Bank and other regulatory authorities, as well as approval from shareholders, Islami Bank said.

The proposal comes after the bank posted a loss of Tk 1,970 crore in the July-September quarter, against a profit of Tk 32 crore in the same quarter a year earlier, according to its financial statements published recently.

Consolidated loss per share was Tk 12.24 for July-September 2026, compared with earnings per share (EPS) of Tk 0.20 in July-September 2025. EPS is the profit attributable to each share.

The bank said the significant decline in net profit during the period was mainly due to lower investment income.

It added that classified or non-performing investments, on which borrowers had stopped making repayments, remained high, mostly due to the embezzlement of funds by connected parties in relation to large legacy exposures.

BB calls for curbing loan-based money laundering

STAR BUSINESS REPORT

The Bangladesh Bank has called on finance companies to strengthen oversight and risk-based management to tackle anonymous loans, loan-based money laundering, diversion of loan funds and related-party transactions.

Md Sarwar Hossain, deputy governor of BB, stressed the importance of transparency, accountability and good governance in non-bank financial institutions.

He made the comments yesterday at the opening of a two-day conference of chief anti-money laundering compliance officers (CAMLCOs) of finance companies in Cox's Bazar, organised by BB's Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) Department.

He also urged them to make their anti-money laundering efforts effective in practice ahead of the Asia/Pacific Group on Money Laundering's fifth-round Mutual Evaluation of Bangladesh, scheduled for 2027-2028.

Md Muksuduzzaman, executive director of BB, said finance companies must strengthen internal controls and compliance, identify the true beneficial owners of their clients and allow CAMLCOs to work independently.



Visitors browse vehicles on display at the fourth edition of the BARVIDA Car Expo 2026 at the International Convention City Bashundhara in Dhaka yesterday. PHOTO: PRABIR DAS

Used car expo returns after a decade, seeks to revive demand

STAR BUSINESS REPORT

The fourth edition of the reconditioned vehicle show kicked off in Dhaka yesterday after a decade-long gap, seeking to draw buyers as demand for personal cars is weakening amid rising prices and the ongoing economic slowdown.

The three-day BARVIDA Car Expo 2026 opened at the International Convention City Bashundhara (ICCB), bringing popular Japanese models under one roof for prospective buyers to compare prices, features and technology.

Some 40 firms are displaying vehicles from Japanese manufacturers such as Toyota, Honda and Nissan, including the Toyota Land Cruiser Prado, Prius, Corolla Cross, Harrier, Noah, Voxy, Alphard, Axio, Fielder and Aqua, as well as Lexus models.

Banks and insurance companies are also participating in the fair organised by Bangladesh Reconditioned Vehicles Importers and Dealers Association (BARVIDA).

The event takes place at a time when car sales have slumped amid economic slowdown and rising vehicle prices due to the depreciation of the taka against the US dollar.

Earlier this month, BARVIDA said nearly 5,500 private passenger cars were registered between January and August this year, averaging around 680 a month.

At this rate, registrations could reach around 8,200 for the full year, which would be 13 percent lower than sales of 9,400 units recorded in 2025, the lowest since 2022.

Speaking at the exhibition, BARVIDA President Abdul Haque expressed concern over the high registration fees, taxes and supplementary duties imposed on reconditioned vehicles, despite the industry's substantial contribution to government revenue.

He called for a comprehensive import policy that clearly distinguishes between completely built-up (CBU) vehicles, completely knocked-down (CKD) vehicles assembled locally and reconditioned vehicles.

"Over the past 50 years, the improvement in people's living standards in Bangladesh has largely been driven by reconditioned vehicles," he said, adding that they had created employment for thousands of people through more than 1,000 service centres, workshops and related businesses.

The government should determine separate duty structures for each category, taking into account domestic manufacturing capacity, consumer interests and revenue generation, he said.

Citing international examples, Abdul said the UK allowed imports of vehicles up to 15 years old, while South Africa maintained a balance between locally manufactured and imported vehicles.

Abdul Mannan Chowdhury Khoshru, a former BARVIDA president, said Japanese reconditioned vehicles had retained consumers' confidence for more than five decades because of their quality, durability and safety.

He suggested introducing Japan's 660cc Kei cars as a safer alternative to auto-rickshaws in cities, raising concerns about accountability in accidents involving vehicles without proper chassis and identification numbers.

Habib Ullah Dawn, another former BARVIDA president, called for lifting the ban on used EV imports alongside reconditioned vehicles.

He said the sector generated Tk 5,000 to Tk 6,000 crore in annual revenue but faced unequal treatment under the revised import policy, which allows new EV imports while prohibiting used ones.

Reaz Rahman, BARVIDA secretary general, said the expo featured vehicles from the 1960s to the 2010s, demonstrating the longevity of Japanese vehicles and their contribution to the country's transport sector.

At the show, talking with this correspondent, NRB Bank Managing Director Tarek Reaz Khan said the bank was expanding its focus on auto loans, targeting 100 monthly disbursements from January.

The lender's auto loan portfolio currently stands at around Tk 50 crore, with an average loan size of Tk 20 lakh, he said. He added that the bank aimed to complete loan processing within 72 hours and provide conditional approval letters to prospective buyers at the expo.

The expo will continue until November 7, remaining open from 11:00am to 8:00pm each day, with no entry fee.

The shelf life of relationships

MAHTAB UDDIN AHMED

My grandmother never studied management, yet she ran the smartest supply chain I have ever seen. It sat on her kitchen shelf. She knew milk was nourishing but would not last long in the heat. So she added culture and turned it into yoghurt, which lasted longer. She churned the yoghurt into butter. To preserve the butter, she put it on the stove, let it crackle and clarify, and made ghee that could sit on the shelf for months.

The browned bits left in the pan, the little "chor chori" as we called it, were mixed with rice and sugar. Nothing was wasted; even the byproduct had its moment.

The monk Gaur Gopal Das said relationships can be like milk: lovely and nourishing but quick to turn sour. Some survive misunderstandings and become yoghurt; others endure churning and become butter. A rare few pass through life's toughest tests and become ghee: bonds that last.

My boardroom years brought his lesson home.

We all know milk relationships: a friendship that glows through a wedding season and fades by Eid. At work, a new hire may find the tea too sweet and the boss too blunt, then resign before the probation letter arrives; a vendor partnership may sour before its first invoice, despite the cake-cutting ceremony. In our country, we love the launch photograph. We celebrate beginnings, circulate press releases, then leave the relationship on the counter. Milk does not turn sour because it is bad; it turns sour when no one takes care of it. Culture, in both senses of the word, keeps a relationship alive.

The first test is disagreement handled with grace. When people can disagree, listen and still work together, a relationship grows stronger. Yet many organisations lose their nerve. They treat disagreement as disloyalty, label the questioning colleague "difficult" and keep meetings polite and unanimous. The minutes read wonderfully. The company stays milk: one hot afternoon from going sour.



Milk does not turn sour because it is bad; it turns sour when no one takes care of the relationship

Then comes the churning. I have lived through a merger of two large companies. "Churning" is exactly the right word: two payrolls, two cultures, two canteens and a hundred reasons to quit each week. Those who stayed, listened and worked through the discomfort became more useful to one another, bound by an experience no team-building retreat in Cox's Bazar could replicate. Marriage can work the same way. A couple able to talk through a dispute over bathroom tiles may be ready for bigger tests.

A relationship's strongest test comes when life turns difficult. In a marriage, it may be illness, financial trouble or a breach of trust. In a company, it may be a scandal or the year auditors find what everyone hoped they would not. Loyalty means little. What matters is how people act under pressure: whether they tell the truth, take responsibility and stand by one another.

Not every relationship must be saved. Some should end, especially when there is abuse or lasting harm. But many are abandoned simply because they have become uncomfortable. We love beginnings but lack staying power, changing jobs at a dull quarter and browsing alternatives at the first long silence.

Before drafting the resignation letter, ask: is this relationship going bad, or going through a difficult stage that could make it stronger? From inside the pot, the two can feel much the same. Our grandmother, who never read a leadership book, knew to pause and find out. She did not throw everything away at the first change. She asked what it might become.

The writer is the founder of BuildCon Consultancies Ltd and BuildNation Ltd

US midterm results: What it means for Bangladesh's trade, economic challenges



ABDUR RAZZAQUE

The results of the US midterm elections appear to be a major political setback for US President Donald Trump. As Democrats seize control of both the House of Representatives and the Senate, the administration will face much stronger opposition to its policies, including those related to international trade.

Extensive use of tariffs by President Trump has generated considerable debate in the United States, especially over their impact on consumer prices and business costs. The new political balance would make it more difficult to pursue further tariff increases without facing serious political challenges.

For Bangladesh, this development offers some grounds for cautious optimism. A Democratic-controlled Congress could provide greater opportunities to raise concerns about US trade restrictions and to seek more favourable market access conditions.

Stronger Congressional scrutiny may also constrain some of the administration's unilateral trade measures, along with some of the bilateral trade deals that the US enforced upon some countries, including Bangladesh.

Nevertheless, expectations of immediate or substantial changes in US trade policy should remain modest.

One important consideration is that President Trump will continue to exercise considerable executive powers, particularly in international trade, where existing legislation provides significant discretion to impose tariffs and undertake other trade-related measures. These powers are subject to legal restrictions, but Congressional opposition cannot automatically prevent their use.

Indeed, disagreements between the White House and Congress could lead to greater political confrontation, with the administration continuing to pursue its trade agenda through executive actions while Congress attempts to challenge or constrain them. Such tensions could generate further policy uncertainty and volatility.

It would therefore be premature to assume that the election outcome will necessarily produce a more stable and predictable international trading environment.

There is also a broader issue concerning the direction of US trade policy.

The resurgence of industrial policies, growing protectionist tendencies and scepticism towards certain aspects of the multilateral trading system have become increasingly prominent features of American economic policymaking across party lines.

It is worth recalling that President Biden retained several major elements of Trump's first-term trade policies. His administration maintained important tariffs on Chinese products and continued the US opposition to appointments to the World Trade Organization's (WTO) Appellate Body, leaving the WTO's dispute settlement system without a functioning appeals mechanism.

The Biden administration also pursued ambitious industrial policies, including substantial subsidies under the Inflation Reduction Act and the CHIPS and Science Act.

These developments suggest that the changing US approach to international trade reflects deeper shifts in American economic priorities.

Both political parties attach considerable importance to protecting strategic industries, responding to China's economic influence and preserving domestic policy space. Their approaches to international cooperation certainly differ.

Trump's strong preference for bilateral bargaining and unilateral trade measures could face greater resistance under the new Congress, potentially creating some room for more constructive multilateral engagement. But a fundamental reversal of the US position on WTO disciplines and dispute settlement seems unlikely simply because the political balance in Washington has changed.

For smaller trading economies such as Bangladesh, which have a strong interest in predictable and enforceable international trade rules, this continuing shift in US policy is an important concern.

For Bangladesh, the immediate question is how any changes in US trade policies might affect its export prospects. This is particularly relevant for the readymade garment sector, where even relatively small differences in tariff treatment between Bangladesh and competing suppliers, including Vietnam, India and Cambodia, can influence international sourcing decisions.



US President Donald Trump poses for a photo after delivering a speech marking the end of the midterm election campaign in Washington, DC on November 2. Trump's bilateral trade approach and unilateral measures may face greater congressional resistance, creating room for constructive multilateral engagement. PHOTO: AFP

The relative tariff advantage or disadvantage matters as much as the tariff imposed on Bangladesh itself.

Greater certainty about future US trade measures would also help exporters and international buyers plan their sourcing and investment decisions. Bangladesh should therefore closely monitor the emerging policy environment and assess the opportunities for improving its competitive position in the American market.

The implications could extend beyond merchandise trade. Developments in US economic and foreign policies influence global financial conditions, exchange rates, investment sentiment and commodity markets.

Of particular concern is the continuing crisis in the Middle East, where the conflict involving Iran, disruptions to shipping through the Strait of Hormuz and wider geopolitical tensions have created serious uncertainties for global energy supplies and prices.

Whether the changing political balance in Washington will lead to any substantive shift in the US approach to the Middle East crisis, particularly towards de-escalation and restoring normal energy shipments through the Strait of Hormuz, remains to be seen.

A meaningful easing of these tensions could help stabilise international energy markets and bring down fuel prices. For an energy-importing economy like Bangladesh, lower prices would reduce import costs, ease pressure on foreign exchange resources and help contain domestic inflation and production costs.

Such developments would certainly be welcome. Much, however, will depend on how the geopolitical situation evolves, and there is little reason to assume that the midterm results alone will bring about a resolution of the crisis.

These potential external developments must also be viewed against Bangladesh's present economic difficulties, many of which have developed primarily from domestic policy weaknesses and prolonged delays in implementing meaningful reforms.

Persistent inflation, the severe banking sector crisis characterised by exceptionally high non-performing loans, weak domestic revenue mobilisation and declining investment have created formidable challenges. Restoring macroeconomic stability, particularly bringing inflation under control, remains an immediate priority.

Strengthening the government's fiscal position, improving financial sector governance and restoring confidence in the banking system are equally urgent. Improving export competitiveness also requires sustained domestic policy attention, especially given the importance of containing production costs and strengthening productivity.

Bangladesh's forthcoming LDC graduation adds another dimension to these challenges. The eventual erosion of trade preferences and the loss of certain policy flexibilities will require significant improvements in export competitiveness and greater diversification of the country's export base.

The additional three years now available before graduation offer an important opportunity to make meaningful progress in these areas. Yet the reform requirements have been known for a long time, and progress in addressing many of the underlying constraints has remained disappointingly limited.

Bangladesh can ill afford to let this additional period pass without substantial improvements in its competitiveness and productive capacity. The immediate challenge is to identify and sequence the most critical reforms, establish an accountable

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