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Business



B4

MAIZE DEMAND MAY HIT 1.7CR TONNES BY 2050





No minimum wage has ever been announced in Bangladesh without tragic worker deaths, and while government and owners shift political blame, workers ultimately bear the brunt of police baton charges.

Syed Sultan Uddin Ahmmed
Executive Director, BILS



Bangladesh should adopt Cambodia's scientific wage-setting model, carefully balancing essential social criteria like inflation and living costs against vital economic metrics including factory productivity, global competitiveness and sector profitability.

Fazlee Shamim Ehsan
President, BEF



India is covertly building supply chain dominance by purchasing shares in major global fashion retailers to secure orders. Bangladesh should establish a $1 billion investment fund for such supply chain control.

Kazi Iqbal
Research director, BIDS



Workers have learned from past experience that meaningful wage decisions only happen after taking to the streets, turning disruptive street protests into an unfortunate, ingrained part of our industrial culture.

Towfiqul Islam Khan
Additional research director, CPD

BUSINESS AND BEYOND

RECOMMENDATIONS

MAKING WAGE REVIEWS PREDICTABLE, FAIR
- Review wages every three years, forming wage boards early
- Use a scientific formula balancing living costs, productivity
- Set a national floor wage guaranteeing all workers basic income

BUILDING CREDIBLE DATA, STRONGER INSTITUTIONS
- Form a permanent wage commission with dedicated research cells
- Publish data on RMG productivity, costs and buyer margins

PROTECTING WORKERS, SETTLING DISPUTES
- Settle labour unrest through early tripartite talks, not force
- Have the state, not employers, provide social security, healthcare
- Build a national worker database to deliver aid efficiently

STRENGTHENING THE INDUSTRY'S HAND
- Use collective leverage to win fairer prices from buyers
- Adopt an active industrial policy, with early state support

Bring data and discipline to garment wage setting

Stakeholders seek stronger government oversight and empowered wage boards as recurring pay protests expose flaws in industrial relations

STAR BUSINESS REPORT

The country needs a transparent and data-driven system to determine minimum wages for apparel workers, according to business leaders, labour experts and economists, as they say repeated reliance on bargaining and street protests is eroding trust between workers and employers.

Amid protests for pay hikes disrupting production across major garment belts, they said the government should create a permanent wage commission, introduce a national minimum wage standard and set a fixed calendar for wage reviews.

At a discussion at The Daily Star yesterday, they also called for wage boards to arrive at their own evidence-based proposals rather than leave workers and employers to negotiate from opposing figures.

Speakers at the dialogue, titled "Garment Wages: What's the Pathway?" and organised by The Daily Star under its Business & Beyond series, also noted that the latest unrest reflects a failure to establish a credible and predictable wage-setting mechanism.

"Wage determination should not be a bargaining game between workers and employers. It needs a scientific basis," said Towfiqul Islam Khan, additional research director at Dhaka-based think tank Centre for Policy Dialogue (CPD).

Towfiqul said workers have come to believe that taking to the streets is the only way to get better wages, as he described the pattern as an unfortunate feature of the country's industrial relations.

He said wage boards have traditionally been treated as bargaining platforms, with workers presenting high demands and employers offering substantially lower figures, leaving the government to settle somewhere in between.

"The process lacks a clear technical basis," he said. "Wage boards rarely explain which economic indicators or calculations inform their decisions, leaving both sides uncertain about how the final figure is reached."

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Govt eyes sovereign bond debut, IMF deal within 3 months

STAR BUSINESS REPORT

Bangladesh plans to issue its first sovereign bond and reach a deal with the International Monetary Fund (IMF) within three months as it seeks to diversify its financing sources, senior government officials said yesterday.

The government intends to enter the international bond market within the next two to three months, said Tanvir Shahriar Ghani, special assistant to the prime minister.

The bond could be issued in either New York or London, he told journalists on the sidelines of a two-day international debt conference organised by the Ministry of Finance and the Asian Development Bank (ADB) in Cox's Bazar.

The size of the bond would be decided later, he added.

Also speaking at the event, Amir Khosru Mahmud Chowdhury, minister of finance, stressed the need to diversify Bangladesh's borrowing sources beyond traditional lenders.

According to the minister, domestic debt instruments alone would not meet the country's foreign currency requirements for development projects.

"If we only issue local bonds, we still have to turn to the international market whenever we need foreign currency for development," he said.

"We must move towards alternative financing. Rather than relying solely on multilateral lenders or bilateral sources for loans, we will tap into alternative financing," he added.

Khosru outlined several financing instruments in the pipeline to mobilise both foreign and domestic capital.

"We are issuing dollar bonds in New York and launching a Bangladesh-dedicated equity fund in Hong Kong," he said. "Later, we will also issue Samurai bonds, Panda bonds and local Sukuk bonds."

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Tea estate owners seek Tk 2,500cr low-interest lifeline

STAR BUSINESS REPORT

Tea estate owners and planters have sought a Tk 2,000 crore to Tk 2,500 crore low-interest fund from Bangladesh Bank to revive the sector, along with easier terms for loan rescheduling, central bank officials said.

The sector's representatives placed the demands at a meeting between Bangladesh Bank and the Bangladesh Tea Association (BTA) at the central bank headquarters yesterday.

Bangladesh Bank Governor Md Mostaqur Rahman presided over the meeting, while BTA Chairman Kamran Tanvirur Rahman led the tea sector delegation.

Contacted, Kamran told The Daily Star that the sector needs Tk 2,000 crore to Tk 2,500 crore in low-cost financing to support its revival.

"We also need a loan rescheduling facility, as the tea sector has already been damaged," he said.

Tea is an agro-based industry and should not be compared with other sectors, he added, stressing that the sector needs to be saved.

In July this year, Prime Minister Tarique Rahman assured the tea industry of all necessary cooperation to boost production and address its longstanding problems as part of a broader push to develop the sector.

The government also pledged policy, financial and institutional support to help the industry grow.

Bangladesh is the world's eighth-largest tea producer, with 172 estates producing 9.49 crore kilogrammes of tea in 2025. The sector directly employs 102,000 permanent and 40,000 temporary workers, while around 5 lakh people live within estate boundaries.

15 banks account for 85% of default loans: BB

Report for Apr-Jun warns about economic risks

STAR BUSINESS REPORT

Only 15 banks -- including five recently merged shariah-based banks -- account for more than 85 percent of the over Tk 600,000 crore in non-performing loans (NPLs), underscoring that asset-quality distress remains concentrated in a handful of lenders rather than being widespread across the banking sector.

The latest Bangladesh Bank Quarterly report for April-June 2026, published yesterday, shows that total classified loans across the country's 61 scheduled commercial banks rose in the fourth quarter of fiscal year 2025-26 from more than Tk 588,700 crore in the previous quarter.

This pushed the aggregate gross NPL ratio to 32.78 percent from 32.26 percent in the preceding quarter, driven by a moderate increase in the ratio among state-owned banks.

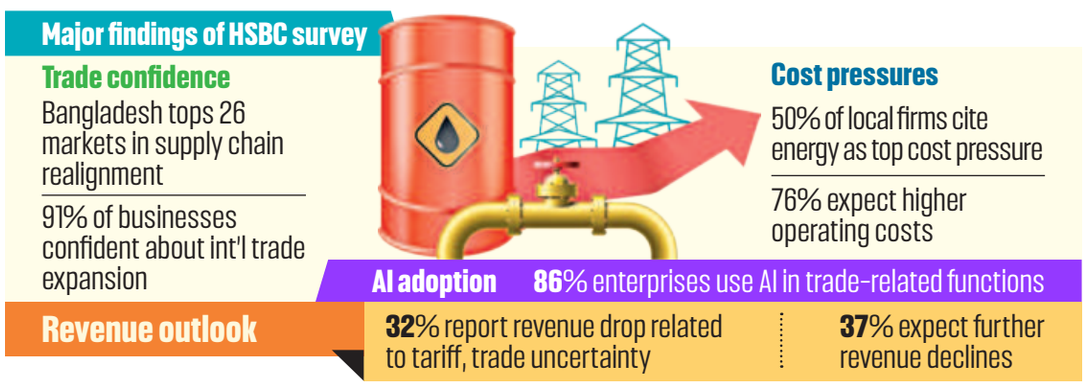
Not all commercial lenders contributed equally to the banking sector's distress, the BB report found.

Excluding the five recently merged shariah-based banks, 10 other banks held more than 57 percent of total classified loans. This suggests that the distressed-asset problem is concentrated in a few banks rather

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91% of firms upbeat on trade growth despite rising costs

HSBC survey finds energy is the biggest cost pressure



STAR BUSINESS REPORT

Despite rising costs and trade uncertainty, 91 percent of Bangladeshi businesses remain confident about expanding their international trade over the next two years, according to a new HSBC survey.

More than half of them, or 56 percent, said they were "very confident".

However, rising operating costs remain a major concern. Energy is the biggest cost pressure for local businesses, cited by 50 percent of firms, closely followed by raw materials at 49 percent.

Overall, 70 percent of Bangladeshi businesses reported higher costs, while 76 percent expected their expenses to rise further over the next two years.

These pressures have also increased working capital requirements, with 64 percent of companies saying their requirements had risen since 2025.

Trade uncertainty is adding to the pressure.

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Govt spends just 6.5% of ADP outlay in 4 months

STAR BUSINESS REPORT

The government has spent just 6.53 percent of its Annual Development Programme (ADP) allocation in the first four months of fiscal year 2026-27 (FY27), marking the slowest implementation pace for the period in at least 17 years.

Ministries and divisions spent Tk 20,159 crore between July and October, according to data released by the Implementation Monitoring and Evaluation Division (IMED) yesterday.

The government has set an ADP expenditure target of Tk 3.08 lakh crore for FY27.

The slow pace in the first four months has raised questions about the government agencies' capacity to implement budgetary plans and drive economic growth.

The implementation rate stood at 8.33 percent during the same period of FY26, 7.9 percent in FY25 and 11.54 percent in FY24.

The latest figure is particularly striking as ADP execution was slower than in the previous two fiscal years, when widespread administrative disruptions following the 2024 mass uprising hampered development activities.

In October alone, the implementation rate fell to 2.64 percent from 3.23 percent a year earlier, although spending in absolute terms increased.

HEALTH SECTOR SPENDING LOWEST

Spending remained particularly sluggish in the health sector, despite mounting concerns over access to healthcare services.

The Medical Education and Family Welfare Division, which has been allocated Tk 5,499 crore, utilised just 2.88 percent of its allocation, according to IMED data. The Health Services Division, which has been allocated Tk 6,014 crore, spent only 3.94 percent.

Among the 15 highest recipient ministries and divisions, the Ministry of Primary and Mass Education, which received Tk 3,203 crore, spent the most of its development budget so far. Between July and October, the ministry spent 24.15 percent of its whole-year allocation.

The Local Government Division, which received the highest Tk 33,374 crore, is the second highest spender with 20.74 percent implementation rate.

Mohammad Lutfor Rahman, a professor of economics at Jahangirnagar University, said the unusually low ADP implementation rate was unexpected, as the new government was supposed to accelerate development activities after nearly two years of sluggish implementation.

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ACI to form Tk 50cr subsidiary for group services

STAR BUSINESS REPORT

Advanced Chemical Industries PLC (ACI) has approved the formation of a new subsidiary, ACI Apon Services Limited, with an authorised capital of Tk 50 crore and paid-up capital of Tk 3 crore.

The company's board of directors approved the formation at a meeting on November 12, according to a disclosure on the Dhaka Stock Exchange (DSE).

ACI will hold an 85 percent stake in the proposed subsidiary, subject to approval from the relevant authorities.

The new company will bring together various services provided by different companies within the ACI Group and manage them under a separate entity, the disclosure said.

Meanwhile, ACI shares fell slightly to Tk 178 on the DSE yesterday.

Beximco Pharma plans subsidiary to diversify products

STAR BUSINESS REPORT

Beximco Pharmaceuticals PLC plans to set up a wholly owned subsidiary to manufacture and market herbal medicinal products, as the drug maker seeks to diversify its product portfolio and expand its presence in the healthcare market.

The board of Beximco Pharma decided to incorporate the new entity, Beximco Pharma Nutraceuticals Ltd, at a meeting held on 12 November 2026, the company said in a disclosure to the Dhaka Stock Exchange (DSE) yesterday.

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