

## Bangladesh produces 80% of world's hilsa: minister

### STAR BUSINESS REPORT

Over 80 percent of the world's total hilsa production comes from the rivers, estuaries, and coastal waters of Bangladesh, said Mohammed Amin Ur Rashid, minister of fisheries, livestock and agriculture.

Bangladesh ranks first among the 11 hilsa-producing countries, he also said yesterday while speaking at a press conference at the Ministry of Fisheries and Livestock, marking Jatka Conservation Week 2026.

Hilsa accounts for approximately 9.79 percent of the country's total fish production and contributes around 1 percent to the national gross domestic product, according to the minister.

He said the government is continuing to implement timely and practical initiatives to protect hilsa resources and ensure sustainable production.

As part of these efforts, Jatka Conservation Week 2026 will be observed nationwide from April 7 to April 13.

About 600,000 people in Bangladesh are directly involved in hilsa fishing, while an additional 2 million to 2.5 million people are engaged directly or indirectly in related activities such as transportation, marketing, net and boat manufacturing, ice production, fish processing, and export.

The minister added that the programme, organised by the Ministry of Fisheries and Livestock, will be observed across 20 hilsa-rich districts.

Alongside a three-day central programme, various awareness campaigns will also be conducted at the district and sub-district levels.



# Export development fund may rise to \$5b

Business leaders say central bank governor gave the assurance

## STAR BUSINESS REPORT

Bangladesh Bank Governor Md Mostaqur Rahman yesterday assured business leaders that the export development fund (EDF) may be gradually expanded to \$5 billion, according to the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

The assurance came during a meeting held at the central bank

in Dhaka with FBCCI leaders, said Md Alamgir, secretary general of the apex business body, after the meeting.

Alamgir told journalists that the EDF, formed from foreign exchange reserves to support exporters, once stood at \$7 billion but has now declined to around \$2.2 billion.

Business leaders urged the central bank to raise the fund to \$5 billion, and the governor responded

positively, assuring that the amount would be increased in phases, he added.

On lending rates, Alamgir said business leaders stressed the need to keep interest rates stable to encourage investment and maintain industrial competitiveness.

They also recommended gradually bringing lending rates down to single digits.

The business leaders further

urged the central bank to increase credit flow to the private sector, saying financing should be directed more towards productive sectors by reducing pressure from public-sector borrowing.

Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association, said the proposal to expand the EDF had received the governor's agreement.

"The fund was reduced because of IMF-related conditions. We have proposed raising it from around \$2.5 billion to \$5 billion first, and later to \$8 billion," Hatem said.

He added that business leaders also sought relaxation in loan classification rules.

At present, borrowers are classified as defaulters if they fail to repay loans for three months.

Business leaders proposed extending that period to six months. They also urged the central bank to stop the practice under which one defaulting business affects the classification status of its affiliated entities.

In addition, business leaders proposed extending the repayment period after loan rescheduling from the current four to five years to 10 years.

FBCCI also recommended introducing low-cost green financing facilities to encourage investment in renewable energy, including solar power, to reduce energy costs.



07 APR 2026.

## South Korean firm to invest \$24m at Bepza EZ

STAR BUSINESS DESK

PH Creative (BD) Limited, a South Korean company, will set up a manufacturing facility at the Bepza Economic Zone (Bepza EZ) in Mirsharai, Chattogram.

The company will produce a wide range of items, including steel, aluminium and iron frames; fibreglass poles; tents; sleeping bags; camping chairs; and various tent accessories such as PVC wear covers, caps, chair patches, hangers and hammers.

It will also manufacture trolley bags, handbags and garment accessories, including toggles and beads.

The investment will create employment opportunities for around 2,000 Bangladeshi nationals, according to a press release.

Md Tanvir Hossain, executive director for investment promotion at the Bangladesh Export Processing Zones Authority (Bepza), and Jin Ho Bae, chairman of PH Creative (BD) Limited, signed the agreement at the Bepza Complex in Dhaka yesterday.

Mohammad Moazzem Hossain, executive chairman of Bepza, attended the signing ceremony and thanked the South Korean company for choosing Bangladesh, particularly the Bepza Economic Zone, as its investment destination.

He also encouraged the firm and other South Korean investors to explore further opportunities in high-tech sectors, especially semiconductors and electronic products.



# FBCCI opposes weakening of taka

Business leaders seek policy relief, also call for stable exchange rate and larger export fund to support struggling industries

**FE REPORT**

Business leaders on Monday urged the central bank to maintain exchange-rate stability and ease financing conditions, arguing that current macroeconomic pressures are already weighing heavily on investment and production. With remittance inflows strengthening foreign-exchange reserves, they see little justification for further currency depreciation. At the same time, trade bodies are pushing for a broader set of policy measures, including expanded export financing and lower borrowing costs, to revive private sector activity amid a prolonged slowdown. The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) urged the central bank not to further devalue the Bangladeshi taka, citing adequate foreign currency reserves supported by rising remittance inflows. During a meeting with Bangladesh Bank (BB) Governor Mostaqur Rahman, an FBCCI delegation led by

## BUSINESSES PUSH FOR POLICY EASING

Proposed EDF increase  
From \$2.3b to \$5.0b



### Exchange Rate & Forex

- No further taka devaluation
- Ensure stable dollar supply

### Financing & Credit

- Cut policy rate
- Lower EDF interest from 5.0% to 2.0
- Resume Tk 50b pre-shipment scheme

its Administrator Abdur Rahim Khan submitted a 12-point proposal, including a request to expand the Export Development Fund (EDF) to \$5.0 billion from the current level of around \$2.30 billion.

Leaders of the country's apex trade body emphasised that there is no shortage of US dollars in the market and requested the regulator to keep the exchange rate stable. Speaking to reporters after the

meeting, FBCCI Secretary General Alamgir Hossain said the federation had asked the central bank to refrain from further depreciation of the taka.

He added that the governor assured them there is no dollar crisis and warned of regulatory action against any unauthorised moves to raise exchange rates.

He noted that the EDF had previously stood at around \$7 billion but has now declined to about \$2.2 billion. The federation proposed increasing the fund to \$5.0 billion to better support exporters.

In addition, the business body recommended reducing the interest rate on EDF loans from 5 per cent to 2 per cent.

The EDF had earlier been scaled down following concerns over loan defaults, misuse of funds and concentration of large exposures among a few business groups, as well as to comply with conditions set by the International Monetary Fund (IMF) under its ongoing \$5.5 billion lending programme aimed at stabilising the macroeconomic situation.

President of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), Mohammad Hatem, said they had proposed raising the EDF to \$5.0 billion initially and expanding it gradually to \$8.0 billion in the coming years.

He also raised concerns over rising production costs due to higher lending rates under the tight monetary policy stance.

"We requested the central bank governor to take steps to reduce the policy rate to facilitate business and employment under the current sluggish business scenario," he said.

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Meanwhile, members of the Board of Directors of the Dhaka Chamber of Commerce and Industry (DCCI), led by its President Taskeen Ahmed, paid a courtesy call on the central bank governor on the same day.

At the meeting, Taskeen Ahmed said private sector credit growth has declined to 6.03 per cent, the lowest in 22 years. He also noted that the policy rate currently stands at 10 per cent, pushing lending rates up to around 16-17 per cent.

This, he said, reflects tight liquidity conditions in the banking system, making financing increasingly expensive and, in many cases, less accessible for businesses, particularly SMEs and manufacturing industries.

To address the situation, DCCI proposed a gradual reduction in the policy rate to lower lending costs and boost private investment. Alternatively, providing subsidised loans to priority sectors such as manufacturing, export-oriented industries and SMEs could help reduce borrowing costs and support economic recovery.

Emphasising the need to restore confidence in the investment climate, Taskeen Ahmed also highlighted the importance of strengthening governance in the banking and financial sectors.

He noted that recent changes in loan classification policy, reducing the timeframe from nine months to three months, along with high business costs, energy shortages and weak demand, have added pressure on



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He also raised concerns over rising production costs due to higher lending rates under the tight monetary policy stance.

"We requested the central bank governor to take steps to reduce the policy rate to facilitate business and employment under the current sluggish business scenario," he said. The business leader further noted that a pre-shipment credit scheme of Tk 50 billion, offered at an interest rate of 5.0 per cent to support exports, has remained suspended since April last year.

"We requested the central bank to resume the financing scheme, and the governor

responded positively," he added.

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He noted that recent changes in loan classification policy, reducing the timeframe from nine months to three months, along with high business costs, energy shortages and weak demand, have added pressure on businesses.

Considering these challenges, he proposed reconsidering loan rescheduling facilities for unintentional defaulters and extending the loan classification period to at least six months.

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## UK trade envoy visits Dhaka to deepen economic ties

DIPLOMACY - BANGLADESH

### TBS REPORT

UK Trade Envoy to Bangladesh Baroness Rosie Winterton is visiting Dhaka this week to reinforce and expand the longstanding, mutually beneficial trade and economic partnership between the countries, according to a press release issued yesterday.

The visit marks her third trip to Bangladesh and coincides with the formation of the country's newly elected government in February, underscoring the UK's continued commitment to deepening collaboration across trade, economic development, higher education, aviation and defence.

During her stay, she is scheduled to meet senior ministers, key government and military officials to discuss shared priorities for sustainable growth.

The envoy will also engage business leaders, including representatives from UK companies operating in Bangladesh, to explore opportunities to boost bilateral trade, investment and broader commercial ties.

As part of her visit, she is set to tour Bangladeshi businesses exporting to the UK under the Developing Countries Trading Scheme, one of the world's most generous trade preference programmes, which offers duty-free market access across a broad range of products and simplifies rules of origin to make compliance easier for exporters.

The scheme also encourages diversification beyond garments while supporting long-term, sustainable economic development through job creation, helping economies like Bangladesh strengthen resilience and expand their export base.

Bangladesh remains the largest beneficiary of duty-free access under the scheme, supplying high-quality goods to British consumers at competitive prices while supporting employment across the country.



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## FBCCI wants export support fund to expand to \$5b gradually

EXPORT - BANGLADESH

### TBS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has urged the Bangladesh Bank governor to expand the Export Development Fund (EDF) to \$5 billion gradually and raise the single borrower exposure limit to support businesses.

Speaking to journalists after a meeting yesterday at the central bank headquarters, FBCCI Secretary General Md Alamgir said the EDF, established to aid exporters, has sharply declined in size.

"It previously stood at around \$7 billion but has now fallen to nearly \$2.2 billion. We did not propose a sudden increase to \$5 billion; rather, we suggested a gradual expansion," he explained.

Alamgir added that the FBCCI recommended lowering the bank rate to ease business operations and stressed the importance of maintaining a stable exchange rate.

He noted that, according to the governor, a rise in the US dollar rate is unlikely as banks currently hold sufficient dollar liquidity, and he expressed confidence that inflows would

remain strong in the near term.

On lending limits, Alamgir said the current single borrower exposure cap is 15%, and the FBCCI proposed increasing it to 25% to enable larger financing for businesses.

He also highlighted the need to safeguard borrowers from Sammilito Islami Bank, underlining that keeping businesses operational is crucial to ensure timely loan repayment.



# Why Bangladesh needs more time for LDC graduation

Bangladesh is attempting to graduate with an economic structure that still resembles that of an LDC

Shadique Mahbub Islam

Journalist



ANALYSIS

Eight years ago on 22 March, Dhaka erupted in celebration. A colourful procession rolled out from Doyel Chattar, festooned with banners and buoyed by orchestra music. Balloons were released at Dhaka University.

Back then, LDC graduation was framed as a national triumph, a validation of governance, and, crucially, a legacy project of the now-ousted Prime Minister Sheikh Hasina.

Today, that narrative is unravelling.

A newly released UN Graduation Readiness Assessment tells a far more sobering story: Bangladesh may have met the formal thresholds to graduate from the Least Developed Country category, but it remains structurally unprepared for what comes next.

And that distinction between eligibility and readiness is now at the heart of a critical policy reversal as the current government is looking to defer the graduation.

## The illusion of readiness

The United Nations has long emphasised a simple but often ignored principle that graduating from LDC status is not just about crossing statistical thresholds. It is about ensuring that development gains are not reversed once international support mechanisms are withdrawn.

By that standard, Bangladesh's preparedness is deeply questionable.

The assessment identifies four core vulnerabilities that continue to define the economy: dependence on international support measures, weak trade diversification, limited domestic resource mobilisation, and acute exposure to climate risks.

Take domestic resource mobilisation for instance. Bangladesh's tax-to-GDP ratio remains among the lowest globally, severely limiting fiscal space. Even medium-term targets fall short of what is required for a lower-middle-income economy.

In practical terms, this means the state lacks the capacity to absorb shocks — whether from the loss of trade preferences, reduced concessional financing, or external volatility. And the economy is yet to recover from the turbulence it faced from 2022 to 2025.

The report states that weak revenue mobilisation is "one of the most binding preparedness gaps" in Bangladesh's transition.



## A narrow economy in a changing world

If fiscal weakness is one pillar of vulnerability, export concentration is another.

Bangladesh's export success has been built overwhelmingly on a single sector — ready-made garments. Apparel accounts for over 80% of merchandise exports, with limited diversification even within the sector itself.

This model worked under LDC conditions, where preferential market access and policy flexibilities provided a cushion. But post-graduation, that cushion disappears.

The UN assessment warns that Bangladesh remains "anchored in a narrow export base and limited industrial upgrading", with low value addition and constrained pathways for diversification.

Upon graduation, preference erosion could translate into billions in lost exports, eroding competitiveness at a time when global markets are already tightening.

Economic growth specialist and COO of Rancon Infrastructure and Engineering Subail Bin Alam's assessment captures this risk with precision. | SEE PAGE 6 COL 1



“For too long, the RMG sector has been our safety net, accounting for over 80% of our exports. However, the ‘LDC Graduation’ means we are about to lose Generalised System of Preferences (GSP) benefits, which could result in an estimated \$8 billion in annual export losses. Beyond apparel, the export basket is dominated by low-complexity products, reflecting a pronounced capability gap and limited scope for adjacent diversification,” he explained.

In other words, Bangladesh is attempting to graduate with an economic structure that still resembles that of an LDC.

### A preparatory period lost to crisis

If the structural weaknesses are longstanding, the failure of preparation is more recent — and more damning.

The five-year preparatory period, granted by the UN to ensure a smooth transition, was meant to be a time of reform, coordination, and strategic planning. Instead, it became a period of crisis management.

The UN report notes that the past five years were “largely consumed by crisis management, economic stabilisation and political survival,” rather than long-term preparation.

This is consistent with the government’s own admission. In its letter to the UN Committee for Development Policy, Bangladesh acknowledged that the preparatory period “has not functioned as intended”.

Global shocks played a role — the Covid-19 pandemic, the Ukraine war, tightening financial conditions. But domestic factors were equally significant: financial sector irregularities, policy rigidity, and ultimately, the political upheaval of August 2024.

The result is an economy entering 2026 with depleted reserves, high inflation, weak investment, and limited fiscal space.

As applied macroeconomist and Director of Sydney Policy Analysis Centre Jyoti Rahman puts it, “The economic landscape has been severely battered. Honestly, from an external perspective, it is clear the economy is caught in a long-term entanglement. We saw a total stagnation of private investment throughout 2025 following the July Uprising. We have entered 2026 facing deep economic uncertainty, exacerbated by global conflicts and an acute energy crisis.”

He adds a crucial point, “The transition from LDC status is an inevitable and neces-

sary milestone. However, the true challenge lies in our preparation.”

That preparation, by most accounts, has been inadequate.

### The cost of policy hubris

In retrospect, the problem was not the ambition to graduate. It was the politicisation of that ambition.

Under the previous Awami regime, LDC graduation was framed less as a technical process and more as a symbolic victory. The 2018 celebrations were not an isolated event — they reflected a broader narrative that equated eligibility with readiness.

That narrative discouraged caution.

Economists, business leaders, and development practitioners had, for years, urged a more measured approach. After the Covid-19 shock and the 2022 dollar crisis, calls for deferral grew louder.

Yet these concerns were largely ignored.

When Bangladesh government finally requested 3 years deferral for LDC graduation in February, 2026, Dr Fahmida Khatun, the Executive Director of Centre for Policy Dialogue (CPD) told TBS, “In the international arena, such decisions of time extensions are not driven by emotion or political rhetoric, but rather based strictly on data, statistics, and measurable indicators.”

The data, it now appears, was pointing in a different direction all along.

### Why deferral makes economic sense

Against this backdrop, the current government’s decision to seek a three-year deferral is a necessary recalibration. Especially given the looming economic crisis due to the ongoing Iran War.

First, time is needed to negotiate post-LDC trade arrangements.

BGMEA President Mahmudul Hasan Khan said, “New trade opportunities — such as Free Trade Agreements, Preferential Trade Agreements or Economic Partnership Agreements — may open up. But these agreements do not materialise overnight. They require careful preparation, technical analysis, and lengthy negotiations. If rushed, there is a risk of securing unfavourable terms or overlooking key national interests.”

At the same time, macroeconomic stability must be restored.

Jyoti Rahman explained, “In the immediate term, the government’s primary duty is to

maintain macroeconomic stability. It is about managed stability rather than just obsessing over the absolute reserve figure.”

Moreover, structural reforms must be accelerated — particularly in taxation, banking, and the investment climate. As Subail Bin Alam cautioned, “When banks are burdened by bad debt, they stop lending to the ‘missing middle’, the SMEs. We cannot build a modern economy if our entrepreneurs are forced to borrow at 14–16% interest rates while competing against global players who have access to capital at 4–5%.”

The consequences of proceeding without adequate preparation are not hypothetical.

Loss of trade preferences could erode export competitiveness. Reduced concessional financing could strain public finances. Withdrawal of policy flexibilities could limit industrial policy options.

The UN assessment points out that these risks are compounded by Bangladesh’s continued reliance on LDC-specific support measures and limited institutional capacity to manage their withdrawal.

In short, the country risks losing the benefits of LDC status before it has built the resilience required to operate without them.

This is why the report warns that graduation, under current conditions, could “disrupt development gains”.

That is not a risk any responsible government should take.

### What must be done next

Deferral, however, is not a solution in itself. It is an opportunity — one that must be used wisely. Over the years, the experts have pointed out the priorities. Now the necessary measures need to be taken to increase our preparedness.

“At this juncture, we need more than just a budget; we need a detailed roadmap. The government should use the upcoming budget to outline exactly how they plan to achieve their long-term growth targets,” Jyoti Rahman said.

However the Awami regime portrayed it, LDC graduation was never meant to be a trophy. It was meant to be a transition. For too long, that distinction was blurred.

Today, the reality is unavoidable: Bangladesh is not yet ready to graduate in a way that is smooth, sustainable, and irreversible. The data says so. The experts say so. Even the government, implicitly, acknowledges it.

And in policymaking, that is often the hardest and most necessary step.

