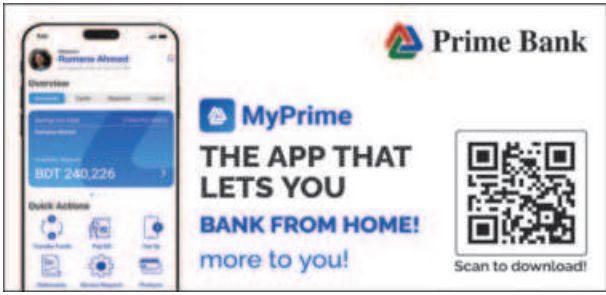


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BUSINESS



Unique
Meghnaghat
Power secures
\$463m loans
from abroad

STAR BUSINESS REPORT

Unique Meghnaghat Power Ltd has signed an agreement with lenders for a foreign loan of \$463 million for 15 years to meet its debt requirement, said one of its owners yesterday.

The company is a joint venture of Unique Hotel & Resorts PLC, Strategic Finance Limited, Nebras Power Investment Management BV, and GE Capital Global Energy Investment BV.

It was established as a special purpose vehicle for the construction and operation of a 584-megawatt gas-based combined cycle power plant in Narayanganj on a build-own-operate basis for 22 years.








A special purpose vehicle is a subsidiary company that is formed to undertake a specific business purpose or activity.

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WHAT IS THE TRAP?

The middle-income trap refers to a situation whereby a middle-income country is failing to transition to a high-income economy due to rising costs and declining competitiveness

RECOMMENDATIONS

- 
Improve human capital
- 
Make economy greener
- 
Build infrastructure without excessive loans
- 
Enhance productivity
- 
Raise tax-to-GDP ratio
- 
Diversify exports
- 
Improve digital infrastructure

Where Bangladesh stands?

- Bangladesh became a lower middle-income country in 2015
- Its per capita income was **\$2,793** in fiscal 2022, which is **\$31** lower than initial estimate

PER CAPITA INCOME

- Lower-middle income
More than **\$1,085**
- Upper-middle income
More than **\$4,255**
- Developed
More than **\$13,205**



Analysts warn of
middle-income trap

STAR BUSINESS REPORT

Analysts have warned that Bangladesh may fall into the middle-income trap unless it takes measures to improve human capital, make the economy greener, build infrastructure without taking excessive loans and increase efficiency.

They also called for diversifying export products, raising the tax-to-GDP ratio and increasing investment to improve digital infrastructure.

The recommendations came at a seminar, “Advancing green growth and avoiding middle-income trap: Sharing Asian experience”, organised by Asian Development Bank (ADB) in InterContinental Dhaka yesterday to celebrate 50 years of the ADB’s engagement with Bangladesh.

The middle-income trap refers to prolonged low growth rates which are likely to be experienced by a country after it makes a rapid transition from low-income to middle-income status with the aid of cheap labour and export-driven economic models.

According to the World Bank’s latest classification of countries, a country exceeding a per capita income of \$1,085 is marked as a lower-middle-income country. Bangladesh graduated from that category in 2015.

If a country can exceed a per capita income of \$4,255, it will be regarded as an upper-middle-income country. To be regarded as an upper-income country or a developed

The middle-income trap is a reality in the world as many countries fell into it while 21 countries managed to upgrade to upper-income status in the past three decades, said Bangladesh Bank Governor Abdur Rouf Talukder

Customs detects Tk 382cr money
laundering thru RMG exports

MOHAMMAD SUMAN

The Customs Intelligence and Investigation Directorate (CIID) has unearthed that four Dhaka-based apparel exporters laundered Tk 382 crore using fake documents.

The agency, an office under the National Board of Revenue (NBR), said Asia Trading, Sabiha Saiki Fashion, Emu Trading Corporation, and Ilham shipped readymade garments valued Tk 382 crore to several countries in 1,762 consignments between 2017 to February 2023.

Although they exported 18,355 tonnes of goods, no US dollar came to the country against the consignments, according to the findings of a probe of the CIID.

“In the past, the CIID detected the imports of various items using fake permits. Such a forgery in the case of exports was never identified,” said CIID Director General Mohammad Fakhrul Alam at a press briefing at his office in Dhaka yesterday.

A team of the CIID in Chattogram unearthed the anomalies after a month-long investigation.

“We are working to take legal action against them. Of course, a case will be filed for money laundering,” Alam said.

The findings came at a time when the allegation of money laundering and siphoning off money abroad through trade mis-invoicing is rife.

In 2021, the Global Financial Integrity said Bangladesh lost \$8.27 billion on

average annually between 2009 and 2018 to mis-invoices of the values of import-export goods by traders. The attempts aimed at evading taxes and moving money across international borders illegally.

HOW IRREGULARITIES WERE UNEARTHED

On January 31 this year, a CIID team, acting on a tip-off, seized nine consignments of Sabiha Saiki Fashion at the depot of Summit Alliance Port Ltd in Chattogram and found huge quantities of

the company between 2021 and 2022. It found that export earnings were not brought back.

A member of the committee, on condition of anonymity, said that Limax Shippers Ltd, a clearing and forwarding agent, processed the consignments.

“Then we collected all export data of the C&F agent and found that the situation was very dire. Initially, we worked on four firms and found out the forgery.”

According to customs officials, Asia

has been brought back to the country.

According to the CIID, Sabiha Saiki Fashion exported 997 tonnes of goods worth Tk 18 crore, Emu Trading Corporation sent 2,523 tonnes of goods worth Tk 63 crore, and Ilham shipped 660 tonnes of goods worth Tk 17 crore.

They exported garment items to the countries such as the UAE, Malaysia, Singapore, Qatar, the UK, Saudi Arabia and Nigeria. Limax Shippers acted as the C&F agent to perform the customs procedures in favour of the companies, according to the CIID.

Customs detectives say the four firms shipped goods using fake export permits in order to launder money. As there was no bank involved in the process, the proceeds from the shipment would not come to the country.

Officials say customs officials, in general, provide faster services in order to facilitate exports and the firms have taken advantage of that.

They alleged that money launderers used the permits of genuine exporters to secure clearance from the customs department as officials can’t verify the authenticity of the bill of exports online with banks.

“They have used fake sales contracts,” said one official.

Alam said the CIID was also looking into whether the customs officials who were in charge of the clearance of documents failed in their duties.

“Investigation is going on. All will be

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goods not declared on paper. They also found evidence of using fake documents.

After carrying out primary investigations and cross-checking information with the bank, they came to the conclusion that the proceeds would not come to the country if the products were exported.

An eight-member probe committee was formed to look into the irregularities of the company.

The probe body examined 86 shipments worth \$18.45 lakh made by

Trading Corporation exported 46 tonnes of ready-made garments worth Tk 90 lakh to the United Kingdom through Chattogram Port in December 2021.

In order to facilitate the shipment, the exporter used fake documents and the CPC-1072, a custom procedure code used to send samples of goods to buyers.

Asia Trading Corporation also sent goods worth Tk 282 crore in 1,382 consignments to the UK, Singapore, the United Arab Emirates, and Malaysia in the four years from 2018, but no single dollar

\$18b export
potential to EU
unutilised: study

STAR BUSINESS REPORT

Bangladesh is yet to utilise \$18 billion-worth export opportunities to the European Union availing duty and quota free privileges enjoyed by the South Asian nation as a least developed country (LDC), according to a study shared yesterday.

Of the amount, untapped export potential for garments is \$16 billion, finds the study conducted by the Research and Policy Integration for Development (RAPID) in collaboration with Friedrich-Ebert Stiftung (FES) Bangladesh.

“We cannot take the advantage because of low productivity and lack of diversity of exportable products,” said Mohammad A Razzaque, chairman of the RAPID.

He was presenting the paper at a seminar titled “50-year of European Union (EU) Bangladesh Partnership: Charting Ahead on A Legacy of Success” at Sheraton Dhaka.

The 27-member EU is the largest export market for Bangladesh as almost half of Bangladesh’s merchandise exports are destined to the region, said Razzaque.

The country accelerated its exports from just \$2 billion in fiscal year 2000-01 to \$23.2 billion in fiscal year 2021-22, he said.

This came about taking advantage of the Everything But Arms (EBA) initiative, a scheme designed for providing preferential duty-free and quota-free market access of goods originating from the LDCs, he said.

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While most people assume that harmful antibiotics are used to rear chicken in Bangladesh, the truth is that most farmers are using healthy prebiotics, probiotics and essential oils, according to industry people.

PHOTO: STAR/ FILE

‘No antibiotics
used in poultry’

STAR BUSINESS REPORT

Bangladesh’s poultry industry operators and farmers use prebiotics, probiotics and essential oils instead of antibiotics to help produce good quality meat and eggs, said a top leader of the poultry industry yesterday.

Prebiotics are specialised plant fibres that aid in stimulating healthy bacteria whereas probiotics are live microorganisms that have health benefits. Essential oils are concentrated extracts from plants.

“There is firm belief among consumers that we use antibiotics, but reality is that we are using prebiotics, probiotics and essential oils. Consumers can now buy eggs and chicken meat with a guarantee from the market if they want,” said Moshir Rahman, president of the Bangladesh branch of the World’s Poultry Science Association (WPSA).

He made this remark on

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