



BUSINESS



Govt sets \$72b export target for FY24

STAR BUSINESS REPORT

The government yesterday set a target to export goods and services worth \$72 billion in the current fiscal year (FY), seeking a 11.59 per cent year-on-year growth.

Commerce Minister Tipu Munshi announced the export target for FY 2022-23 through a press conference at his secretariat office in Dhaka.

Of the targeted amount, \$62 billion has been fixed for merchandise shipments, up from the \$55.55 billion earned last fiscal year, when the segment registered a 6.67 per cent year-on-year growth.

However, the target for merchandise shipments was set at \$58 billion in FY 2022-23.

The services export target for FY 2023-24 has been set at \$10 billion, an increase of 11.11 per cent from \$9 billion in the previous FY.

The target for garments, the main export item, has



A grain silo is seen under construction in Narayanganj. The government took up a project to build eight grain silos across Bangladesh some 10 years back, but physical progress has reached just 50 per cent so far.

PHOTO: SAURAV HOSSAIN SIAM

Food storage project halfway though a decade has gone by

Cost rises 86%, shows IMED report

MD ASADUZ ZAMAN and ABRAR HOSSAIN

A government project aiming to enhance food security in Bangladesh has made less than 50 per cent progress even though nearly 10 years have passed since the Tk 3,569 crore initiative began in January 2014.

Under the project, styled "Modern Food Storage Facilities Project", the government planned to establish eight silos across as many districts with two meant for storing wheat while the others would hold rice.

In addition, it was decided that 5 lakh rural households across 63 upazilas would be given small silos for storing food grains that could be sold or consumed during times of scarcity.

Besides, monitoring of the country's overall food stock, including transportation and market supervision, was to be digitalised in a bid to reduce inefficiencies.

However, the silos remain unbuilt while the digitalisation process is similarly untouched due to negligence by the implementing agencies, according to the Implementation

Monitoring and Evaluation Division (IMED).

As a result, the project cost has been revised upwards by 86 per cent from Tk 1,920 crore while another two years is being sought for its implementation.

"Although almost 23 months

As per the contract, the software was to be developed in 12 months while another two years of maintenance would be provided by the companies.

However, the IMED study showed that the contracted companies were not able to

"In this case, there is negligence on part of the software developers," it added.

The IMED also mentioned that the required hardware was delivered long before, which is not desirable.

The main objective of the "Food Stock and Market Monitoring System" was to digitally connect the Directorate General of Food with all other relevant departments in order to ensure transparency and reliability in food grain procurement.

But just 25 per cent progress has been made so far, the IMED report shows.

Acknowledging the delay, Project Director Md Rezaul Karim Sheikh said they are still unable to complete the software development despite repeatedly warning the implementing firms for missing the deadline.

Sheikh said it usually takes just three months to get an SAP licence but unfortunately, the software developers got it one and half years after their application in June.

Monzurul Karim Khan, executive director of Beximco Computers, said they are now

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have passed since signing the contract, the software firms have yet to deliver the food stock and market monitoring system," the IMED said in an in-depth report published recently.

Beximco Computers Ltd in collaboration with Tech Mahindra Ltd of India and Tech Valley Networks Ltd of Bangladesh was contracted in June 2021 to develop the software at a cost of Tk 261 crore.

develop the software in keeping with the action plan.

"There is uncertainty about whether it will be implemented at all as the developers faced delays in getting the required Systems, Applications and Products (SAP) licence," the IMED said.

Besides, the implementing agencies did not inform the project director's office about such delays even though the contract period had expired.

The export target for garments has been raised to \$52 billion against \$46.99 billion earned last fiscal year

been increased by just \$5 billion to \$52 billion from the \$46.99 billion registered in FY 2022-23.

Of the total garment export target, \$28.3 billion has been fixed for knitwear and \$23.7 billion for woven items.

Achieving the target may not be possible if gas and power is not supplied adequately, said Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association.

"But if gas and power is supplied properly, it is possible to achieve more than the target," he added.

Hatem alleged that the process for securing incentives against export receipts is tied up in corruption due to being riddled with bureaucratic tangles.

He also complained that lengthy procedures required by the customs department and

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DSE to charge Tk 1,500 a year for trade thru app

STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) has decided to impose a yearly service charge of Tk 1,500 for using its mobile application, DSE-Mobile, for trading of shares.

To use the app, the brokerage houses have to take connection from the DSE and the clients have to register under the houses.

At the end of 2022-23 fiscal year, there were 46,622 registered users of DSE-Mobile, a mobile application that provides real time securities trading

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STOCKS		
DSEX ▲	CASPI ▲	
0.13%	0.07%	
6,336.78	18,718.24	

COMMODITIES		
Gold ▲	Oil ▲	
\$1,934.33	\$74.87	
(per ounce)	(per barrel)	

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.34%	▼ 0.81%	▲ 0.36%	▼ 0.78%
65,393.90	31,943.93	3,175.36	3,196.13

Danish firms propose \$1.3b investment in wind energy

STAR BUSINESS REPORT

Two Danish companies – Copenhagen Infrastructure Partners (CIP) and Copenhagen Offshore Partners (COP) – have submitted a \$1.3 billion investment proposal to the government of Bangladesh to produce 500 megawatts of offshore wind energy.

With the investments, CIP and COP, the global leaders in renewable energy, proposed to develop a commercial, utility-scale offshore wind project off the coast of the Bay of Bengal, COP said in a press release.

As Denmark is the pioneer and global leader in wind energy, this initial investment proposal and continued collaboration could be a key driver of Bangladesh's progression into a green nation, it said.

Two Danish companies have also proposed that the Summit Group of Bangladesh join its consortium

The proposal has been placed in accordance with the Mujib Climate Prosperity Plan.

CIP and COP have also proposed



Summit Group, an infrastructure operator and developer in South Asia and an independent power producer in Bangladesh, to join its consortium.

The offshore wind project, in particular, presents a unique opportunity for the country to maximise the utilisation of its coastal resources, supporting the development of the Blue Economy.

The proposal comes at a time when Bangladesh remains heavily reliant on fossil fuel imports to meet its growing energy demand.

As a highly climate-vulnerable nation, Bangladesh's annual gross domestic product could fall by as much as 9 per cent by the middle of the century due to climate change, according to the World Bank.

Bangladesh, therefore, needs to adapt rapidly to climate change, while simultaneously accessing cleaner, more efficient technologies that support decades of development and growth, the press release said.

"The country needs to shift away from unstable fossil fuel imports and

limit emissions as the country aims to achieve high-income status and eliminate absolute poverty by 2041."

With the Institute for Energy Economics and Financial Analysis projecting an annual need of \$1.7 billion in funding for the green transition, perhaps this multibillion-dollar proposal from CIP and COP could also kick start a new wave of investment, driving Bangladesh towards a truly climate prosperous future.

In June, Bangladesh and Denmark approved a "Joint Action Plan" for the next five years under the "2022 Sustainable and Green Framework Engagement".

During a recent Dhaka visit by Dan Jørgensen, the Danish minister for development cooperation and global climate policy, agreed to a partnership in green and clean technologies and investment for sustainable development.

While both sides have recognised the importance of improving the ease of doing business in Bangladesh for more Danish investment, Denmark further expressed its interest in supporting renewable energy, maritime, and blue economy sectors, among others.

Once implemented, the offshore wind project will be the first of its kind in Bangladesh – and possibly South Asia, COP said.

Financial irregularities cost Sadharan Bima Tk 210cr

CAG audit finds

REJAUL KARIM BYRON and SUKANTA HALDER

A manager of Sadharan Bima Corporation (SBC) embezzled Tk 26.15 crore over a decade by keeping premiums in a bank account set up using fake documents of a board meeting of the state-run insurer, according to an audit report.

The audit of the Comptroller and Auditor General of Bangladesh (CAG) found that Abul Kashem opened the account with the Chawk Bazar branch of Exim Bank Ltd in the capital's Imanganj when he was the manager of the New Market branch of SBC in 2009-10.

In order to do so, he forged the decision of the 492nd meeting of the insurance company, used the name and designation of deputy general manager TM Jahid, and made Rafiqul Islam, who was not an employee of SBC at all, to impersonate as a deputy general manager.

The current account named "Sadharan Bima Corporation BR9" was operated jointly by Kashem and Islam.

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BSEC chief got payments from bank account used for alleged fraud

OCCRP report says

STAR BUSINESS REPORT

Shibli Rubayat-Ul-Islam, chairman of the Bangladesh Securities and Exchange Commission (BSEC), allegedly received payments from a bank account linked to a multi-million-dollar fraud, according to a report of the Organized Crime and Corruption Reporting Project (OCCRP).

The OCCRP is an investigative reporting platform for a worldwide network of independent media centres and journalists.

At the heart of the accusations was a convicted scammer, Javed Matin, whom Islam had met at university and had been friends with for two decades, the report said.

It said throughout much of 2020, Matin helped launder the proceeds of a scheme that defrauded a Hong Kong-based supply chain and sourcing company, Ming Global Limited, out of more than \$13 million.

Under the pretence of an investment, these funds were sent to two accounts held by a US company, Monarch Holdings Inc, which then wired over \$800,000 to Islam's personal account and to the accounts of a Bangladeshi company he appeared to be behind.

Out of this amount, Islam received about \$278,000 into his personal account between late June and late July, 2020, bank records show. About \$564,000 more was sent from Monarch's accounts to an account held by a company called Xin Bangla Fabrics.

OCCRP was unable to obtain Xin Bangla's current ownership information, because of difficulties with the company registry. But Islam was listed in public

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