

# Star BUSINESS

## Protests erupt at half a dozen banks

STAR BUSINESS REPORT

Protests broke out at half a dozen banks yesterday as officials demanded the cancellations of illegal appointments, punishment for owners involved in money laundering and irregularities, and restoring the jobs of those who were terminated in the past several years.

Employees of Islami Bank, Social Islami Bank, United Commercial Bank, Bangladesh Commerce Bank, Rupali Bank and Sonali Bank demonstrated at their respective head offices.

A group of shareholders of United Commercial Bank voiced demands to restructure the board and remove former land minister Saifuzzaman Chowdhury's family members from its board.

The protesters displayed various banners and alleged that the former land minister was involved in money laundering and irregularities.

The shareholders also sent a letter to the central bank, alleging that although Rukhmila Zaman is the chairperson of the bank, her husband Saifuzzaman Chowdhury was playing the role in reality.

The letter further said that Chowdhury was acting as the chairman by wielding his political power, flouting central bank regulations.

The lender is nearing bankruptcy because of Chowdhury's irregularities and looting, the letter reads.

They also alleged the former land minister acquired assets worth Tk 1,888 crore in the UK by looting depositors' money. As a result, the asset quality of the bank has become weak, it added.

The bank's founder chairman was the late Akhtaruzzaman Chowdhury, an Awami League leader and the father of Saifuzzaman Chowdhury.

MA Hashem, founder chairman of Partex Group, was also at the bank since the beginning. But he and his family members, one of whom was the chairperson, were forced to leave the bank in 2017.

Afterwards, Rukhmila Zaman took charge as chairperson.

The Daily Star attempted to contact Arif Quadri, managing director of UCB, but he did not respond.

Elsewhere, a storm was brewing at Social Islami Bank.

Officials of the bank said former chairman Md Rezaul Haque, who was forced to resign in 2017 after S Alam Group acquired a majority stake in the bank, returned to office and demanded his directorship be restored.

Officials also demanded that the jobs of those who were sacked after the takeover in 2017 be restored.

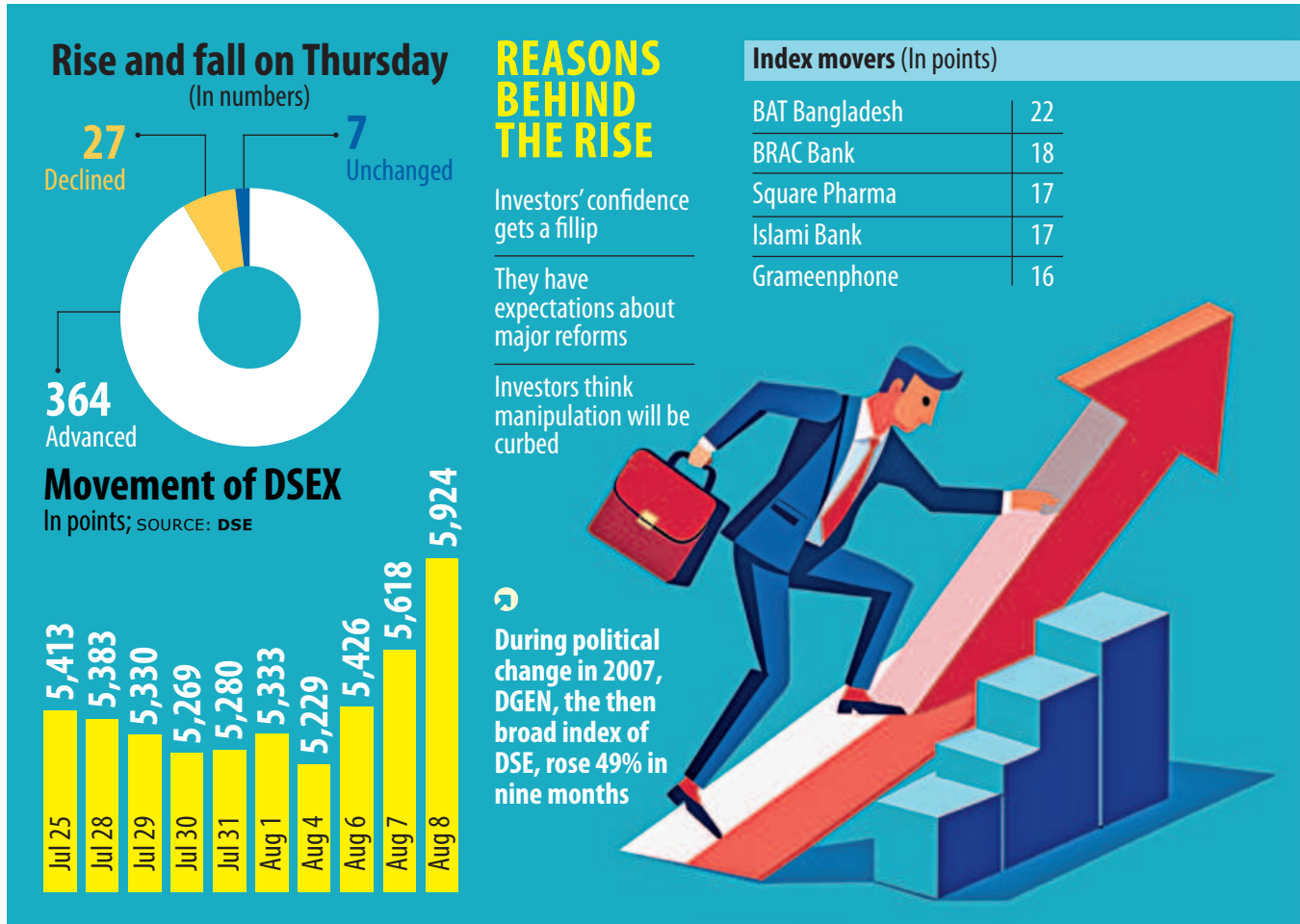
Zafar Alam, the bank's managing director, was absent yesterday.

A day prior, protestors had forced six senior Bangladesh Bank officials, including four deputy governors, to leave the central bank headquarters.

The demonstrating officials forced Bangladesh Bank Deputy Governor Saydur Rahman to resign and sought the resignation of Governor Abdur Rouf Talukder.

The Bangladesh Bank governor, four deputy governors, the head of the Bangladesh Financial Intelligence Unit and the central bank's policy advisor were absent yesterday.

## Investors cheer as stocks soar



AHSAN HABIB

Share prices rallied for a third consecutive session yesterday, with the key index of Dhaka Stock Exchange (DSE) registering a 5.44 percent spike, the highest jump in four and a half years.

With yesterday's jump, the DSEX added 13 percent, or 695 points, in just three days after the fall of Sheikh Hasina's government on August 5 in the face of a mass uprising.

"This rally is a reflection of the investors' upbeat mood," said Mir Ariful Islam, managing director and CEO of Sandhani Asset Management Limited.

"When there is a regime change, expectations run high that the new government will make some structural changes for the benefit of the market," he said.

The three-day gain coincided with the arrival of Nobel laureate Professor Muhammad Yunus, who was later sworn in as the chief of an interim government, ending a three-day power vacuum in what can be considered an unusual development.

Investors said they were happy since shares of healthy companies rose rather than that of companies with poor financials and business prospects, reflecting a lack of presence of manipulators.

This shows that institutional investors, who had been on the sidelines for many years, are now injecting funds into stocks.

Turnover at the DSE, which indicates the volume of shares traded, shot up 107 percent to Tk 1,606 crore yesterday.

"Investors are hopeful, so they are

entering the market with fresh funds. They were unhappy year after year seeing the ailing stocks. Now, they are happy to see the dynamism," Islam said.

"I hope the market will remain good as the interim government has been formed with some economists who are being vocal for reforms in the financial sector," he said.

"The reform is necessary and this will send out a good message to institutional investors and foreign investors too," he added.

Yesterday, the DSES index, which



represents Shariah-compliant companies, increased by 55 points, or 4.57 percent, to 1,274 points.

Similarly, the DS30 index comprising blue-chip stocks surged by 110 points, or 5.46 percent, to 2,132 points.

British American Tobacco Bangladesh made the biggest contribution with 22 points followed by BRAC Bank with 18 points, Square Pharmaceuticals with 17 points and Islami Bank with 16.7 points, according to LankaBangla Securities.

"Most share prices had reached their lowest due to the lack of investor confidence. So, the recent rise is not ensuring profits for many yet," said Md

Sajedul Islam, a former vice president of the DSE Brokers Association of Bangladesh.

"Now, investors are coming to the market only because they regained some confidence, and they think they will not incur loss for manipulation," he added.

Citing how turnover grew even though banking activities were not fully operational and banks were not allowed to withdraw more than Tk 1 lakh, Islam said this indicates that investors injected hefty funds.

"This shows that if investors have confidence and think there will be profit, funds will come to the market. So, it proves that the market only needs confidence. No other support is needed if confidence can be boosted," he said.

"Actually, support is needed for the sick but none wants to invest in a sick market," he added.

Against this backdrop, Islam said the regulator should undertake reform measures in line with the government's overall reform initiative to retain investor confidence.

Shares of companies listed with Chittagong Stock Exchange (CSE) also rose yesterday as the Caspi, the broad index of the port city bourse, increased by 861 points, or 5.40 percent, to 16,799 points.

The market movement was driven by positive changes in the market capitalisation of bank, financial institutions, and food and allied scrips amid negative changes in the market cap of travel and leisure, paper and printing, and jute scrips, Shanta Securities said in its daily market review.

## Almost all RMG factories reopen

Some textile mills yet to follow suit

REFAYET ULLAH MIRDHA

Almost all garment and textile mills have reopened after staying in limbo for four days as fears of vandalism and arson gripped the nation, industry leaders said yesterday.

Several factories were vandalised and set ablaze since Sheikh Hasina handed in her resignation from the post of prime minister and fled the country on August 5 in the face of a mass uprising.

Top businesspeople and leaders of different business and trade bodies on Wednesday demanded the immediate restoration of law and order to ensure safety at their factories.

They added that production is being hampered as goods are not being transported from the port to factories at present due to the lack of security on major roads.

Garment and textile mills were supposed to reopen on Wednesday but many decided to stay shut while others could not reopen, particularly in Ashulia, after rumours spread that they would be attacked.

However, almost all factories reopened yesterday, according to Khandoker Rafiqul Islam, acting president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

### Garment factory owners and textile millers had no choice but to shutter their units under the threat of violence

He added that no untoward incident was reported afterwards, except for one in Ashulia. "But that was not a major incident," he said.

Similarly, Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said all member factories had reopened in Narayanganj and other areas.

"So, timely production and shipment can be expected if there is no further violence," Hatem added.

Mohammad Ali Khokon, president of Bangladesh Textile Mills Association (BTMA), said some factory owners opened their units but not all of them. The others may take a bit more time to reopen, he said.

Garment factory owners and textile millers had no choice but to shutter their units under the threat of violence after Sheikh Hasina fled the country in the face of massive student and civilian protests.

The protests, which began in early July, had also caused a prior four-day shutdown. On that occasion, fears of violence were accompanied by a five-day internet blackout, dealing the sector a double blow.

Other than safety concerns, many garment owners also expressed worries as some have already missed the lead times set by international retailers and brands.

Many more may have to provide discounts or go for costly air shipments if they cannot maintain lead times due to the recent spells of disruption.

July, August and September are the peak months for the shipment of goods for Christmas. They are also the prime months when work orders are placed for the following summer and spring seasons.

STOCKS	
DSEX ▲	CASPI ▲
5.44%	5.40%
5,924.81	16,799.76

COMMODITIES	
Gold ▲	Oil ▲
\$2,394.73	\$75.02
(per ounce)	(per barrel)

## ICT industry sees hope on the horizon

MAHMUDUL HASAN

ICT entrepreneurs in Bangladesh, who faced uncertainties due to an internet blackout enforced by the government to suppress protests in recent weeks, are now brimming with hope following the fall of the dictatorial Sheikh Hasina-led government.

They now seek stability, good governance, democracy and reforms.

Just last week, there were fears that they might fail to attract foreign investments and lose foreign clients amidst the deepening political crisis and government crackdown on students.

Now, with the imminent positive changes expected from an interim government which is set to be formed, they anticipate good policies and a business-friendly environment.

"The transformational change we witnessed over the past few days, brings with it the opportunity to retell our story to the outside world, including global venture capital investors," said Fahim Ahmed, CEO of ride-sharing, food delivery and courier service platform Pathao.

"But for that story to be compelling, credible and executable, we must soon demonstrate meaningful steps towards building the institutions that can create a business environment

that is open and transparent, and nurtures skill, innovation and enterprise," he said.

He said the first among such steps are the appointments to key positions at the institutions that will shape the trajectory for the economy, the financial system, and technology sector.

"Now more than ever, we must earn back the confidence of our promising young entrepreneurs, leaders, builders, coders, operators and professionals so that they choose to pursue their aspirations in Bangladesh," Ahmed said.

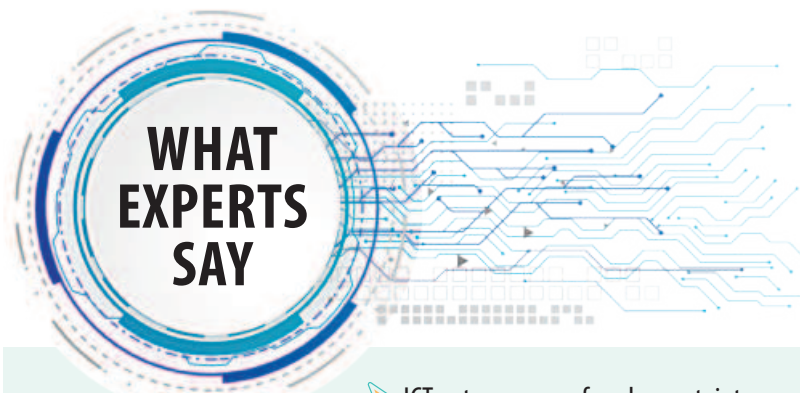
Morin Talukder, co-founder and CEO of online shopping platform Pickaboo, said: "Due to the internet blackout, we are now suffering from an image crisis."

"In the last few days, I spoke to some investors, and they are not interested in talking about business. They just ask if I am fine," he said.

"When I used to pitch to foreign investors, I would say we are a very stable country," he said.

"We have lost the trust of the international community. Our market was not good, the e-commerce industry was struggling to grow and now there is another blow," said Talukder.

He said the international investors prefer countries that have good



- ▶ ICT entrepreneurs faced uncertainty due to internet blackout
- ▶ Internet outage caused image crisis among international investors
- ▶ Internet shutdown may hinder foreign investment
- ▶ Recent political changes may help improve business environment
- ▶ Credible, executable steps are needed now
- ▶ Key appointments vital for economic and technological advancement
- ▶ Fight against corruption and for democracy may help attract foreign investment

policies, infrastructure and business environment.

"Now, we have to recover," he added.

Fahim Mashroor, CEO of bdjobs.

com, said the ICT industry has gone through a very tough time in the last few years.

"Apart from the blow in the last few weeks, industry has been hit

very hard because of a lot of issues, including Covid-19 and the Russia-Ukraine war. The government talked a lot about digital Bangladesh and Smart Bangladesh," he said.

"But very few things have happened. A lot of government money has been wasted. Political people looted government ICT funds," he said.

"I think all industry people are excited because they feel that corruption in the sector will come down. Also, democracy and stability will attract a lot of foreign investment in tech startups," said Mashroor.

"The local ICT market will also grow if governance and transparency are ensured," Mashroor added.

Waseem Alim, CEO of grocery e-commerce platform Chaldal, said the biggest challenge now was to regain the confidence of international investors.

"It will take some time to recover," he added.

The startup funding landscape in Bangladesh has already been experiencing a significant downturn.

In the first quarter of 2024, Bangladesh's startup sector secured only \$7 million across four deals, according to the Bangladesh Startup Investment Report 2024 by LightCastle Partners.

This illustrates a 70 percent

quarter-on-quarter decline in funding, a substantial drop from the surge witnessed in the fourth quarter of 2023, it said.

The decrease is even more significant when compared to the same period last year, representing an 82 percent drop.

The government shut down mobile internet services on July 17 amid widespread violence over the quota reform protests.

A day later, on July 18, broadband internet was blocked, severely affecting public life and a wide range of economic activities, including utility bill payments, online banking, digital communications, digital commerce and clearance of goods from ports.

Mobile internet was restored on July 28 while social media platforms were unblocked on July 31. Mobile internet users were unable to access their Facebook and Messenger accounts for approximately 7 hours on August 2.

Mobile internet and Facebook were blocked again on August 4.

On August 5, mobile and broadband internet was blocked again for a few hours. However, the internet was fully restored after 2:00pm, when Sheikh Hasina resigned from the post of prime minister and fled the country.