

Star BUSINESS

Six foreign fuel suppliers are demanding Bangladesh Petroleum Corporation clear outstanding dues of around half a billion US dollars.



Story on B4



People traverse the Dhaka-Chattogram highway on foot as vehicular movement came to a halt due to flash floods brought on by heavy rainfall and rush of water from upstream. The photo was taken at Bhuiyar Hat in Feni on Friday.

PHOTO: RAJIB RAIHAN

E-commerce refunds worth Tk 127cr stuck in payment gateways

SUKANTA HALDER and ASIFUR RAHMAN

At least Tk 127 crore owed by e-commerce companies to customers as refunds has been stuck in payment gateways since 2021, according to the commerce ministry documents.

The government had introduced an escrow system that year amid widespread scandals at the e-commerce companies, which had been failing to deliver products after taking advance payments.

Such cases of fraud in the guise of e-commerce rose sharply across the country in the last 10 years, costing thousands of people their hard-earned money.

Many victims held onto hopes of getting back a portion of their investment upon the government's intervention, but they are now disconsolate due to the slow process of disbursing the money.

Fahim Shahriar, a customer of Qcoom, told The Daily Star that he ordered two Yamaha R15 bikes at a total cost of Tk 320,000 in July of 2021.

Keenly aware that the fair market value of the two bikes amounted to around Tk 5.82 lakh, the company's lucrative offer appeared too good to pass on.

He was supposed to get the product within 30 working days, but till date he has neither received any bike nor any refund.

"I went to the Qcoom office several times to get the money back. Each time, they promised to return it. But I haven't got the money back yet," he added.

Qcoom CEO Md Ripon Mia said the money is now stuck as its disbursement requires clearance from both the Bangladesh Bank and the commerce ministry.

READ MORE ON B2

Floods cripple key transport highway for third day



Khandoker Rafiqul Islam

BGMEA elects new president

STAR BUSINESS REPORT

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday elected a new president after SM Mannan (Kochi), the immediate past president, resigned on health grounds. Khandoker Rafiqul Islam is the new president of the BGMEA, which represents entrepreneurs from the country's biggest sector in terms of exports, according to a press release.

READ MORE ON B3

MOHAMMAD SUMAN and JAGARAN CHAKMA

Transport activities, including movement of imported goods and those meant for exports, have been halted since Thursday as the Dhaka-Chattogram highway, the lifeline of the country's economy, has been submerged by flash floods brought on by heavy rainfall and the rush of water from upstream.

As a result, transport of export containers and imported goods to and from the Chattogram port, the country's biggest seaport which handles around 90 percent of the nation's trade, was stopped for a third day yesterday.

Devastating floods have also impacted the transport of essential commodities from Chattogram's Khatunganj, one of the major wholesale markets in the country.

This latest disruption comes just a couple of weeks after vehicular movement on the

highway was severely disrupted during the students' protests that led to Sheikh Hasina's ouster on August 5.

Traders could not estimate losses immediately but feared that the supply chain would break down if the situation continued.

Traders and importers said vehicles that had already left before the onrush of flood water are currently stuck along the Mirsarai segment, resulting in a significant 40-kilometre traffic jam.

This situation has arisen due to flood waters inundating multiple areas of the highway, extending from Lalpool in Feni to Chauddagam in Cumilla, they added.

"Despite port activities being operational, no containers moved from Dhaka to the Chattogram port or vice versa during last three days as the Dhaka-Chattogram highway and rail line in Cumilla and Feni areas are

submerged," said Khairul Alam Suzan, vice-president of Bangladesh Freight Forwarders Association (BAFFA).

He said only a few vehicles, carrying relief goods, were plying the roads.

"We, as forwarding agencies, are corresponding with buyers and exporters regarding the natural disaster, which is hampering the transportation of goods," he said.

He also said there was no possibility of cancellation of orders or imposition of discount due to a natural calamity.

According to port officials, usually 30,000 to 32,000 TEUs (twenty-foot equivalent units) of containers can be comfortably accommodated at the Chattogram port on an average.

However, on Saturday that figure stood at 36,598 TEUS, which was over 68 percent of the port's total capacity of 53,518 TEUS.

READ MORE ON B3

STOCKS		WEEK-ON-WEEK
DSEX	3.45%	CASPI
	5,699.91	
		3.83%
		16,378.04

COMMODITIES		AS OF FRIDAY
Gold	\$2,512.18	Oil
	(per ounce)	
		\$74.77
		(per barrel)

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
0.04%	0.40%	0.43%	0.20%	
81,086.21	38,364.27	3,387.99	2,854.37	

Floods damage nearly a fifth of croplands

Agriculture ministry says

STAR BUSINESS REPORT

More than 3.37 lakh hectares of cropland have been affected in Bangladesh due to flash floods induced by heavy rains and the rush of water from upstream, the agriculture ministry said in a report yesterday.

These lands are used to cultivate various types of paddy, ginger, sugarcane, betel leaf, vegetables and fruit and this year 16.46 lakh hectares of cropland is being cultivated.

Analysing the ministry's data, it has been found that the ongoing floods have affected Aman and Aush croplands the most. It also affected seedbeds and vegetable and fruit cultivation.

This estimate is of the period from August 16 to August 24 and most of the affected cropland or 1.82 lakh hectares lies in Chattogram region, followed by Cumilla and Sylhet.

The other affected croplands lie in Mymensingh, Rangamati, Khulna, Dhaka and Bogura regions.

As many as 50 lakh people were affected and 18 people died in 11 districts, according to a disaster management document.

More than 300,000 people were taking refuge in emergency shelters as of last Friday, said disaster management officials.

Meanwhile, the Ministry of Agriculture has taken many decisions regarding the damage assessment of the recent floods and steps that need to be taken afterwards. READ MORE ON B3

Govt cancels MoU with S Alam for modernising state sugar mills

JAGARAN CHAKMA

A memorandum of understanding (MoU) signed between the Bangladesh Sugar and Food Industries Corporation (BSFIC) and S Alam & Co, aimed at modernising ailing state-run sugar mills, has been cancelled by the government.

The agreement was signed on July 4 with initial plans to conduct a feasibility study before implementing projects to boost sugar production.

"The Ministry of Industries (MoI) cancelled the MoU that was signed with S Alam yesterday," said Zakia Sultana, senior secretary to the MoI.

According to her, the MoU was non-binding, for which it was possible to cancel it.

However, she did not offer any reason for the cancellation. Currently, just nine of the 15 sugar mills under the BSFIC are operational.

The government decided to close down the six others at the tail end of 2020 as they were continually incurring losses and were in desperate need of modernisation.

In a government order issued on December 2, 2020, the BSFIC said production at the state-owned sugar mills in Pabna, Shyampur, Panchagar, Setabganj, Rangpur and Kushtia would be halted until further notice.

That same month, companies from Japan, Thailand and the United Arab Emirates placed



A view of the state-owned Setabganj Sugar Mills in Dinajpur. The government decided to close down some sugar mills at the end of 2020 as they were continually incurring losses and were in desperate need of modernisation.

PHOTO: STAR/FILE

their final proposal to the MoI for a project that would see them team up to upgrade and ensure profitability of the six shuttered mills and export by-products.

Sutech Engineering Co of Thailand, Sharkara International of the UAE and Sojitz

Machinery Corporation of Japan planned to invest Tk 5,000 crore under a joint venture.

With the Japan Bank for International Cooperation and Exim Bank of Thailand keen to finance the project, final approval from the

READ MORE ON B3



Mintoo's bank accounts unfrozen after 17 years

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has instructed banks to unfreeze the accounts of Abdul Awal Mintoo, a businessman and vice-chairman of the Bangladesh Nationalist Party (BNP), along with his spouse and son after keeping the accounts blocked for 17 years.

On August 1 of 2007, the NBR's Central Intelligence Cell (CIC) ordered banks to freeze the accounts of Mintoo, his spouse Nasreen Awal Mintoo and his son Tabith Awal.

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ISLAMIC BANKING

China meets automakers to discuss import tariffs

REUTERS, Beijing

China's Commerce Ministry met with automakers and industry associations on Friday to discuss raising import tariffs on large-engined gasoline vehicles, sounding a warning as the European Union nears a tariff decision on Chinese electric cars.

The 27-strong bloc is due to vote in October on whether to adopt additional duties of up to 36.3 percent on Chinese-made electric vehicles on top of its standard 10 percent import tariff.

The EU on Tuesday revised down the proposed duties from the 37.6 percent rate set in July, but stopped short of abandoning them to Beijing's dismay.

On Wednesday, China hit back by announcing it had widened its investigations into imported EU products by adding an anti-subsidy probe of various cheese, milk and cream goods to anti-dumping checks on pork and brandy.

In a statement on Friday, the Commerce Ministry said officials had "listened to the opinions and suggestions of industry, experts, and scholars on raising the import tariffs on fuel-powered cars with large displacement engines."

Representatives of relevant industry associations, research associations, and automakers joined the meeting, it added.

State-owned tabloid Global Times, which first reported the investigations into European pork and dairy, in June also raised the prospect of China raising its import tariff on large-engined gasoline cars.

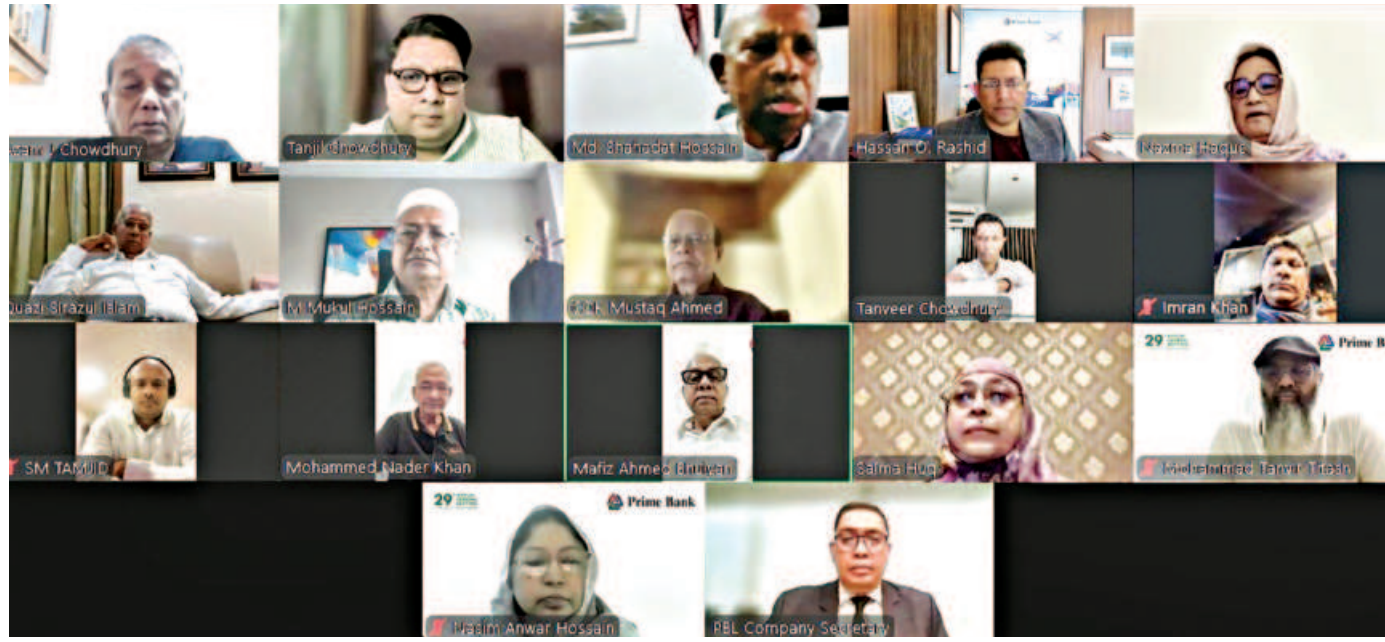
Doing so would hit Germany hardest. Its exports of vehicles with engines of 2.5 litres or larger to China were worth \$1.2 billion last year, Chinese customs data shows.

China has been canvassing member-states to counter the EU tariffs, as the European Commission, which oversees the bloc's trade policy, cannot implement the duties if a qualified majority of 15 EU members representing 65 percent of the EU population vote against them.

Germany, along with Finland and Sweden, abstained from a July advisory vote on whether to back the tariffs' permanent adoption, sources have said.

France, Italy and Spain backed the proposed tariffs, and are among those that would be most affected by any punitive duties resulting from China's growing number of trade investigations.

Prime Bank declares Tk 2cr relief package for flood-affected people



Tanjil Chowdhury, chairman of Prime Bank, attends an emergency meeting of the board of directors of the bank in response to the severe flood situation currently affecting various districts of the country. The bank declared a financial relief package worth Tk 2 crore for the flood-affected people in the meeting, which was held virtually yesterday.

PHOTO: PRIME BANK

STAR BUSINESS DESK

Prime Bank announced a financial relief package worth Tk 2 crore for the flood-affected people of different districts.

The bank held an emergency board meeting yesterday in response to the severe flood situation currently affecting various districts of the country, the bank said in a press release.

The aid will be directed to the chief adviser's relief and welfare fund to ensure that the relief reaches those most in need.

The board of directors of the bank

expressed their deep concern and heartfelt sympathy for those affected by the devastating floods.

During the meeting held virtually, the bank reaffirmed its commitment to support and stand beside the people of Bangladesh in times of national crisis.

As part of its ongoing efforts to support the community, the board approved a relief package worth Tk 2 crore.

"We are deeply saddened by the loss of lives and the impact of the floods on our citizens," said Tanjil Chowdhury,

chairman of Prime Bank.

"As a responsible corporate entity, it is our duty to extend our support to the affected families. We believe that our contribution will help reinforce the ongoing efforts to provide immediate relief and ensure the safety and well-being of those affected."

Prime Bank remains committed to partnering with the government and relevant stakeholders to ensure effective assistance and will continue to closely monitor the situation, the press release said.

Gold gains over 1%

REUTERS

Gold prices gained more than 1 percent on Friday as the dollar and Treasury yields retreated following comments from Federal Reserve Chair Jerome Powell that signalled an interest rate cut in September.

Spot gold rose 1.2 percent to \$2,512.63 per ounce by 01:44 p.m. ET (1744 GMT), but was off a record high of \$2,531.60 hit on Tuesday. US gold futures settled 1.2 percent higher at \$2,546.30.

Powell said "the time has come" for the US central bank to cut interest rates and that inflation was nearing the Fed's 2 percent target, offering an explicit endorsement of an imminent policy easing.

The dollar index fell 0.8 percent against its rivals, while benchmark US 10-year yields also declined following Powell's speech, making gold more attractive for other currency holders.

Lower US interest rates also generally increase the relative appeal of zero-yield bullion

"Asset markets are reacting well, at least initially, to Powell's general, but somewhat open-ended comment that it's time for policy to adjust," said Tai Wong, a New York-based independent metals trader.

"Gold will continue to grind higher ahead of the September Fed meeting and

the updated dot plot which will indicate how many likely cuts this year."

Lower US interest rates also generally increase the relative appeal of zero-yield bullion.

Gold might be over-positioned to the long end and we could see sell offs and some profit-taking, said Bart Melek, head of commodity strategies at TD Securities. "But longer term, gold should do well since the Fed is very much picking their game and trying to make sure employment doesn't weaken anymore and is not worried about inflation."

Traders are expecting a 59.5 percent chance of a 25-basis point cut in September, while 40.5 percent expect a deeper 50-bps reduction.

India business activities extend robust growth streak

REUTERS, Bengaluru

India's business activity extended its robust growth streak in August as a stronger services industry offset a slight slowing in manufacturing expansion, according to a survey that indicated price pressures also were easing.

Those findings suggest India will hold on to its title of fastest-growing major economy over coming quarters despite expectations of a slowdown in the global economy.

HSBC's flash India Composite Purchasing Managers' Index, compiled by S&P Global, dipped slightly to 60.5 in July from last month's final reading of 60.7, in line with a Reuters poll forecast.

August marked over three years of expansion, the longest such run since June 2013. The 50-level separates growth from contraction.

"India's flash composite PMI slipped slightly in August, though it remained significantly higher than the historical average," noted Pranjal Bhandari, chief India economist at HSBC.

"Although new order growth for the manufacturing sector slowed to the weakest since February, the pace of expansion remained sharp, indicating continued strong demand and favourable market conditions."

The flash services PMI index rose to 60.4 this month from 60.3 in July, while a preliminary manufacturing PMI showed strong growth, albeit slightly weaker than last month. It declined to 57.9 from 58.1.

Although growth in overall demand slowed to a three-month low in August, it remained robust. However, exports expanded at the slowest rate since April, indicating weak global demand.

Overall input costs increased at their weakest pace since February and output prices rose at a slower rate compared to last month.

Even so, prices charged on manufactured goods surged at the fastest in nearly 11 years.

India's retail inflation fell in July to a near five-year low, largely due to a high-base effect, suggesting the slower pace of price rises was temporary and the Reserve Bank of India needs to be cautious.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (AUG 24, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 64-Tk 80	2.86 ↑	9.09 ↑
Coarse rice (kg)	Tk 52-Tk 55	2.88 ↑	9.18 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-13.27 ↓
Lentil (kg)	Tk 105-Tk 110	0	10.26 ↑
Soybean (litre)	Tk 145-Tk 152	-1.00 ↓	-5.71 ↓
Potato (kg)	Tk 50-Tk 55	-16.00 ↓	34.62 ↑
Onion (kg)	Tk 110-Tk 120	0	39.39 ↑
Egg (4 pcs)	Tk 47-Tk 52	-2.94 ↓	-3.88 ↓

SOURCE: TCB

Apple to let iPhone users in Europe delete its App Store

AFP, San Francisco

Apple will allow iPhone and iPad users in the European Union delete the App Store or its Safari browser, the tech giant told developers on Thursday.

Apple had long fiercely protected the App Store as the lone gateway for digital content to get onto its popular mobile devices. The change comes as the company loosens its grip on devices in the EU due to the bloc's landmark new digital rules.

"The App Store, Messages, Camera, Photos, and Safari apps will be deletable for users in the EU," Apple said on a support page for developers.

"Only Settings and Phone will not be deletable."

Also being added is a special section where iPhone or iPad users will be able to manage default settings for browsers, messaging, phone calls and other features, according to Apple.

"As browser engines are constantly

exposed to untrusted and potentially malicious content and have visibility into sensitive user data, they're one of the most common attack vectors for malicious actors," the iPhone maker said.

"To help keep users safe online, Apple will only authorize developers to implement alternative browser engines after meeting specific criteria and committing to a number of ongoing privacy and security requirements, including timely security updates to address emerging threats and vulnerabilities."

App makers had previously needed to use Apple's payment system on the App Store, with the tech titan getting a piece of transactions.

But the EU said the terms prevented app developers from freely steering consumers to alternative ways to pay, making Apple the first ever tech firm to face accusations of breaching a new law known as the Digital Markets Act (DMA).

UK energy bills to rise

FROM PAGE B4

The charity said the problem would be compounded by UK finance minister Rachel Reeves's recent decision to scrap winter fuel subsidies for 10 million older citizens.

Energy minister Ed Miliband acknowledged that the cap rise "will be deeply worrying news for many families", pinning the blame on the Conservative government ousted by Labour in last month's election.

"We will also do everything in our power to protect billpayers, including by reforming the regulator to make

it a strong consumer champion," he added.

Ofgem chief executive Jonathan Brearley said the price rise was "driven" by Britain's "reliance on a volatile global gas market that is too easily influenced by unforeseen international events and the actions of aggressive states".

Labour has pledged to reduce the UK's dependency on foreign energy through a publicly owned body called Great British Energy that intends to spur investment in domestic renewable projects.

Economists

FROM PAGE B4

"It's a pretty successful political argument," he told AFP. "It has no economic basis."

The retail business is notoriously tough, with profit margins often in the low single digits -- in stark contrast to higher-margin sectors like tech.

"Is there a more competitive space than retail?" Target chief executive Brian Cornell said in an interview with CNBC on Wednesday that touched on Harris's price gouging plans.

"It is a penny business, and it's a very competitive space, and we provide the value consumers are looking for," he added.

But for people struggling with the cost of living, it's a difficult argument to make.

"People see that gasoline prices are higher than they were a few years ago, food prices are going to be higher than they were a few years ago," said Sweet, from Oxford Economics.

"But we're not going back down to the prices that we saw pre-pandemic," he added.

That's because easing inflation does not translate into lower sticker prices at the grocery store.

Instead, when wages increase faster than inflation -- as they have been for well over a year now -- the cost of those items relative to wages declines over time.

But it's a slow process. The Federal Reserve appears increasingly confident that it is winning its battle to bring inflation back down to its long-term target of two percent.

On Friday, Fed chair Jerome Powell said "the time has come" to start lowering interest rates, lifting expectations of a rate cut next month.

"There's clear evidence that businesses' pricing power has started to diminish," said Sweet.

"I think over time, as inflation gets back down to the Fed's target, this discussion of price gouging is going to start to fade to the background," he added.

E-commerce refunds worth Tk 127cr stuck

FROM PAGE B1

"I have got approval from Bangladesh Bank, but not from the commerce ministry, because of which the payment gateway companies could not disburse the money," he added.

A nine-member probe committee was formed to investigate the scenario of the undisbursed money from the payment gateways on May 19 this year.

According to its report, the Directorate of National Consumer Rights Protection (DNCRP) received a total of 35,437 complaints from people seeking compensation.

Till July 31, the DNCRP managed to settle 16,667 complaints.

Documents show that the government had Tk 534 crore in escrow, from which funds worth Tk 407 crore were disbursed after settling complaints.

Escrow is a legal concept describing a financial agreement whereby an asset or money is held by a third party on behalf of two other parties that are in the process of completing a transaction.

Escrow accounts are managed by escrow agents, such as payment gateways like Bkash, Nagad, Software Shop Limited, and some banks.

A DNCRP official told The Daily Star that the pace of disbursing refunds was still quite slow.

"If the commerce ministry informs the Bangladesh Bank about the matter and requests them to take

appropriate action, the customers will get their money back quickly," he said.

Md Sayed Ali, deputy secretary of the central digital commerce cell at the commerce ministry, said Tk 88.14 crore could be refunded immediately.

"Some companies have no activities and some of them do not have their operations in the provided location," he said.

Companies could say how much money of the customers are stuck in payment gateways.

He said the system they accessed does not show the number of customers.

According to the DNCRP, payment gateways have money from 34 e-commerce companies.

Qoom has Tk 61 crore and Evaly has Tk 13.04 crore stuck in payment gateways.

The Daily Star tried to contact Evaly but failed.

The Criminal Investigation Department has been investigating money laundering charges filed against Anonder Bazar, DhamakaShopping, E-orange, Akashneel, Alif World, Dalal Plus and Thale.

E-commerce businesses started in Bangladesh in 1999 with online shop Munshiji, which spread after 2010 when the internet and digital payment options became widely available, according to the DNCRP's probe report.

It added that a competitive e-commerce business started in 2015. However, some companies started such ventures without any prior experience and then started announcing inconsistent discounts and other offers to take control of the market.

In 2019, businesses with such risky business models began springing up on a massive scale, the report said.

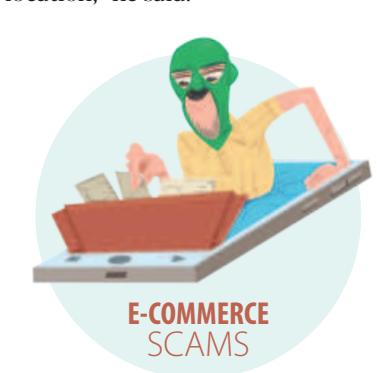
prices."

Ueda added that the July rate hike decision was "appropriate", citing the increase in wages.

The BoJ's deputy governor earlier this month said officials would not raise interest rates when financial markets were unstable.

Figures earlier Friday showed Japan's core consumer price index hit 2.7 percent last month, in line with expectations but up slightly from June.

This caused a global depreciation of the dollar and a fall in stock



Bank of Japan governor flags

FROM PAGE B4

The comments saw the yen strengthen against the dollar Friday, hitting 145.29 to the greenback at one point, from a day's high above 146.

The sell-off on August 5, which was also fuelled by weak US jobs data that fanned recession fears, saw equity markets around the world plunge with Tokyo's Nikkei 225 diving more than 12 percent -- its worst day since Black Monday in

1987.

Markets have since recovered but traders remain on edge about any further disruptions, with the Fed expected to cut rates next month and possibly again before the end of the year.

Ueda explained in the parliament the market turmoil was triggered as "fears of a slowdown in the US economy spread rapidly".

"This caused a global depreciation of the dollar and a fall in stock



Fish traders at Beel Dakatia in Khulna's Fultola upazila use baskets and bowls to carry different species of fish, purchased from wholesalers very early in the morning, for sale at retail in nearby villages. The photo was taken recently.

PHOTO: HABIBUR RAHMAN

Tapan Chowdhury becomes CDBL's new chairman

STAR BUSINESS DESK



Renowned industrialist Tapan Chowdhury was selected as the chairman of Central Depository Bangladesh Limited (CDBL).

The election took place in a meeting of the board of directors of the CDBL on Thursday.

Chowdhury is also the managing director of Square Pharmaceuticals.

Meanwhile, Rupali Haque Chowdhury, managing director of Berger Paints Bangladesh, has joined the CDBL board after being nominated by the Bangladesh Association of Publicly Listed Companies.

Earlier, Sheikh Kabir Hossain and AKM Nurul Fazal Bulbul, chairman and vice-chairman of the CDBL respectively, resigned from the CDBL board after the fall of the Sheikh Hasina-led Awami League government in the face of a mass uprising on August 5.

Oil climbs over 2%

REUTERS, Houston

US light crude oil gained more than 2 percent a barrel on Friday after comments by US Federal Reserve Chair Jerome Powell indicated the central bank was preparing to cut interest rates.

Brent crude futures settled up by \$1.80, or 2.33 percent, at \$79.02 a barrel. US West Texas Intermediate (WTI) crude futures finished up \$1.82, or 2.49 percent, at \$74.83.

"The pivot by the Federal Reserve is real," said Phil Flynn, senior analyst at Price Futures Group. "It's impacting all commodities."

This week, both benchmarks hit their lowest since early January, after the US government sharply lowered its estimate of jobs employers added this year through March, raising fears of a possible recession. On Friday, Powell endorsed easing the Fed's policies, saying further cooling in the job market would be unwelcome. He also expressed confidence inflation was within reach of the US central bank's 2 percent target.

"The upside risks to inflation have diminished. And the downside risks to employment have increased," Powell said in a highly anticipated speech to the Kansas City Fed's annual economic conference in Jackson Hole, Wyoming. "The time has come for policy to adjust. The direction of travel is clear, and the timing and pace of rate cuts will depend on incoming data, the evolving outlook, and the balance of risks."

The US dollar index softened to about 101.45 ahead of the speech. A cheaper greenback typically lifts demand for dollar-denominated oil from investors holding other currencies.

Bring back Islami Bank's misappropriated funds

Says a customers' forum of Shariah-based banks

STAR BUSINESS REPORT

Customers of Shariah-based banks yesterday urged the authorities concerned to bring back funds of Islami Bank Bangladesh which have allegedly been misappropriated by S Alam Group and ensure legal steps against the group's owner Mohammed Saiful Alam and those who abetted him.

The customers, arriving from different parts of the country and under the banner of "Shariah-Based Islamic Banking Customer Forum", made the demand by organising a conference at the Hotel Purbani International in Dhaka.

The demands come against the backdrop of the Bangladesh Bank dissolving the Islami Bank Bangladesh board on August 22.

Documents show S Alam Group owns as much as 82 percent stakes in Islami Bank but the conglomerate maintains it has

32 percent stakes. The central bank took over S Alam's shares against its liabilities and the shares would be returned if the conglomerate repays the amount it owes to the Shariah-based bank.

Between 2017 and June this year, the Chattogram-based conglomerate and its associates' companies took Tk 74,900 crore, which is 47 percent of Islami Bank's total outstanding loans as of March.

Documents pieced together by The Daily Star show that most of the loans were taken by bypassing banking rules and regulations.

Nearly 10 crore people of the country are directly and indirectly associated with Islamic banking and about 80 lakh expatriates from the Middle East send remittances to the country through Islamic banks, said speakers at yesterday's conference.

But over the years, the remittance inflow has decreased significantly, they

alleged. The small and medium enterprise sector and economy have been severely affected by the misappropriation of a huge amount of funds of Islami Bank Bangladesh, said Mohammad Abdul Majeed, former secretary and chairman of the National Board of Revenue (NBR).

Nearly 10 crore people are directly and indirectly associated with Islamic banking and about 80 lakh expatriates from the Middle East send remittances through Islamic banks

The speakers proposed appointing Islami Bank Bangladesh customers as its directors alongside those who were there prior to the group taking on its stakes.

They also demanded reinstatement of

officials sacked by S Alam and termination of employment of around 10,000 people employed by S Alam.

Some customers also urged rescheduling their loans for 10 years, citing that they have suffered financially.

In the event, the customers also announced formation of a 15-member committee to run the forum.

Abdul Haque, former director of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and a businessperson in the automobile sector of the country, was made the convener of the forum.

This forum will work to "bring back the lost glory and accountability of Islamic banks", monitor their activities and protect the interests of customers.

Economist Prof Abu Ahmed was the chief guest at the event.

S Alam is apparently on the run. He did not receive calls yesterday.

Floods cripple key transport highway

FROM PAGE B1

According to port data, 1,929 TEUs of import and export containers were discharged on Friday, 3,590 TEUs were discharged on Thursday and 4,130 TEUs on Wednesday.

Suzan said the forwarding agencies handle around 3,500 containers for import and roughly the same number for export daily.

Md Omar Faruk, secretary to Chattogram Port Authority (CPA), said, "Import-export cargo movement at the port has slowed down due to flood water on the highways and rail lines."

"Delivery of import goods and shipment of export goods are being disrupted across the country. However, goods are being transported to Chattogram district and Cox's Bazar areas," he said.

Saiful Islam, executive member of Chaktai Khatunganj Warehouses Samiti, told The Daily Star, "Our sales dropped by at least 60 to 70 percent due to there being no buyers as the highway was flooded for the last two days."

"Most of our customers are not interested in coming to the market to buy goods," he said.

Traders at the century-old business hub said it houses about 4,000 businesses and more than 5,000 warehouses.

Mahbubul Alam, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said, "About 70-80 percent of the country's import and export goods are transported using the Chattogram highway."

"As a result, the benefits will not be available if this road is not fully opened," he said.

"Essential commodities can not be taken to wholesale markets across the country, including Dhaka and Chattogram, due to the current situation.

If this continues, the market system for daily necessities will collapse," he added.

The owners of the readymade garment (RMG) industry expressed similar concerns.

Syed M Tanvir, managing director of Pacific Jeans, one of the leading garment exporters, said imported raw materials and export-oriented goods are transported over the Dhaka-Chattogram highway alongside railways.

"It will adversely affect the industry as well as the economy if this continues for a long time," he said.

He said they would fail to meet the schedule of the master vessels, which would lead to delays in the product reaching the designated ports of buyers.

But exporters may miss deadlines in the coming days as they are unable to release imported raw materials, he said.

Chowdhury Zafar Ahmed, general secretary of Bangladesh Covered Van-Truck-Prime Mover Goods Transport Owners Association, said there is no possibility to operate vehicles until Sunday evening as the highway would not be ready to support heavy vehicles.

Faruque Hassan, former president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said this natural disaster would affect the supply chain for at least the next two months.



Traders and importers said vehicles that had already left before the onrush of flood water are currently stuck in roads, resulting in severe traffic jam stretching about 40 kilometres.

PHOTO: RAJIB RAIHAN

According to him, vehicles can operate on the highway if the water is blocked on both sides using geo bags in emergencies but it is not possible to repair the damage instantly.

However, he said buyers would accept the slight delay in shipment as exporters already informed them of the disruption.

"We already suffered a lot in July due to political turmoil," he said.

He said they have requested buyers to extend lead times by around 15 days by explaining the situation.

Hasan expected that buyers would extend the lead time due to the situation. "But they will not cover the losses," he added.

Govt cancels MoU with S Alam

FROM PAGE B1

Prime Minister's Office was expected by 2022.

However, this never materialised.

With the government moving slowly to implement the joint venture, S Alam and Co convinced the MoI to sign the MoU for modernising the mills, the BSFC officials alleged.

According to the MoU, sugarcane production would have been boosted through the training of farmers in the use of different technology.

Alongside that, modern sugarcane processing plants, 6 MW agrovoltaic solar power plants, by-product processing plants and packaging factories would have been constructed.

Furthermore, cold storage and agricultural product processing industries would have been developed.

Mintoo's bank accounts

FROM PAGE B1

The tax detective office issued the order at that time based on a recommendation of a panel formed during the then army-backed caretaker government, said a senior official of the NBR.

In the same month of 2007, the CIC also froze the bank accounts of BNP Chairperson Begum Khaleda Zia.

Last week, the NBR removed the bar on transactions in Khaleda's accounts following an application from her lawyer.

"But Mintoo himself applied to us to unfreeze his accounts," said a senior official of the NBR.

The NBR in its letter in August 2007 ordered banks to block withdrawal or transfers of money from all active and dormant accounts owned individually or jointly by Mintoo.

At that time, the CIC also blocked the withdrawal or transfer of funds from vaults, lockers, savings certificates and other savings

The concern voiced by the BSFC officials aligns with numerous allegations against Mohammad Saiful Alam, head of S Alam and Co, which are going around in the aftermath of Sheikh Hasina's resignation as prime minister on August 5.

The Bangladesh Securities and Exchange Commission (BSEC) on Tuesday barred S Alam, his family members and the companies they own from transferring or selling their shares in six banks.

Meanwhile the Anti-Corruption Commission (ACC) decided to resume its investigation into S Alam in connection with money laundering.

An investigation by The Daily Star found that S Alam had built a US \$1 billion empire in Singapore. On August 4, 2023, a report was published by the same daily highlighting the allegations.

Nine days later, the ACC launched an investigation in line with instructions from the High Court to find out if S Alam had taken money out of the country without approval from the central bank.

However, the Appellate Division of the Supreme Court scrapped the suo moto rule that had ordered the investigation in February this year. It added that the ACC could take legal steps of its own accord.

As such, the ACC decided to resume its investigations on August 22.

The ACC sources said all relevant records regarding the allegations will be collected, including how much money he borrowed from banks, what assets he might have acquired illegally, and in which sectors the money was invested.

S Alam is apparently on the run. He did not receive calls yesterday.

Floods damage nearly a fifth of croplands

FROM PAGE B1

floods and steps that need to be taken afterwards.

This includes strengthening ongoing agricultural incentives and rehabilitation programmes and ensuring adequate resources and supply of Aman paddy seeds of suitable varieties.

The construction of emergency seedbeds and early production of winter vegetables should be started at places that are relatively at a higher elevation, alongside shifting of fertilisers to safe places, it said.

The field officials will send a proposal to the ministry after determining the damage and provide cooperation accordingly, said Mohammad Zakir Hossain, senior information officer of the ministry of agriculture.

BGMEA elects new president

FROM PAGE B1

Rafiqul Islam is the managing director of Designtex Knitwear Ltd and served as the senior vice-president for the previous board.

Syed Nazrul Islam is the new first vice-president while Abdullah Hil Rakib has been selected as the new senior vice-president.

The development came nearly three weeks after a student-led mass uprising ousted Sheikh Hasina's government.

Travel restrictions on bank MDs withdrawn

STAR BUSINESS REPORT

The restrictions on managing directors (MDs) and chief executive officers (CEOs) from travelling abroad have been withdrawn.

They can now travel abroad without prior approval from the Bangladesh Bank, said a central bank notice issued recently.

Previously, MDs and CEOs of banks had to take approval from the central bank 10 days prior to travelling abroad.

In case of mandatory travel abroad for MDs and CEOs of banks, they can now take approval from their respective board of directors or concerned authorities.

However, MDs and CEOs will have to inform the details of the officials in charge during their absence to the central bank 10 days before they travel.



An oil tanker is pictured in the Patenga area of the port city of Chattogram. The Bangladesh Petroleum Corporation owes six foreign fuel suppliers over half a billion dollars.

PHOTO: STAR/FILE

Bank of Japan governor flags more rate hikes

AFP, Tokyo

Bank of Japan governor Kazuo Ueda indicated Friday that officials could hike interest rates again if inflation and the economy performed as expected, weeks after turmoil caused by a surprise increase earlier this month.

The remarks come after markets were sent into a spin by the bank's second hike in 17 years on July 31, hours before the Federal Reserve indicated it was set to start cutting.

The decision, and hints at more to come, sparked a sharp unwind of the "yen carry trade" — in which investors use the cheaper currency to buy higher-yielding assets such as stocks — and sent equities plunging and the yen soaring.

"We will continue to adjust the degree of monetary easing if we can confirm a rising certainty that the economy and prices will stay in line with our forecasts," Ueda told parliament just as data showed core inflation edged higher in July and remained well above the bank's target.

He also warned that "financial and capital markets at home and abroad remain volatile", adding "it is necessary to monitor (the markets) with a high sense of urgency".

READ MORE ON B2

BPC struggling to clear unpaid bills amid forex crisis

MD NAZRUL ISLAM, Chattogram

Six foreign fuel suppliers are piling pressure on Bangladesh Petroleum Corporation (BPC) to clear outstanding dues amounting to nearly half a billion US dollars, but a forex crunch in local banks is proving to be a major barrier to timely payments.

As of August 14, the BPC owed the suppliers around \$533 million. But the bills keep piling up with each passing day. The six suppliers were owed \$504 million as of August 1, meaning the dues increased by \$29 million in just 13 days.

However, some payments were made by the time this report was filed, bringing the outstanding dues down to \$483 million as of August 24.

Officials concerned said some companies had not received payments for over three months.

Against this backdrop, a virtual meeting was held between the BPC officials and different companies on August 14 to discuss how to mitigate the pressure.

Contacted, Md Abdul Matin, director (finance) at the BPC, told The Daily Star, "We have enough funds. But we are unable to make payments on time due to the dollar crisis."

Central bank data showed that Bangladesh's taka lost 25.69 percent in value, hitting Tk 118 per dollar on August 19 compared to Tk 93.88 per dollar in July 2022, reflecting the depth of the greenback crisis.

It weakened further last week to around Tk 120 per US dollar after the central bank

allowed more flexibility in the purchase and sale of foreign currencies.

Matin further claimed there had been no disruption to the supply of fuel due to the delays in payment.

Vitol Asia Private Limited, a supplier based in Singapore, is the BPC's biggest creditor. The company is owed \$236.28 million against 11 invoices.

The other creditors are Malaysia's Petco Trading Labuan Company Limited (PTLCL), which is owed about \$22 million, Emirates National Oil Company (ENOC) of the UAE

Md Abdul Matin, director (finance) at the BPC, told The Daily Star, "We have enough funds. But we are unable to make payments on time due to the dollar crisis"

(around \$57 million), Indonesia's PT Bumi Siak Pusako (around \$47 million), Indian Oil Corporation Limited (about \$34 million), and Unipecc Singapore Private Limited (\$64 million).

These foreign suppliers sent 30 shipments of fuel to Bangladesh from April to July.

In the first week of this month, Vitol and ENOC suspended cargo clearance until outstanding payments could be collected. However, after the BPC officials spoke to local agents of these two companies, the suspension was lifted.

According to the bank documents, a

letter of credit (LC) worth \$24.67 million was opened with Sonali Bank on April 1 to import octane from Vitol.

The BPC had committed to pay this LC in two instalments by April 28. But it managed to pay only \$11.01 million in six instalments in June and July.

Similarly, two LCs worth \$26.48 million and \$21.42 million were opened with Sonali Bank on May 28 to import diesel and octane from PT Bumi Siak Pusako.

Although the LCs were due to be paid within a month, the BPC managed to pay just over \$1 million.

On May 28, Sonali Bank opened another LC of \$27.95 million for diesel imports from the ENOC.

Officials of the company's local office told The Daily Star on condition of anonymity that BPC authorities had not yet made the payment.

"We have contacted the top officials of the BPC several times in this regard," the official added.

The BPC officials added that suppliers had not yet confirmed the import schedule for September due to the accumulated arrears.

If it is disrupted, transport, trade, production and other sectors may be affected, they said.

According to officials concerned, payments to oil suppliers began piling up in 2022. They said the dues did not amount to large sums before that.

Small payments are still being made, but that is not enough, they said, so the arrears are gradually increasing.

A laundry list for BB governor

MAMUN RASHID

A new governor has joined the central bank of Bangladesh. As a leading macroeconomist, he has rightly identified inflation and the lack of discipline in the banking sector as the main culprits to be addressed. Both issues are very important, there's no doubt about it.

However, my humble reminder would be that whenever one is considering pushing inflation back, it must be kept in mind that raising interest rates alone may not be the most effective tool. There are other factors that need to be handled innovatively, especially in a country like ours.

BB Governor Mansur did talk about improving liquidity, especially foreign currency liquidity, and thereby increasing the foreign exchange reserve. I strongly believe that with less traffic diverted to the "hundi" route and more disbursement of foreign aid, our reserves should rise, and the USD/BDT exchange rate should stabilise considerably.

We must remember that the IMF and World Bank cannot provide all the bailouts. We may consider securitising receivables like remittances or telephone fees, engaging in currency swaps, issuing bonds against profitable assets, or even inviting foreign direct investment into profitable institutions.

When addressing the crucial issue of bringing discipline to the banking sector, it is important to remember that large insider loans or poorly secured loans may be difficult to recover. Sovereign debt restructuring, which involves extending the repayment period and reducing interest rates, is also crucial, particularly with a focus on recovering stolen assets.

The Hallmark case has taught us the importance of having an accepted facility offer letter and securing any doubtful or recurring past-due loans or increased credit facilities with better security and hard collateral. It also highlighted the need to potentially restructure the entire loan to ensure repayment.

Proper facility structuring and appropriate security are very important for winning a court verdict against a defaulting client. We all know court cases may take donkey years.

We have been hearing about around \$100 billion in sovereign or foreign currency loans outstanding during the immediate past government. This figure was being discussed as potentially reaching approximately \$120 billion with new repayments starting for

the Rooppur Nuclear Power Plant, the Padma River railway project, the Karnaphuli Tunnel, and a few other government-to-government projects. Like Sri Lanka, we need to focus immediately on restructuring those sovereign debts and perhaps even consider lobbying for fresh loans.

Now, coming to the billion-dollar question of stolen asset recovery: If we believe the media reports and some international observers, billions of dollars have been siphoned out of the country by politicians and rogue businessmen close to the highest office. There was even a popular discussion in the corridors, including some ministers and advisers, about 'the government head having a fantastic bringing towards corruption'.

Now, how do we bring it back? It is extremely, I repeat, extremely tough if one can't detect the assets or win in the courts of the host country where the money has been transferred. Though the 2012 'Mutual Legal Agreement' or Bangladesh becoming a member of the 'Egmont' group might have paved the way a bit, putting up the right case against the person or company facilitating capital flight is still extremely difficult.

The then Anti-Corruption Commission chairman, Lieutenant General Hasan Masud Chowdhury, in 2008 was very frustrated to see all the good lawyers defending the alleged person, not the government. I was, of course, not surprised.

However, one should not be too discouraged. We can seek assistance from the United Nations Office on Drugs and Crime Corruption and Economic Crime Branch under the Asset Recovery Resolution (Chapter V) or the Stolen Asset Recovery Initiative at the World Bank. However, serious political commitment from the government, competent legal counsel, and perhaps support from a relevant international consulting firm, as in the cases of Sri Lanka or a few African countries, may be very important here.

One should also remember that the governor, without support from the law ministry, finance ministry, and perhaps the supreme office, cannot do much in this regard.

The writer is the chairman of Financial Excellence Ltd

UK energy bills to rise, sparking fuel poverty fears

AFP, London

British energy bills are set to start rising again this autumn, the sector regulator announced on Friday, sparking fears that fuel poverty will worsen amid an ongoing cost of living crisis.

The cost of household electricity and gas had been falling from peaks reached after Russia's invasion of Ukraine that contributed to the soaring cost of living.

But energy market regulator Ofgem said the price cap that suppliers can charge customers will increase by 10 percent from October, adding around £12 (\$15) a month to the average bill.

A typical household bill will rise to about £1,717 per year, Ofgem, which sets the cap every quarter, detailed in a press release. It had issued reductions in April and July.

The regulator cited "rising prices" on international energy markets due to "increasing geopolitical tensions and extreme weather events driving competition for gas".

It said that despite the rise for the October to December quarter, the cap will still be six percent lower than for the same period last year.

It will be almost half as low as at the height of the energy crisis in 2022 following Russia's invasion of its neighbour in February that year, Ofgem added.

But National Energy Action, a UK fuel poverty charity, warned that the increase would "plunge 400,000 more UK households into fuel poverty this winter", taking the number to six million.

READ MORE ON B2

Economists push back on Harris price gouging plan

AFP, Washington

Kamala Harris's price gouging policy has been criticized by economists and analysts, who say it is an uncompetitive proposal that could end up hurting, and not helping, US consumers.

Harris, the Democratic nominee for president, announced the policy last week as part of a raft of populist proposals which included a \$6,000-a-year tax credit for families with newborn children and a \$10,000 tax credit for first-time home buyers.

If elected President, Harris would work with Congress to advance "the first-ever federal ban on price gouging on food and groceries," her campaign said in a statement. The proposals would look to set "clear rules of the road" to stop big corporations from running up "excessive" profits on food and groceries, and beef up state and federal regulatory powers to penalize rule-breakers.

While popular with the Democratic base, the price gouging plans elicited a fierce reaction from Republican presidential candidate Donald Trump, who is running against Harris in November's elections.

"Kamala will implement SOVIET Style

Price Controls," he wrote in a social media post a day after the proposals were published.

Supporters of the policy say it has been mischaracterized and misunderstood. "When there is more concentration

in an industry, we have seen much greater increases in the profit margins," US Senator Elizabeth Warren said in an interview with CNBC on Friday.

The Harris campaign did not respond to a request for comment. But several



US Vice President and Democratic presidential candidate Kamala Harris speaks on the last day of the Democratic National Convention at the United Center in Chicago, Illinois.

PHOTO: AFP/FILE

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