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BUSINESS

Bangladesh Bank Governor Ahsan H Mansur said it would be possible to lower the policy rate in six months if inflationary pressure comes down to a tolerable level

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# Ex-BSEC chief attempted to eavesdrop on investors

STAR BUSINESS REPORT

The immediate past chairman of the stock market regulator had attempted to get government approval earlier this year to bring voice calls and internet data of stock market investors under surveillance.

Prof Shibli Rubayat-Ul-Islam, the former chairman of the Bangladesh Securities and Exchange Commission (BSEC), had sent a letter to Financial Institutions Division under the finance ministry seeking to sign a memorandum of understanding (MoU) with National Telecommunication Monitoring Center (NTMC).

The NTMC is the state's communication interception and intelligence agency running under Public Security Division of the Ministry of Home Affairs.

Prof Shibli had resigned from the top post on August 10, five days past the fall of the Awami League government following a student-led uprising.

In the letter, he had reasoned that the surveillance was to catch stock market manipulators and traders with insider information.

Prof Shibli was adamant on running the surveillance,



a top BSEC official confirmed to The Daily Star yesterday seeking anonymity.

"So, he had taken the decision regarding signing an MoU with the NTMC at a commission meeting," said the official.

The MoU was supposed to state that the NTMC would start collecting various data of investors, excluding that related to securities, within seven working days of it being signed, said the official.

There will be no MoU without the Financial Institutions Division's approval, said the official, adding that the BSEC was now seriously looking into the matter to soon decide whether to continue to seek the approval.

"We are urgently looking into this matter," Khondoker Rashed Maqsood, the newly appointed BSEC chairman, told this newspaper.

Investors were surprised to hear about the surveillance attempt, with many criticising it as a breach of privacy.

Instead of surveillance, Bangladesh should take a cue from developed countries and first encourage stock market forecasting services of professional analysts, said Al Amin, a stock market analyst.

In the absence of such services, investors usually discuss among themselves to decide on their market activities, he said.

"If the BSEC goes for bringing investors under surveillance, there will be panic," added Amin, also an associate professor of the Department of Accounting & Information Systems at the University of Dhaka.

Secondly, the BSEC should use its software for detecting circular trading to identify market manipulators and then take decisive steps, said Amin.

The stock exchanges earlier informed of specific cases of manipulation but the stock market regulator hardly took any action, he said.

There is no guarantee that the market manipulators always plan their malpractices over voice calls or the internet, he added.

If the surveillance attempt follows through, it will be a breach of privacy because the regulator will be able to avail every conversation of stock investors, said Saiful

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Gazi Tyres, a concern of Gazi Group, saw its production unit in Narayanganj looted, vandalised, and set ablaze in two phases this month, reducing it to a pile of ashes and rubble. Miscreants first attacked from August 5-8 before renewing their barrage at the start of this week.

PHOTO: SAURAV HOSSAIN SIAM

# Workers bear the brunt of politically motivated attacks on businesses

SUKANTA HALDER and MD ASADUZZAMAN

Vandalism and arson attacks on factories since earlier this month have created deep concerns among entrepreneurs and plunged thousands of employees who work in these firms into uncertainty.

From August 4 to 27, incidents of arson, looting and vandalism have been reported at nearly three dozen industrial units across the country, according to reports by our correspondents.

Most establishments that were targeted are owned by businesspersons with political affiliations. Of them, a majority have links to the Bangladesh Awami League, which saw its 15-year reign end after former prime minister Sheikh Hasina fled the country on August 5 in the face of a mass uprising.

The rampant acts of arson and vandalism, facilitated by a complete breakdown of law and order in the aftermath of the government's fall, were termed as unprecedented by business leaders.

Mir Nasir Hossain, former president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said he had witnessed such incidents after a change in government in the past, but added that what happened this time around caught him off guard.

"I have never seen such attacks, arson and looting in industrial

factories in the past," he added.

Take for example the case of Gazi Group, owned by former textile and jute minister Golam Dastagir Gazi. The company saw two of its concerns in Narayanganj, Gazi Auto Tyres and Gazi Pipe, fall prey to a barrage of attacks this month.

Miscreants took aim at both units, which are located close to each other in the district's Rupganj upazila, attacking relentlessly from August 5 to 8. Incidents of arson and vandalism occurred again at Gazi Auto Tyres on August 25-26.

**From August 4 to 27, incidents of arson, looting and vandalism have been reported at nearly three dozen industrial units**

In an estimate shared with the FBCCI on August 25, Gazi Auto Tyres said it incurred losses amounting to around Tk 1,000 crore due to the attacks.

"Due to this arson attack, our factory has now been reduced to debris. As a result, about 2,650 officers and employees are basically unemployed. It has become very difficult for them to cope with this difficult situation," the company said in a letter to the FBCCI.

The letter also mentioned that the company is in the process of taking legal action against the perpetrators.

"If we do not restart the production process, there will be a huge shortage of domestically produced tire tubes and other products in the market," it added.

Speaking to The Daily Star, Md Ashraf Alam, a manager of Gazi Auto Tyres, said the factory had been left in ruins.

"In this situation, we are battling uncertainty. We got our salaries this month, but we can't say what will happen next month," he added.

Alam, who hails from Kazipur upazila of Sirajganj, is the lone breadwinner of his seven-member family.

"We, the workers, are not involved in politics. So why should we be victimised? We came here to just do our jobs," he rued.

Seeking anonymity, an employee of Gazi Pipe, said: "This incident has pushed me into peril. Now, I have to search for a new job. Given the volatile situation in the country, it will be very difficult for me."

Saiful Islam, an assistant general manager at Gazi Tyres, claimed law enforcement agencies were called during the attack, but they did not cooperate.

"When the police and army were called, an army team came in front of the factory gate. But they left after 10 minutes," he said.

However, those complaints were denied by the police.

Habibur Rahman, assistant superintendent of police for

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# Law and order buyers' main concern

## Exporters tell finance adviser

STAR BUSINESS REPORT

Businesspeople yesterday expressed deep concern over the security of their factories and trade, apprehending that a lack of law and order would prompt foreign buyers to shift work orders to other countries.

"The main concern of the buyers is law and order, which has been discussed with the (finance) adviser (of the interim government)," said AK Azad, a former president of the Federation of Bangladesh Chambers of Commerce and Industry.

He was talking to journalists after a delegation of garment manufacturers made a courtesy call on Finance Adviser Salehuddin Ahmed at the Economic Relations Division (ERD) office in Dhaka yesterday.

According to Azad, it takes seven to 10 days to collect samples from the airport once they arrive from abroad while the Chattogram port is plagued with container congestion.

If these types of bottlenecks are not resolved and law and order not restored, buyers will think of alternatives, he said.

He said word was going around that the interim government would withdraw the export development fund alongside cash incentives for exports and impose duties on fabric imports.

This will negatively impact exports of garment manufacturers who need to import fabrics for use as raw materials, and some factories will have to shut down, Azad said.

Meanwhile, extortion at factories and business establishments has increased alarmingly, he added.

The finance adviser assured he would sit with the Bangladesh Bank governor and finance secretary to resolve the problems and hold a follow-up meeting to discuss reviews of the delegation's recommendations, he added.

Salehuddin Ahmed also recommended that the leaders of the Bangladesh Garment Manufacturers and Exporters

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# Islami Bank to appoint 3 auditors to find out causes of irregularities

STAR BUSINESS REPORT

Islami Bank Bangladesh will appoint three external auditors to root out the causes of irregularities in its loan approvals, forex dealings and employee recruitment process over the past seven years.

The bank's new board of directors took this decision at their first official meeting yesterday.

Earlier on August 22, the Bangladesh Bank formed a new board for the Shariah-based bank with the appointment of five independent directors. Md Obayed Ullah Al Masud, former managing director of Rupali Bank, was announced as chairman of the board.

As a result, the largest private commercial bank in the country was freed from S Alam Group after seven years.

One of the directors told The Daily Star that the new board has decided to find out which borrowers are not repaying their loans from the bank and who were involved in approving those disbursements.

Between 2017 and June this year, S Alam Group and its associated companies borrowed Tk 74,900 crore, which was 47 percent of the lender's total outstanding loans as of March.

The loans were taken in the name of Mohammad Saiful Alam, his wife, daughter, other relatives and officials of the Chattogram-based conglomerate, according to central bank officials with knowledge on the matter.

Documents pieced together by The Daily Star show that most of the

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**Earlier on August 22, the Bangladesh Bank formed a new board for the Shariah-based bank with the appointment of five independent directors**

# MCCI projects higher imports, remittances and slowing inflation

STAR BUSINESS REPORT

Three major indicators of the economy -- imports, remittances and foreign exchange reserves -- are likely to increase in the first quarter of the current fiscal year, a positive development for the external accounts, according to the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI).

The country's monthly imports may hit \$5.68 billion in September, up from August's projection of \$5.51 billion and July's estimated import bill of \$5.39 billion, the chamber said yesterday in its quarterly economic review.

Similarly, remittances may grow to \$2.29 billion next month from \$2.18 billion in August.

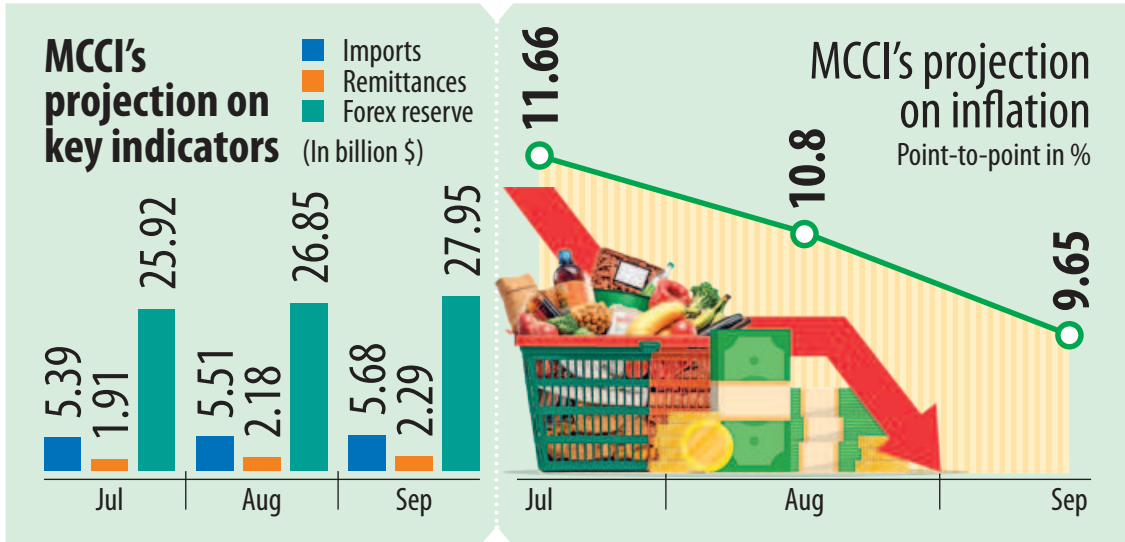
The leading trade body also said that inflation, which hit 11.66 percent in July, the highest in 13 years, is expected to ease this month and next month.

"The economy is trying to overcome the difficulty due to the present conflicting world scenario. Therefore, the performances of the selected economic indicators are mixed," the chamber said.

Bangladesh's overall forex reserves may rise to \$27.95 billion at the end of September, it added.

The MCCI did not project exports as the Export Promotion Bureau refrained from publishing export statistics for three months since June after correcting a massive data mismatch.

Imports and remittances may decrease in July due to the present slowed down economy and then may increase in the next two months, the chamber



said, adding that the foreign exchange reserve may decrease in July due to the payment of \$1.42 billion for the May-June period through the Asian Clearing Union (ACU).

"Inflation increased in July, but it is expected to fall in August and September of 2024," it added.

The MCCI said the economy showed some signs of improvement with the increase of foreign exchange reserves and remittances in June of the current year.

But the country witnessed massive mayhem as students protested the quotas system for government jobs since the start of July, which dealt a big blow to business activities.

"After the fall of the Awami League government [on August 5], the interim government has just taken power and it will take time to normalise business activities," it added.

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