

Star BUSINESS

Fresh vegetable and fruit exporters are apprehending a drop in sales of perishables following a hike in cargo freights, particularly by Biman Bangladesh Airlines



Story on B4

2 shell companies in Ctg drained Tk 2,343cr from Islami Bank

MD NAZRUL ISLAM, Chattogram

Islami Bank Bangladesh granted huge loans to various entities from its Chattogram branches. But there's just one problem: thousands of crores were disbursed to firms that exist only on paper.

An investigation by The Daily Star has uncovered that loans worth Tk 2,343 crore were given to two entities in the port city that are merely shell companies.

Ansarul Alam Chowdhury and Mohammad Golam Sarwar Chowdhury, relatives of Mohammad Saiful Alam, who owns the Chattogram-based conglomerate S Alam Group, are at the centre of the anomalies.

These two individuals allegedly circumvented banking norms to secure the loans from Islami Bank's Chaktai branch in Chattogram, according to multiple audits by the Bangladesh Bank.

Besides, insiders alleged that the two borrowers obtained the loans using their connections with the S Alam Group, which took over Islami Bank in 2017.

According to bank documents, both companies claimed to be in the edible oil trade, but no business activities, such as any operational oil refinery, were found at their registered addresses.

Locals confirmed that these companies did not conduct any operations in those areas.

Both companies claimed to be in the edible oil trade, but no business activities, such as any operational oil refinery, were found at their registered addresses

Established in 2020 with a capital of Tk 8 lakh, Inherent Trading and Impex Limited was able to secure a huge loan of Tk 1,289.53 crore within two years.

These loans were disbursed in four instalments by the Chaktai branch, with minimal collateral backing the substantial amount.

Alam established Inherent Trading and Impex Limited, supposedly based in Chattogram's Khatunganj wholesale market, while Sarwar set up M/S Murad Enterprise.

The case of the latter company is equally troubling. Murad Enterprise, which listed trading of sugar, soybean and palm oil as its operations, is reportedly working on behalf of S Alam Group.

Between December 6 and December 15, 2022, Murad Enterprise received Tk 1,054.38 crore in loans from the Chaktai branch, secured by a mix of personal guarantees, post-dated cheques and 12 Mudaraba Term Deposit Receipts totalling Tk 270 crore from other banks.

Before being apprehended yesterday while attempting to flee the country, Alam was contacted by The Daily Star. Upon hearing the questions, he disconnected the phone call. He did not respond to further messages.

Security officials at Chattogram Shah Amanat International Airport detained Alam from a Dubai bound flight yesterday morning, according to Patenga police station's Officer-in-Charge Mahfuzur Rahman.

Islami Bank officials refused to share any additional information.

However, they said they had started compiling a list of dubious loan recipients to forward to the Bangladesh Bank following the mass uprising that overthrew the Sheikh Hasina-led Awami League government on August 5.

READ MORE ON B3

Assess loan exposure to influential people

BB asks restructured banks

MD MEHEDI HASAN

The Bangladesh Bank (BB) has instructed the recently restructured banks to identify and assess their loan exposure to politically exposed and important persons as they might fail to repay the loans.

A politically exposed person is an individual who has been entrusted with prominent public functions. It includes ministers, members of parliament, senior executives of state-owned enterprises, and directors or members of the board of international organisations.

The central bank also sought details of the securities and collateral against the loans.

After Ahsan H Mansur was appointed to the post of central bank governor on August 14, the Bangladesh Bank reconstituted the boards of Islami Bank Bangladesh, Social Islami Bank, Global Islami Bank, Union Bank, National Bank, First Security Islami Bank, United Commercial Bank and Exim Bank.

Most of these lenders were controlled by the Chattogram-based S Alam Group.

Founded in 1985 by Mohammad Saiful Alam, a relative of former Awami League politician Akhtaruzzaman Chowdhury Babu and former land minister Saifuzzaman Chowdhury, S Alam Group has grown into one of the country's largest conglomerates.

Bank documents show that the S Alam Group and companies associated with it took out loans amounting to Tk 95,331 crore between 2017 and June this year from the six banks, plunging them into a severe liquidity crisis.

Of the sum, around 79 percent or Tk 74,900 crore came solely from Islami Bank. It accounts for 47 percent of the lender's total outstanding loans as of March this year.

The central bank's instruction came a few days after its governor said that the banking regulator would take over the shares and assets of borrowers like S Alam against their liabilities and sell them in order to return depositors' funds.

A senior central bank official told The Daily Star on condition of anonymity that the BB governor would meet with the newly formed board of directors of restructured banks.

He added that the new board members would have to present specific plans to recover stressed

RESTRUCTURED BANKS



Islami Bank Bangladesh, Social Islami Bank, Global Islami Bank, Union Bank, National Bank, First Security Islami Bank, United Commercial Bank, and Exim Bank

BB instructions to restructured banks

- Devise a plan to recover stressed loans
- Identify loans of politically exposed/important persons
- Provide details of collateral against stressed loans
- Make a recovery plan for the exposures
- Make a plan to restore liquidity position
- Devise a plan to increase remittance

loans, restore liquidity and increase remittance inflows.

Mohammed Nurul Amin, newly appointed independent director and chairman of Global Islami Bank's board, told The Daily Star that the central bank asked for a strategic plan and roadmap for loan recovery, restoring liquidity and raising remittance inflows.

READ MORE ON B3

NBR finally scraps provision to whiten money

STAR BUSINESS REPORT

The revenue administration has abolished the black money whitening provision, a scope that allowed both individuals and companies to legalise their undisclosed income by paying a 15 percent tax and avoid any potential scrutiny.

Termining the provision "discriminatory" for a fair and equitable tax system, the National Board of Revenue (NBR) scrapped the provision yesterday by issuing a notification.

A maximum of 25 percent tax is payable on an individual's income.

A taxpayer having over Tk 4 crore-worth net assets also has to pay a wealth tax surcharge on top of their regular income tax. The maximum surcharge rate is 35 percent, according to NBR.

"So, allowing black money to be whitened by paying merely a 15 percent tax is discriminatory to a just and equitable tax system," said the NBR's notification.

The development comes a few days after the interim government said it had decided to scrap the money whitening provision.

Asked whether there was any pressure opposing the NBR's latest move, NBR Chairman Abdur Rahman Khan said, "The interim government was against the provision and the decision came from the advisory committee led by Prof Muhammad Yunus."

"It simply demoralises the honest taxpayers and weakens the tax administration," he said.

The scope to whiten money had drawn sharp criticism from economists, trade bodies and civil society.

Backtracking on its promise to eliminate black money, the then government hoped the money-

READ MORE ON B3

Corrected export data soon: EPB

STAR BUSINESS REPORT

The Export Promotion Bureau (EPB) is set to publish export data based on a new calculation after months of a hiatus following the revelation that there were significant discrepancies between its data and that of the central bank in the last fiscal year.

The bureau informed Salehuddin Ahmed, the interim government's finance and commerce adviser, at a meeting at Bangladesh Secretariat yesterday that they had already revised the export data.

"We've discussed a wide range of issues

including export data as there were some issues between the export data of EPB and NBR (National Board of Revenue)," Salehuddin told journalists after the meeting.

"I've asked them (EPB) to ensure consistency in the final export data and it will be done as soon as possible. I've also asked them (EPB) to make a projection," he said.

Salehuddin said an EPB board meeting would be held soon where all such matters would be finalised.

On July 3, Bangladesh Bank (BB) released data of the balance of payments

(BoP) for the July-April period of fiscal year 2023-24.

It showed that the country's exports were nearly \$14 billion below the figure reported earlier by the EPB.

At that time, the central bank discovered six types of statistical wrongdoings which had led to inflated export data.

The EPB stopped publishing export data from July of 2024.

EPB officials said they have met with the NBR, Bangladesh Export Processing Zones Authority, Bangladesh Bank, and the Bangladesh Bureau of Statistics to discuss ways of collecting accurate export data.

They also said to have gathered export data from these organisations.

However, Bangladesh Bank has continued to publish export data.

In its latest BoP data, the Bangladesh Bank reported that the export value stood at \$40.8 billion in FY24, down nearly 6 percent year on year.

The EPB officials said there may be some differences between the data from the central bank and that from the EPB as the central bank's figures are based on the receipt of export proceeds while the EPB's figures are based on shipment data.

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Pubali Bank donates Tk 6cr for flood victims

STAR BUSINESS DESK

Pubali Bank PLC has donated a financial relief package worth Tk 5 crore for flood-affected people in different districts of the country.

The aid will be given to the Chief Adviser's Relief and Welfare Fund.

Additionally, the bank's employees have contributed Tk 1 crore, the equivalent of one day's salary, in relief materials. The materials are directly being distributed under the bank's own management in flood-hit areas.

Mohammad Ali, managing director and CEO of Pubali Bank, handed over a cheque worth Tk 5 crore to Farooq E Azam, adviser to the Ministry of Disaster Management and Relief at the Bangladesh Secretariat in Dhaka recently, according to a press release.

Ali said the bank has always been committed to contributing to socioeconomic development and has played a leading role in humanitarian activities.

He affirmed that the bank's support efforts would continue until the flooding subsides and all necessary steps will be taken to rehabilitate individuals in flood-hit areas.



Mohammad Ali, managing director and CEO of Pubali Bank, hands over a cheque worth Tk 5 crore to Farooq E Azam, adviser to the disaster management and relief ministry, for flood-affected people in different districts, at Bangladesh Secretariat in Dhaka recently.

PHOTO: PUBALI BANK

Rezaul Karim made chairman of BPDB

STAR BUSINESS DESK



Md Rezaul Karim was appointed chairman of the Bangladesh Power Development Board (BPDB) on Sunday.

Karim had been serving the BPDB as member (distribution) prior to joining the new role, according to a press release.

He replaced former chairman Md Mahbubur Rahman.

Karim started his professional career in the BPDB's Khulna Power Plant as an assistant engineer in 1991.

He also served as sub-divisional engineer, executive engineer and manager (superintending engineer) at the same power plant.

Karim was appointed deputy project director of the Maitree Super Thermal Power Project in 2018.

He obtained a bachelor's degree in electrical engineering from the Khulna University of Engineering and Technology in 1989.

Edison Real Estate, AkijBashir Group sign MoU on service benefits

STAR BUSINESS DESK

Edison Real Estate signed a memorandum of understanding (MoU) with AkijBashir Group.

Ahmed Pasha, director of the realtor, and Mohammad Khourshed Alam, chief operating officer of the business conglomerate, penned the MoU at the latter's head office in the capital's Tejgaon, according to a press release.

Customers of the developer who are also Edison Royal Club members will enjoy up to 20 percent discounts on products made by Akij Ceramics, Aura, Rosa, Akij Board, Lumino and Akij Door.

Mohammed Ashraf Haque, general manager for sales at Akij Ceramics, Md Nazrul Islam, deputy general manager for sales at Akij Particle Board Mills, and Md Shahriar Zaman, head of marketing at AkijBashir Group, attended the signing ceremony.

Bishwajit Paul, assistant general manager for sales at Rosa Sanitaryware, Palash Chandra Das, senior manager at sales at Akij Bathware, and Md Rumel Yestack Khan, corporate sales manager at Akij Ceramics, were also present.

Among others, Mohammed Taiabur Rahman, head of marketing and customer experience of the realtor, Suman Chandra Majumdar, head of supply chain management, and Ninian Adhikary Nitol, deputy manager for marketing, were also present.



Ahmed Pasha, director of Edison Real Estate, and Mohammad Khourshed Alam, chief operating officer of AkijBashir Group, shake hands and exchange signed documents of a memorandum of understanding at the latter's head office in the capital's Tejgaon recently.

PHOTO: EDISON REAL ESTATE

Bangladesh General Insurance Company declares 10% cash dividend



PHOTO: BANGLADESH GENERAL INSURANCE COMPANY

Towhid Samad, chairman of Bangladesh General Insurance Company, presides over the insurer's 39th annual general meeting, which was held virtually recently. The meeting declared a 10 percent cash dividend for 2023.

STAR BUSINESS DESK

Bangladesh General Insurance Company declared a 10 percent cash dividend for the year that ended on December 31, 2023.

The declaration came at the insurer's 39th annual general meeting (AGM), which was held virtually recently, the bank said in a press release.

Towhid Samad, chairman of the insurance company, presided over the meeting.

Salim Bhuiyan, vice-chairman of the insurer, Md Shakil Rizvi, public director, Mohammad Manjur Mahmud, nominated director, and Nasir Uddin Chowdhury, independent director, attended the meeting.

Saifuddin Ahmed, assistant managing director and company secretary, conducted the meeting.

Ahmed Saifuddin Chowdhury, managing director and CEO, along with a number of shareholders and senior officials, also joined the meeting.

Shanta Holdings opens Kids Zone at Gulshan Society Lake Park

STAR BUSINESS DESK

Gulshan Society, with the help of Shanta Holdings, took the initiative to launch a "Kids Zone" at Gulshan Society Lake Park in the capital.

Maj Gen (retd) Siddikur Rahman Sarkar, chairman of Rajdhani Unnayan Kartipakkha (Rajuk), inaugurated the 'Kids Zone', according to a press release.

Sponsored and developed by Shanta Holdings, the Kids Zone features a large green turf, cycling track, an assortment of imported slides, swings, jungle gyms, seesaws, monkey bars, spring horses, sand boxes and a large tree house.

A colorful wall painted by a local artist has also been created, adding to its vibrancy.

The zone has been designed to nurture children's curiosity as well as physical, cognitive, social-emotional and creative development by offering them an engaging, safe and fun space to play, explore and learn.

Families can now enjoy this playground, a breath of fresh air amidst the city's urban landscape, offering a much-needed oasis for children.

Government of the People's Republic of Bangladesh
Office of the Director
Sher-e-Bangla Medical College Hospital, Barishal
Email: sbmch@hospi.dghs.gov.bd

Invitation for Tender

Memo No. SBMCH/Bari/2024/4138

Date: 31/08/2024

Sealed tenders are hereby invited from bonafide experienced manufacturer/suppliers to medical & surgical requisite (MSR) of Sher-E-Bangla Medical College Hospital, Barishal as per PPA-2006 & PPR-2008, terms and conditions are as follows:

KEY INFORMATION		
01	Ministry/Division	Ministry of Health and Family Welfare
02	Agency/office/procuring entity	Sher-e-Bangla Medical College Hospital, Barishal
03	Procuring entity designation	Director, Sher-e-Bangla Medical College Hospital, Barishal.
04	Procuring entity code	MSR-3252105, 3252109, 3256102
05	Procuring entity district	Barishal
06	Invitation for	Supply of Medical & Surgical Requisite (MSR) (2024-25)
07	Procurement method	Open Tender Method (OTM)
08	Budget and source of funds	GOB (Revenue /Development or any other fund)
09	Tender Package No.	Group No. Ka (ক) Medicine Group No. Kha (খ) Surgical Items Group No. Ga (গ) Gauge Bandage Cotton & Linen Group No. Gha (ঘ) Chemical Reagent X-Ray Film Group No. Umo (ঙ) Furniture Kitchen Articles
10	Tender publication date	3/09/2024
11	Tender schedule last selling date and time	1/10/2024 at 2:30pm during office hour.
12	Tender dropping date and time	3/10/2024 at 08:00am to 12:00 Noon.
13	Opening of tender documents, place, date & time	Office of the Director, Sher-e-Bangla Medical College Hospital, Barishal, Date: 03/10/2024 at 12.30pm (In front of present tenderer, if any).
14	Name and address of the office	Director, Sher-e-Bangla Medical Collage Hospital, Barishal.
15	a) Sites/availability of tender documents b) Site/place to dropping tenders documents	Office of the Director, Sher-e-Bangla Medical College Hospital, Barishal Office of the Director, Sher-e-Bangla Medical College Hospital, Barishal
16	Tender security	Submitting earnest money Pay Order Group No. Ka, Taka 13,00,000/= (Thirteen lac only) Group No. Kha, Taka 17,00,000/= (Seventeen lac only) Group No. Ga, Taka 15,00,000/= (Fifteen lac only) Group No. Gha, Taka 12,50,000/= (Twelve lac fifty thousand only) Group No. Umo, Taka 2,50,000/= (Two lac fifty thousand only) (Refundable)
17	Price & procedure of payment of tender schedule	Group No. Ka (ক)-Taka 3,000 (Three thousand only) Group No. Kha (খ)- Taka 3,000 (Three thousand only) Group No. Ga (গ)- Taka 3,000 (Three thousand only) Group No. Gha (ঘ)- Taka 3,000 (Three thousand only) Group No. Umo (ঙ)-Taka 2,000 (Two thousand only) (Non-refundable) The price should be paid through Treasury Chalan to any schedule bank, against Code No. 1270101110512-11000000-11001000-1422328. The original chalan copy must be submitted during purchase of tender document (schedule) and a photocopy of Chalan should be submitted during submission of tender (schedule)
18	Tender schedule is to receive showing the original documents	1. VAT registration certificate (As a suppliers- 13 Digit) 2. Valid trade license (2024-2025) 3. Income tax certificate (2023-2024) 4. Attested photocopy of National ID card.
	Contact details of official inviting tenders	Phone No. 02-478864696 / 02-478871771

Note:

The procuring entity reserves the right to accept or reject in part or whole or all tenders. In case of any dispute the decision to be taken by the procuring entity will be considered as the final decision.

a) If the date of selling, receiving & opening of tender is disturbed under any unavoidable circumstances, the next working day will be applicable for the same respectively.

(Signature)
31/8/24

Dr. H. M Saiful Islam

Director
Sher-e-Bangla Medical College Hospital, Barishal
Phone: 02-478864696 / 02-478871771

Government of the People's Republic of Bangladesh
Local Government Engineering Department
Office of the Executive Engineer
District: Habiganj.
www.lged.gov.bd.

Memo No- 46.02.3600.000.07.001.24- 1210 Date: 01/09/2024

e-Tender Notice: 08/2024-2025 (NCT/OTM)
e-Tender is invited in the e-GP System portal (<http://www.eprocure.gov.bd>) for the Procurement of the following works.

Sl. No.	Package No.	Tender ID	Name of Scheme	Last Selling Date and Time	Closing Date and Time	Opening Date and Time
01	LGED/W-14(A)/ Bridge-Culvert-15	1009489	Reconstruction/Construction of Bridge/Culvert in Habiganj District. Area-A) Re-Construction of 25.00m Long RCC Girder Bridge on Nurpur (NHW)-Sutang GC Aminpur Road at Ch.6250m. Under Habiganj Sadar Upazila, District: Habiganj. Road ID No-63643007 B) Re-Construction of 3x3.70m x5.00m RCC Box Culvert on Shabaji bazar-Sadpur Bazar Road At ch. 7497 m Under Habiganj Sadar Upazila, District: Habiganj. Road ID No-63643005 (Salvage Material Cost: 309108.00) C) Re-Construction of 20.00m Long RCC Girder Bridge on Nurpur (NHW)-Sutang GC Aminpur Road at Ch.7850m. Under Habiganj Sadar Upazila, District: Habiganj. Road ID No-63643007 (Salvage Material Cost: 181458.00) D) Re-Construction of 18.00m Long RCC Girder Bridge on Kamachira Fazlad via Rashidpur Rampur Tea Estate Road at Ch.2100.00m, Under Bahubul Upazila, District: Habiganj. Road ID No-63654048 E) Re-Construction of 25.00m Long RCC Girder Bridge on Bahubul UP Office-Rajapur Bazar Road at Ch.2800.00m, Under Bahubul Upazila, District: Habiganj. Road ID No-63663010 F) Re-Construction of 3x5.50m x3.00m RCC Box Culvert on Pakuria Battola-Tatola (MirsShi-Kalenga) Road At ch.203.00m Under Chuanughat Upazila, District: Habiganj. Road ID No-63626082 (Salvage Material Cost: 47307.00) G) Re-Construction of 18.00m Long RCC Girder Bridge on Chuanughat UP Office-Shakir Mohamed Bazar Road at Ch. 3090.00m Under Chuanughat Upazila, District: Habiganj. Road ID No-636263010 (Salvage Material Cost: 14076.00) H) Re-Construction of 20.00m Long RCC Girder Bridge on Kashim Nagar Bazar-Chowmohoni UP via Bahara Rubber Dam Road at Ch.2238.00m. Under Madhabpur Upazila, District: Habiganj. Road ID No-63644305 I) Re-Construction of 30.00m Long RCC (Variable Depth) Girder Bridge on Insitaganj College-Burhanpur Road at Ch.155 m Under Nabiganj Upazila, District: Habiganj. Road ID No-63674007(Salvage Material Cost: 1,52,525.00)	01-10-2024 16:00	02-10-2024 13:00	02-10-2024 13:00

This is an online Tender, where only e-Tender Will be accepted in National e-GP Portal and no office/hard copies will be accepted to submit e-Tender; registration in the National e-GP Portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-Tender Documents from the National e-GP System Portal have to be deposited online through any registered Banks Branches. Further information and guidelines are available in the National e-GP system Portal and from e-GP help desk (helpdesk@eprocure.gov.bd).

(Pirulul Islam)
Executive Engineer
LGED, Habiganj
E-mail: sen.habiganj@lged.gov.bd

GD-317

GD-320

It's best time to probe stock irregularities

BSEC investigation committee says

STAR BUSINESS REPORT

This is the best time to conduct a comprehensive investigation into the stock irregularities and manipulation that occurred in the past 15 years...

Stock regulator Bangladesh Securities and Exchange Commission (BSEC) on Sunday formed a five-member committee headed by Zia Uddin Ahmed...

The committee yesterday talked to journalists at a press briefing organised by the regulator at its office in the capital.

The committee head Ahmed said they would investigate several issues while utilising different media reports.

Many irregularities were identified in previous investigations in 1996 and 2010, but no one was punished, said Yawer Sayeed, a member of the committee.

Moreover, those responsible for the previous irregularities continued to operate in the market, while their followers are still active, said Sayeed.

"Now, without political pressure, no one will force us to exclude anyone's name," he commented. "We will investigate freely to produce a report that people will talk about even after our death."

Md Anwarul Islam, an executive director of the BSEC, said this is a unique opportunity to investigate any irregularities, as such a chance may not come again.

"So, we will try to do our best. This is our commitment."

Shafiqur Rahman, another member of the investigation committee, said the students-led mass upsurge has created a favourable environment for the stock regulator and the committee wants to capitalise on this opportunity by producing an impartial report.

In the press briefing, BSEC's Chairman Khondoker Rashed Maqsood and Commissioner ATM Tariquzzaman were present.

Stocks fall after 3-day gaining streak

STAR BUSINESS REPORT

Major indices of the stock market in Bangladesh fell yesterday, breaking a three-day gaining streak as skittish investors put fresh bets on lucrative shares to pocket short-term gains amidst price fluctuations.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), dropped 25.66 points, or 0.44 percent, from the previous day and closed at 5,803.

Likewise, the DSES, the index that is composed of the Shariah-compliant companies, slipped 9.08 points, or 0.73 percent, to 1,236.

However, the DS30, the index for the blue-chip firms, grew 5.27 points, or 0.25 percent, to 2,134.

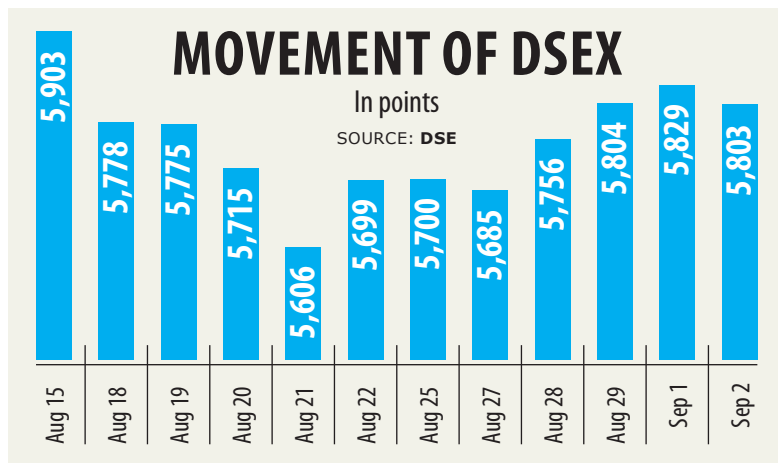
At Chittagong Stock Exchange, the CASPI, the broad index of the port city bourse, plunged 31.16 points, or 0.19 percent, to settle at 16,592.

Of the issues that changed hands on the trading floor of the DSE, prices of 80 went up, 291 ended lower and 26 did not witness any price movement.

The day's turnover stood at Tk 1,065 crore, an increase of 14.13 percent compared to the previous day's trading session.

The banking sector dominated the turnover chart, accounting for 19.09 percent of the day's total market turnover.

Block trades, meaning high-volume transactions in securities that are privately negotiated and



executed outside of the open market, contributed 3.5 percent of the day's overall market turnover.

BRAC Bank was the most traded share with a turnover of Tk 85.3 crore.

Sector-wise, bank, life insurance and food and allied closed in the positive while paper and printing, services and real estate and ceramics in the negative, according to UCB Stock Brokerage.

In another daily market update, BRAC EPL Stock Brokerage said most of the large-cap sectors, meaning those which account for large amounts in market capitalisation, which is the total value of their shares at present, posted a negative performance.

Non-bank financial institutions (NBFIs) experienced the highest loss of 1.76 percent

followed by telecommunication, pharmaceuticals, engineering and fuel & power with 0.52 percent, 0.46 percent, 0.44 percent and 0.21 percent respectively.

Shares of companies like BRAC Bank, Linde Bangladesh, City Bank, United Commercial Bank, Islami Bank Bangladesh, Delta Life Insurance, BAT Bangladesh, Khan Brothers PP Woven Bag Industries, MJL Bangladesh and Bangladesh Submarine Cables drew investors the most, according to LankaBangla Financial Portal.

Beximco Pharmaceuticals, Best Holdings, Olympic Industries, Premier Bank, LafargeHolcim Bangladesh, Robi Axiata, Bangladesh Steel Re-Rolling Mills, Orion Pharma, Orion Infusion and Fortune Shoes did not perform that well.

Investit Asset Management launches first mutual fund

STAR BUSINESS REPORT

Investit Asset Management, a fund manager, has taken an initiative to launch its first open-ended mutual fund named Investit Growth Fund. The signing ceremony of the new mutual fund took place at its office in the capital yesterday.

Key officials from both Investit Asset Management and Sandhani Life Insurance were present, including Mohammad Emran Hasan, Managing Director and CEO of the asset management company, Nema Kumar Saha, CEO of Sandhani Life Insurance, and Md Mizanur Rahman, company secretary to the insurer.

Investit Asset Management will serve as both the sponsor and asset manager of the mutual fund, Sandhani Life Insurance the trustee and BRAC Bank PLC the custodian, the asset manager said in a press release.

Mutual funds pool money from investors to channel it into securities such as stocks, bonds, and other assets. Depending on the profits earned, investors are then paid their share as dividends.

Open-ended mutual funds are not listed with the stock market but one can buy them from a fund manager's office on the basis of its net asset value. Similarly, investors can sell off fund units at any time at prices based on its current net asset value.

The initial size of the fund of Investit is Tk 25 crore, with the sponsor contributing Tk 2.5 crore and the remaining Tk 22.5 crore coming from individual and institutional investors.

This new fund is designed to provide investors with superior risk-adjusted returns through a focused investment strategy in growth stocks, said the statement.

The fund's size may be increased in the future with the trustee's approval.

NBR lifts restrictions on imports through Bhomra

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has lifted restrictions on the import of all products, except for powdered milk, through Bhomra Land Port in Satkhira.

The customs wing under the NBR issued a statutory regulatory order on products allowed to be imported through the land port.

The development came into effect from August 29.

Currently, Bangladeshi importers can import nearly 90 types of products, including cattle, fruits, vegetables, stone and boulders, coal and limestone.

Bhomra Land Port connects Bangladesh to Gojandanga of 24 Parganas at West Bengal in India.

However, the NBR has retained the provisions meant for all exportable products.

Assess loan exposure

FROM PAGE B1

The BB also asked the banks to submit a plan to mitigate the negative balance in their current accounts with the Bangladesh Bank.

It further sought detailed plans to meet the cash reserve ratio (CRR) and statutory liquidity ratio (SLR) requirements.

Five banks, namely National Bank, First Security Islami Bank (FSIBL), Social Islami Bank, Union Bank and Global Islami Bank, have a negative balance in their current accounts with the central bank.

As of August 7, the five banks and Bangladesh Commerce Bank's combined current account deficit with the Bangladesh

Bank stood at Tk 14,621 crore.

If their cash reserve ratio deficit is considered, their total shortfall is Tk 20,774 crore, according to central bank data.

The shortfall in the lenders' current accounts with the BB means they are in deep crisis, a senior official of the central bank said on the condition of anonymity.

Generally, banks maintain a current account with the central bank for different clearing and payment systems and have to keep a hefty balance in the account.

In theory, the central bank can restrict banks from clearing and payment platforms if they have a

current account deficit, the BB official said.

The central bank provided special liquidity support to those lenders for over a year to mitigate their negative current account balance. However, that support was suspended by the banking regulator recently.

Those restructured banks were also asked to submit a plan to increase remittance inflow in the country.

Remittances sent by Bangladeshis living abroad soared nearly 39 percent year-on-year to \$2.2 billion in August after Sheikh Hasina resigned from her post as prime minister and fled the country on August 5.

Corrected export

FROM PAGE B1

Salehuddin said it was not possible to say at this time whether the new export data would have an impact on GDP calculations. Details can be provided later, he said.

Commerce Secretary Md Selim Uddin, EPB Vice Chairman Md Anwar Hossain, and other senior officials were present at the meeting.

BUDGET REVISION Regarding budget revision, finance adviser

Salehuddin met with the budget officials a couple of days ago.

"I told them to rationalise unnecessary and wasteful allocations," he said.

The key revision will focus on the expenditure of Annual Development Programme (ADP), and the planning ministry would handle it.

Small changes will be made in the revenue budget, he said. However, Salehuddin has not provided any timeline.

Two shell

FROM PAGE B1

"I have nothing to say about borrowers," said Manjur Hasan, manager of Islami Bank's Chakrai branch. "The top officials or board members may have more information. You should reach out to them."

Attempts to contact Murad Enterprise owner Sarwar for comment were unsuccessful.

The Daily Star also couldn't reach the managing director of Islami Bank for comment despite multiple attempts.

Table with 2 columns: S.No, Description. Contains details of government tenders for various services and goods.

NBR finally scraps

FROM PAGE B1

whitening facility would increase the cash flow to the economy.

However, the measure had failed to yield any substantial benefit.

According to the provision, no authority can raise any question if a taxpayer pays tax at fixed rates for immovable properties such as flats and land and 15 percent tax on other assets, including cash, irrespective of the existing laws of the country.

Since independence, schemes to legalise undeclared money have been introduced at least 22 times. But the response has been lukewarm.

According to data from the National Board of Revenue (NBR), nearly Tk 45,522 crore was whitened between 1972 and 2022, with the collector getting Tk 4,641 crore in taxes in total.

In fiscal year 2020-21, the government had offered full amnesty to black money, leading to a record Tk 20,600 crore being legalised, yielding the NBR Tk 2,064 crore.

In fiscal year 2006-07, the caretaker government offered the scope to legalise black money following the payment of a penalty, which is not normally levied. That year, Tk 9,682 crore was whitened.

Dollar eases after hitting highest in two weeks

REUTERS, Tokyo

The dollar edged down on Monday but remained within striking distance of its highest level in almost two weeks, as investors' focus moved to a US jobs report due at the end of this week.

US payrolls, due on Friday, will be crucial after Federal Reserve chair Jerome Powell pivoted from a battle against inflation to a readiness to protect against job losses.

Analysts say the job figures will determine the magnitude of the Federal Reserve's expected rate cut. Markets have already priced in for weeks a cut of 25 basis points.

The greenback advanced to its strongest since Aug. 20, buoyed by a rise in long-term Treasury yields to the highest since mid-August as inflation data pointed to a smaller rate cut and gross domestic product figures indicated the economy was on solid enough footing to give the Federal Reserve room to be less aggressive in easing its policy.

Traders currently lay 33 percent odds of a 50 bps Fed rate cut this month, while fully pricing in a quarter point cut. A week earlier, expectations were 36 percent for the larger reduction.

Advertisement for Titas Gas Transmission & Distribution PLC. Includes company details, tender information, and contact details for Shah Md. Almahmud.

Hike in airfreight puts vegetable and fruit exporters in trouble

MD ASADUZ ZAMAN

Fresh vegetable and fruit exporters are apprehending a drop in sales of perishables following a hike in cargo freights, particularly by Biman Bangladesh Airlines, last month.

Biman, the state carrier, hiked cargo fares in August anywhere from 56 percent to 150 percent depending on the routes compared to that six months ago.

Bangladesh Fruits, Vegetables and Allied Products Exporters Association sent letters in this regard to Finance and Commerce Adviser Salehuddin Ahmed and Biman on August 25.

The exporters have to pay anywhere from 0.86 cents to \$1.75 per kilogramme for destinations in the Middle East, including Saudi Arabia, where most Bangladeshi workers migrate to, the association said.

However, it was around 0.55 cents to 0.70 cents in February, it said.

Likewise, Biman hiked fares by 143 percent to \$3.65 per kilogramme on the Hazrat Shahjalal International Airport to London route in February.

"It is going to hurt our exports significantly. Fuel prices have not increased so there is no reason for the sudden spike in fares," said the association's general secretary, Mohammed Monsur.

Exports of vegetables and fruits have been falling for the last three years, said the association.

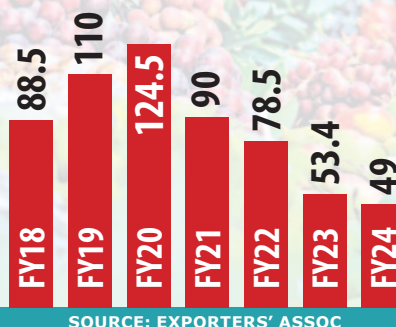
Bangladesh shipped 124,500 tonnes of fresh farm produce, the highest in a decade, in fiscal year (FY) 2019-20, it added.

The volume of shipment dipped to 49,000 tonnes in FY24, down 8 percent year-on-year.

Export receipts fell in line with a decline in the volume of shipments,



EXPORTS OF FRESH VEGETABLES AND FRUITS
(In thousand tonnes)



SOURCE: EXPORTERS' ASSOC



according to the association. In FY24, exporters fetched \$75 million in earnings, down 11 percent year-on-year.

The association expressed concerns that they would lose the market to the exporters from India, Nepal, Pakistan and Sri Lanka because of the increase in airfreight charges.

"We want a reasonable fare for the agricultural products following adjustments with that in neighbouring countries," he said.

The trade body also complained that

the rate offered by Biman for garments is low compared to that of the other airlines.

Bangladesh usually exports a wide variety of vegetables and fruits to the Middle East, with Saudia Arabia, United Arab Emirates, Qatar, Oman, Bahrain and Kuwait being the main destinations.

The second largest export destinations are European countries, including the United Kingdom, Italy, Germany and France. A small quantity of fresh produce is shipped to Asian countries like Malaysia and Singapore.

Among the North American countries, only Canada is the main destination.

Biman Spokesperson Boshra Islam said it was not only Biman, rather other airlines operating from Bangladesh had also increased air cargo freight charges.

"Our fares are still less than the fares of other airlines," she said.

Biman carries 15 percent to 17 percent of the total export cargo going through as airfreight. "We do not have any cargo carriers. We carry export items in our passenger flights," she added.

Reduce import duty to cool off prices of essentials

Tariff Commission urges govt

STAR BUSINESS REPORT

The Bangladesh Trade and Tariff Commission (BTTC) has urged the government to significantly reduce tariffs on onions, potatoes and eggs to bring down current red-hot prices by boosting the supply of these food items through imports.

The BTTC recommended that the National Board of Revenue (NBR) completely remove the import duty on onions and reduce tariffs on eggs and potatoes to 5 percent from the current total tax rate of 33 percent.

The BTTC sent a letter to the NBR last week and pointed out that lowering tariffs on these items for a specific period would encourage imports, which could help reduce inflation.

The commission, which operates under the Ministry of Commerce, noted that recent flooding in the eastern part of the country has severely impacted poultry farming in 11 districts, leading to a shortage in egg supply.

Besides, potato production has declined by 12 lakh tonnes, leading to a rise in prices of this starchy vegetable.

The price of onions, another kitchen staple in Bangladeshi cuisine, has shown no signs of easing.

This is largely due to India, a key supplier, maintaining a 40 percent export duty in addition to a minimum export price of \$550 per tonne to stabilise its domestic market.

Given these circumstances, the BTTC advocated for reducing import duties to ensure stability in the supply and prices of these essential items.

Potato was being sold at Tk 52 to Tk 60 per kilogramme (kg) in Dhaka kitchen markets yesterday. This was an increase of 28.74 percent from that on the same day last year, according to the state-run Trading Corporation of Bangladesh (TCB).

The local variety of onions was at Tk 110 to Tk 120 per kg, which was an increase of 35.29 percent.

The imported variety of onions was at Tk 100 to Tk 110 per kg, which was an increase of 50 percent.

Meanwhile, every four eggs were selling at Tk 50 to Tk 53 -- with the prices almost unchanged in the past year.

Eurozone inflation falls to three-year low

AFP, Brussels

Eurozone inflation fell to its lowest level in more than three years this month thanks to falling energy costs, official data showed on Friday, raising expectations of a European Central Bank interest-rate cut.

Consumer price rises slowed to 2.2 percent in August compared to the same month last year after reaching 2.6 percent in July, closing in on the European Central Bank's two-percent target. The August rate was the lowest since July 2021 and in line with expectations by analysts for FactSet and Bloomberg.

But core inflation, which strips out volatile energy, food, alcohol and tobacco prices and is a key indicator for the bank, cooled slightly to 2.8 percent in August from 2.9 percent in July, Eurostat said.

Friday's data will provide some relief after inflation unexpectedly edged up in July.

The ECB launched an aggressive rate-hiking campaign in July 2022 to tame red-hot inflation, which peaked at 10.6 percent in October that year as Russia's invasion of Ukraine sent food and energy prices soaring.



A customer looks at fruits and vegetables at a supermarket in Paris. PHOTO: AFP/FILE

The ECB cut rates for the first time in June this year. The Frankfurt based institution has since kept rates unchanged but the market hopes another cut will come after a meeting on September 12.

The data "makes a rate cut at the European Central Bank's upcoming September policy meeting more likely", said Sam Miley of London-based Centre for Economics and Business Research.

"However, the higher rate of core inflation and continually tight labour market will present risk factors to implementing looser monetary policy," Miley said.

French central bank chief Francois Villeroy de Galhau called for a September rate cut in an interview with French magazine Le Point, saying it would be "fair and wise".

"If we waited until we were actually at two percent to lower rates, we would be acting too late," he said in comments published on Friday.

Villeroy de Galhau is a member of the ECB governing council that decides on rates.

An ECB board member had warned on Friday before the data was published that there should be a cautious approach to loosening monetary policy.

"The pace of policy easing cannot be mechanical. It needs to rest on data and analysis," Isabel Schnabel said during a speech in the Estonian capital Tallinn.

The better performance in August was mainly thanks to a 3.0 percent fall in energy prices, including prices at the pump. The drop came after energy costs had risen by 1.2 percent in July.

Food and drinks prices rose by 2.4 percent this month in the eurozone, at a slightly faster rate than the 2.3 percent registered in July. Services inflation accelerated to 4.2 percent in August, up slightly from 4.0 percent recorded in July, which could have been in part caused by the Olympic Games in Paris.

China GDP hiccup would have long-term aftershocks



REUTERS, Hong Kong

China loves to set itself different goals with an array of plans. Its GDP growth target of "around 5 percent" for this year is the most imminent -- and is facing headwinds. Beijing now treats such a measure more as a planning tool than the compulsory target it used to be. Yet a slowdown is still likely to prompt policy changes to keep on track longer-term plans, such as doubling per-capita GDP by 2035.

An impressive 5.3 percent growth for the first quarter this year prompted a lot of bullish calls from international banks. For instance, UBS only upgraded its forecast on China's growth from 4.6 percent to 4.9 percent in April. Yet in a research note published last week, the same economists including Wang Tao revised their estimate back to 4.6 percent. The swing in sentiment is primarily due to a deeper-than-expected property slump. Feel good factors after the Chinese government's policy combo to prop up the market, including easing mortgage rules and allowing local governments to turn unsold homes into welfare



People walk along the Huguosi street, Xicheng district, in Beijing. PHOTO: AFP/FILE

housing, have also faded.

The key word in the State Council's annual growth target more recently is "around". That probably gives economic managers enough leeway this year to argue they accomplished the objective should the headline number eventually come above 4.5 percent. And it helps that Beijing did not put a figure on how much bigger GDP should get in the country's 14th Five-Year Plan, which runs from 2021 to 2025.

Back in 2021, though, President Xi Jinping said it's entirely possible for China to meet its longer-term goal of doubling the economy or per capita income by 2035. To do so,

the world's second largest economy has to keep growing at a pace of around 4.8 percent for 15 years, per Breakingviews calculation. That's a tall order.

Should the \$17 trillion economy expand significantly below 5 percent this year, that would be the second miss since 2022 when Beijing prioritised pandemic control over growth. Chinese planners will be keen to stop the hiccups from becoming structural woes. The intensity of their potential policy reactions, such as more generous fiscal spending on welfare to boost consumption, will tell how worried they are about misses becoming more prevalent.

Asian factories show tentative recovery as China improves

REUTERS, Tokyo

Asian factories, including China's manufacturing sector, showed signs of a tentative recovery in August and chip makers benefitted from firm demand, private surveys showed on Monday, but economic headwinds loom.

Analysts say prospects of slowing US growth, which is likely to lead to interest rate cuts by the Federal Reserve this month, and uncertainty over the outcome of the US presidential election cloud the trade outlook.

China's Caixin/S&P Global manufacturing purchasing managers' index (PMI) rose to 50.4 in August from 49.8 in July, the private survey showed on Monday, beating analysts' forecasts and exceeding the 50 mark that separates growth from contraction.

The reading, which mostly covers smaller, export-oriented firms, shows a more optimistic view than an official PMI survey released on Saturday, which indicated an ongoing decline in manufacturing activity in August.

"The PMIs for August suggest that economic momentum held broadly steady last month, with modest improvements in manufacturing and services helping to

offset a further slowdown in construction activity," Gabriel Ng, assistant economist at Capital Economics, said in a research note on China's PMI.

"But with factory gate price declines accelerating, the economy clearly remains

at risk of slipping back into deflation," Ng said.

Factory activity in South Korea and Taiwan also expanded in August, while Japan saw a slower rate of contraction due in part to solid global demand for

semiconductors.

Japanese manufacturers also gained from a rebound in car output after a safety scandal led some plants to temporarily suspend production.

But manufacturing activity contracted in Malaysia and Indonesia, the surveys showed, underscoring the pain some of the region's economies are facing from China's prolonged slowdown.

"Chip producing countries are doing fairly well, but China's slowdown will continue to drag on Asia's manufacturing activity for quite some time," said Toru Nishihama, chief emerging market economist at Dai-ichi Life Research Institute.

"Slowing US demand could add to the pain on Asian economies, many of which are already wary of the fallout from sluggish Chinese growth," he said.

Japan's final au Jibun Bank Japan manufacturing PMI rose to 49.8 in August, contracting for a second straight month but less sharply than in July when the index reached 49.1.

South Korea's PMI stood at 51.9 in August, up from 51.4 in July, due in part to strong customer confidence and new orders in the domestic market, the private survey showed.



Workers are seen inspecting a car on the production line at the Nissan Motor Tochigi plant in Kaminokawa, Japan. The country saw a slower rate of contraction in factory activity due in part to solid global demand for semiconductors. PHOTO: AFP/FILE