

Star BUSINESS

Rice acreage and production are likely to decline for the effect of recent floods on Aus and Aman season paddy, according to the USDA.

Story on B4



BB in \$450m shady trade with Islami Bank to rebuild reserves

MD MEHEDI HASAN

In the first week of July, the Bangladesh Bank and Islami Bank Bangladesh completed a US dollar-taka trade, a typical mutual currency deal, which was supposed to replenish the central bank's dwindling forex reserves and provide the cash-strapped Shariah-based lender with some liquidity support.

The central bank was supposed to receive \$550 million in exchange for providing Tk 6,490 crore to Islami Bank.

It sounds like a win-win deal. However, central bank documents show that only \$100 million was actually deposited into the central bank's account.

The remaining \$450 million was not provided to the BB until August 11, well after the political changeover had led to major shake-ups to both the central bank and the Shariah-based lender.

A senior central bank official alleged that former Governor Abdur Rouf Talukder and other high-ranking officials in the central bank's Forex Reserves and Treasury Department were complicit in "objectionable forex trading" to benefit Islami Bank Bangladesh.

They allege that the decision ultimately benefitted the controversial S Alam Group, the then majority stakeholder and apparent controller of Islami Bank.

Although new central bank Governor Ahsan H Mansur yesterday termed the incident "unexpected" and said the dues have already been adjusted, economists called to identify and punish culprits.

On July 3 this year, during Abdur Rouf Talukder's tenure as governor of the central bank, the BB injected Tk 6,490 crore into the struggling Islami Bank in exchange for \$550 million, according to central bank documents.

On paper, \$550 million was added to the foreign exchange reserves, with the BB purchasing the forex at a rate of Tk 118 per dollar.

However, gross forex reserves stood at \$25.92 billion at the end of July compared to \$26.81 billion on June 30, as per central bank data.

On August 11, the central bank's Forex Reserves and Treasury Management Department took steps to adjust the remaining \$450 million. It deducted Tk 5,310 crore, equivalent to \$450 million, from Islami Bank's current account.

As a result, BB officials reported that Islami Bank's current account balance turned negative again.



Md Kabir Ahmed, executive director of the Forex Reserve and Treasury Management Department, told The Daily Star that those forex deals were conducted in line with instructions from former governor Talukder.

He added that the central bank had fined Islami Bank \$3 million for non-payment of the dues.

The Daily Star tried multiple times to reach former BB governor Talukder for comment, but he was unavailable.

Md Mezbaul Haque, executive director and spokesperson of the Bangladesh Bank, could not be reached over the phone until this report was filed.

Similarly, Islami Bank managing director Mohammed Monirul Moulana and board chairman Md Obayed Ullah Al Masud were also unavailable.

However, an official at the Public Relations Department of the Shariah-based bank said that the board chairman and managing director would speak to the media after a scheduled meeting with the central bank governor on Wednesday.

Central bank Governor Ahsan H Mansur yesterday told journalists that it was unexpected from the central bank.

He said the forex trading dues have already been adjusted. However, Mustafa K Mujeri, a former chief economist of the Bangladesh Bank, believes the culprits should be identified and punished.

"We see many such irregularities in the past which are coming now out. Many such unethical benefits have been given to protect the interests of some individuals and institutions, which should be properly investigated," said Mustafa K Mujeri.

"Those who were involved in the irregularities should be punished without delay," said the economist.

Real estate still a haven for black money



MD ASADUZ ZAMAN

The scope for legalising undisclosed income without facing any questions remains as the tax administration has not scrapped the provision of whitening black money in case of the purchase of flats and land, raising criticism.

The National Board of Revenue (NBR) on Sunday scrapped the provision of legalising undisclosed income on payment of 15 percent tax on assets, including cash, securities, deposits, financial schemes and instruments.

The development came amidst demands from various sections of the society to withdraw the amnesty offered by the Awami League government that was ousted in a mass uprising last month.

But the revenue administration did not cancel the amnesty to whiten black money in case of investment in real estate — flats, buildings and land — on payment

of a specific amount of tax depending on the size and location of the properties.

Accordingly, it fixed Tk 15,000 per square metre as the maximum amount of tax for investment in land in Dhaka's Gulshan, Banani, Motijheel, Tejgaon, Dhanmondi and Shabbagh.

The specific tax for the purchase of flats and establishments is Tk 6,000 for each square metre.

The NBR officials said the tax administration cancelled the provision of legalising undisclosed cash, securities, and deposits on payment of 15 percent tax in line with the directive from high-ups of the interim government.

Iftekhazzaman, executive director of Transparency International Bangladesh (TIB), said it was a welcome relief and seemed consistent with the key spirit of anti-discrimination in the vision of the "new Bangladesh".

"However, it will be extremely

disappointing if at the operational level any loopholes are left, apparently deliberately, to keep the same provision for investment in any sector or sub-sector such as real estate," he said.

He said this would mean that discrimination would continue, as black money holders would be rewarded instead of being held to account.

It will also imply that by giving discriminatory advantages to illicit income earners, their monopolistic control of these sectors will be further entrenched and such sectors will become more prohibitive for honest earners, he said.

"In reality, it will be a corruption-encouraging decision, which the interim government cannot afford to allow," said the TIB executive director.

He also called for reviewing the matter in the true spirit of the anti-

READ MORE ON B3

BB will safeguard depositors' interests

Mansur says as he requests customers of ailing banks not to panic

STAR BUSINESS REPORT

Bangladesh Bank Governor Ahsan H Mansur requested customers to keep calm regarding the crisis plaguing over half a dozen ailing banks, expressing optimism that their situation would turn around soon.

Seven to eight banks are currently contending with a liquidity crisis after thousands of crores were misappropriated through loans and irregularities, Mansur said at a press conference after meeting with bankers at the central bank headquarters yesterday.

He added that those banks would be given liquidity support on a limited scale considering the interests of depositors.

However, he added that help would not be provided by printing money.

"If we want to bail out these banks, around Tk

200,00 crore is needed," he said. "But if we print the money, macroeconomic stability will be destroyed and the exchange rate will surpass Tk 150 per US dollar."

So, the Bangladesh Bank will play the role of guarantor for trouble-hit lenders, allowing them to avail liquidity support or loan facilities from other banks, the central bank governor explained.

"Such banks will get liquidity from the inter-bank money market," he said.

Since Mansur was appointed as governor on August 14, the Bangladesh Bank has reconstituted the boards of Islami Bank Bangladesh, Social Islami Bank, Global Islami Bank, Union Bank, National Bank, First Security Islami Bank, Bangladesh Commerce Bank, Al Arafah Islami Bank, United Commercial Bank, Exim Bank and IFIC Bank.

Most of these lenders were controlled by S Alam

Group, a Chattogram-based conglomerate.

In recent weeks, customers have rushed to the branches of cash-strapped banks in a bid to withdraw funds.

However, the Bangladesh Bank governor requested depositors not to withdraw all their money.

"Withdraw as much as you need, but give us some time. We hope the banks will turn around," he said.

Mansur also expressed hope that the distressed banks will overcome the situation as their boards had been reconstituted.

"The quality of the banks will improve as their management will change soon," he said.

"Every bank will be audited. If needed, we will go for mergers and acquisitions of ailing banks," Mansur added.

Turning to loan defaulters, he said that major delinquents would be caught and their assets in the country would be confiscated.

"We are speaking to the World Bank, the United States and the United Kingdom to bring back

READ MORE ON B3

Salman loses grip on IFIC Bank

BB forms new board

AM JAHID

The Bangladesh Bank yesterday constituted a new board of directors at IFIC Bank after dissolving the previous board, effectively bringing an end to Salman F Rahman's grip on the private commercial bank.

Salman, who served as the private investment affairs adviser to former prime minister Sheikh Hasina, had been chairman of the bank since 2015.

According to the circular, the central bank appointed two directors and four independent directors to the new board.

Md Mehmood Husain, former managing director of National Bank, Ebadul Islam, former executive director of Bangladesh Bank, Sajjad Zahir, a professor of economics at BRAC University, and Kazi Md Mahbub Kashem, a chartered accountant, have been appointed as independent directors.

Meanwhile, Md Golam Mustafa and Md Monzorul Haque, additional secretary and joint secretary respectively to the Finance Division, were made directors as government representatives.

The government owns 32.75 percent of the bank's shares.

Similar to how Mohammad Saiful Alam, owner of Chattogram-based conglomerate S Alam Group, weaponised his political influence to seize control of Islami Bank and several other Shariah banks, Salman, the vice-chairman of Beximco, used his connections to assert dominance over IFIC Bank.

READ MORE ON B3

LNG imports to be through public procurement rules

STAFF CORRESPONDENT

In a first for Bangladesh, the country's interim government is going to import liquefied natural gas (LNG) purchased from the spot market in accordance with the Public Procurement Rules 2008.

The advisory committee on economic affairs gave its approval in this regard yesterday, according to the officials concerned.

During a meeting, the committee also approved LNG imports from 23 enlisted companies that have Master Sale and Purchase Agreements (MSPAs) with the state-owned Petrobangla.

The interim government found some truth to allegations over irregularities centring the purchase of LNG by the previous government, Dr Salehuddin Ahmed, finance adviser to the interim government, told journalists after the meeting.

However, investigations are ongoing and until concrete evidence is unearthed, the interim government will continue to purchase LNG from the existing enlisted companies, he said.

Md Rafiqul Islam, managing director of Rupantarita Praktirik Gas Company, one of the companies enlisted for



- 2 FSRUs regasify imported LNG and supply to the national grid
- They have a combined annual capacity of 7.6 million tonnes
- Bangladesh started purchasing LNG from the international spot market in 2020
- The country gets 3-4 million tonnes of LNG under long-term deal
- It buys 4-5 million tonnes of LNG from the spot market

importing LNG, said they have MSPAs with 23 global suppliers.

"Earlier, we invited them to quote their prices directly through email responses

or an internal application within a very short notice. We awarded the offer that quoted the lowest price," he said.

"Now, the process will take place under public procurement rules. However, this will take more time than the previous method for importing LNG," he added.

It will take around seven to 14 days to get the quoted prices after a tender notification is made public under the public procurement rules, explained Islam.

Another official concerned believes that while the new method was a lengthy process, it would be more transparent than the previous one.

After taking charge, Adviser to the Ministry of Power, Energy and Mineral Resources Muhammad Fouzul Kabir Khan said they would stop using the Quick Enhancement of Electricity and Energy Supply (Special Provisions) Act 2010.

The act allows the power and energy sector to award public works without floating any tender notices.

The act was known as the energy sector's indemnity act, as it safeguarded the government's actions in the energy sector from judicial proceedings.

READ MORE ON B3

SIBL managing director Zafar, 2 DMDs resign

Zafar and former chairman Belal sued over attack on staff

STAR BUSINESS REPORT

Social Islami Bank Managing Director Zafar Alam and Deputy Managing Directors Habibur Rahman and Khorshed Alam resigned from their respective posts yesterday.

Their resignation letters came nearly 10 days after the Bangladesh Bank reconstituted the board of the Shariah-based bank to ensure good governance.

Confirming the decision, Alam told The Daily Star that he had already sent his resignation letter to the new board of directors.

The three top officials are presumed to be loyal to Mohammad Saiful Alam, the owner of Chattogram-based conglomerate S Alam Group.

On August 25, the Bangladesh Bank reconstituted Social Islami's board, freeing it from S Alam's grip.

Afterwards, M Sadiqul Islam, a professor of the department of finance at the University of Dhaka, was elected chairman of the bank on August 29.

The board also elected Md Anisul

READ MORE ON B3

Asset Developments & Holdings donates Tk 20 lakh for flood victims

STAR BUSINESS DESK

Asset Developments & Holdings Ltd, a developer company in Bangladesh, has donated a financial relief package worth Tk 20 lakh for the flood-affected people in the eastern and southeastern regions of Bangladesh.

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

Nabil Khan, Mohammed Qumruzzaman and Ashraf Uz Zaman, directors of the developer company, handed over the cheque to Faruk E Azam, adviser to the Ministry of Disaster Management and Relief, at the Bangladesh Secretariat in Dhaka recently, said a press release.

The amount includes a voluntary contribution of a one-day salary of officers at the firm.

The company encourages other businesses and individuals to join hands in supporting flood victims across Bangladesh. "Together, we can build a beautiful tomorrow for our country," the press release added.

Among others, Nafis Khan, general manager of the developer company, and Navera Khan, assistant general manager, were also present.



Nabil Khan, Mohammed Qumruzzaman and Ashraf Uz Zaman, directors of Asset Developments & Holdings, hand over a cheque worth Tk 20 lakh to Faruk E Azam, adviser to the Ministry of Disaster Management and Relief, for flood victims at the Bangladesh Secretariat in Dhaka recently.

PHOTO: ASSET DEVELOPMENTS & HOLDINGS

Abdul Mannan becomes chairman of First Security Islami Bank

STAR BUSINESS DESK

Mohammad Abdul Mannan has recently been made chairman of the reconstituted board of directors of First Security Islami Bank PLC.



Mohammad Abdul Mannan

Previously, Mannan served as managing director of Islami Bank Bangladesh PLC for a long time, according to a press release.

He expressed his hope that although there were some previous setbacks, First Security Islami Bank would soon transform into a strong and customer-friendly bank.

He said the Islamic banking system is a partnership between the bank and the customer. Mannan expressed firm belief that financial transparency, accountability and good governance would be ensured at every level to protect customer deposits.

Mannan obtained his master's degree in social sciences (MSS) from the University of Dhaka.

The other members of the board are Md Azizur Rahman, former executive director of the Bangladesh Bank, Md Abdul Quddus, former deputy managing director of Uttara Bank PLC, Md Saiful Alam, associate professor of the department of accounting and information systems at the University of Dhaka, and Md Raghob Ahsan, a chartered accountant.

Pubali Bank holds orientation programme for new officers



PHOTO: PUBALI BANK

Mohammad Ali, managing director and CEO of Pubali Bank, attends an orientation programme for newly recruited junior officers at the bank's head office in Dhaka.

STAR BUSINESS DESK

Pubali Bank PLC has organised an orientation programme for newly recruited junior officers.

A total of 136 officers took part in the five-day long programme at the bank's head office in Dhaka.

The course is designed to familiarise the participants with the concepts, principles, rules, regulations, laws and practices of the bank, according to a press release.

Mohammad Ali, managing director and CEO of the bank, attended the event as the chief guest and urged everyone to work sincerely and honestly.

Headvised everyone to equip themselves

with diversified banking knowledge to cope with the present competitive global market and render service to the customer with determination, integrity and professionalism.

By those qualities, Ali added that one could become a successful banker.

He also advised all officers to abide by the rules and regulations of the Bangladesh Bank and other regulatory bodies.

Deputy Managing Directors of the bank Mohammad Esha, Mohammad Shahadat Hossain, Ahmed Enayet Manzur, Md Shahnewaz Khan, Mohammad Anisuzzaman and Mohammed Jamal Uddin Mazumder were present as special guests.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (SEP 4, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 64-Tk 80	4.35 ↑	9.09 ↑
Coarse rice (kg)	Tk 52-Tk 55	2.88 ↑	9.18 ↑
Loose flour (kg)	Tk 38-Tk 45	-2.35 ↓	-12.63 ↓
Lentil (kg)	Tk 105-Tk 110	0	13.16 ↑
Soybean (litre)	Tk 145-Tk 155	0	-4.76 ↓
Potato (kg)	Tk 52-Tk 60	-2.61 ↓	28.74 ↑
Onion (kg)	Tk 105-Tk 120	-2.17 ↓	32.35 ↑
Egg (4 pcs)	Tk 50-Tk 53	3.00 ↑	0

SOURCE: TCB

Union Bank's new board holds first meeting

STAR BUSINESS DESK

Union Bank's newly constituted board of directors held their first meeting at the bank's head office in Dhaka recently.

Md Fariduddin Ahmed, chairman of the bank, presided over the meeting, the bank said in a press release.

Md Humayun Kabir, Mohammed Saiful Alam, Shahidul Islam Zahid and Sheikh Zahidul Islam, members of the board, attended the meeting.

The board expressed its sincere appreciation to the bank's depositors, business partners, well-wishers, and all other stakeholders for their unwavering trust and continued cooperation.

The board reviewed the bank's current business operations and reaffirmed its strong commitment



Md Fariduddin Ahmed, chairman of Union Bank, presides over a meeting of the bank's newly constituted board of directors at its head office in Dhaka recently.

PHOTO: UNION BANK

to overcoming ongoing challenges.

They underscored the importance of collaboration with all employees, officers, business partners, depositors, and regulatory bodies, including the Bangladesh

Bank.

They also expressed optimism that Union Bank PLC would be established as a model Shariah-compliant bank through collective efforts.

Southeast Bank's international division gets ISO certification

STAR BUSINESS DESK

The International Division of Southeast Bank PLC has been awarded the International Organisation for Standardization (ISO) certification by the Bureau Veritas (Bangladesh) Pvt Ltd - a globally recognised certification body for establishing quality management systems.

Nuruddin Md Sadeque Hossain, managing director of the bank, received the certification from Mahmudul Islam Khan, senior executive business development for certification at Bureau Veritas (Bangladesh), at the bank's head office in Dhaka recently.

This ISO certification is a first-time instance for the international division of a bank in Bangladesh, according to a press release.

Earlier, the information technology division and human resources division of the bank were also awarded ISO certifications in 2013 and 2015, respectively.

This certification is a recognition of the bank's continuous commitment to efficiency, standards and compliance in international

trade operations aligned with globally recognised quality standards set by the ISO, said the press release.

Southeast Bank facilitates international trade through a strong foreign correspondent network, which spans over 70 countries having 623 relationship management applications (RMAs)

with around 300 foreign banks and development financial institutions (DFIs).

Md Masum Uddin Khan and Abidur Rahman Chowdhury, deputy managing directors of the bank, along with other senior officials and Iota Consulting BD, a local consulting partner for ISO certification, were also present.



Nuruddin Md Sadeque Hossain, managing director of Southeast Bank PLC, receives an ISO certification from Mahmudul Islam Khan, senior executive for business development of certification at Bureau Veritas (Bangladesh), at the bank's head office in Dhaka recently.

PHOTO: SOUTHEAST BANK



Gazipur City Corporation

Gazipur
Water Division
gcc.gov.bd

Memo No. 46.19.0000.025.01.001.15.23-24-784 Date: 04/09/2024

Invitation for Tenders (IFT) (Works)

e-Tender Notice-01/2023-24 Re Tender (2nd Call)

e-Tender is invited in the National e-GP Web Portal (<http://www.eprocure.gov.bd>) for the procurement of the following works:
Tender is given below.

Government of the People's Republic of Bangladesh	
1	Ministry/Division: Ministry of Local Government, Rural Development and Co-operatives/Local Government Division
2	Agency: Gazipur City Corporation.
3	Procuring entity name: Executive Engineer, Water, Gazipur City Corporation.
4	Procuring nature: Works
KEY INFORMATION	
5	Procurement method: Open Tendering Method (OTM) (e-GP)
6	Source of funds: Own fund
FUNDING INFORMATION	
7	Budget and source of funds: Own fund
PARTICULAR INFORMATION	
8	Project name: Mention below
9	Tender Package No.: GCC/Water/T-01/2023-24/01, GCC/Water/T-01/2023-24/02
10	Schedule tender publication date & time: 04/09/2024 17:00
11	Tender documents last selling date & time: 19/09/2024 11:00
12	Tender closing date & time: 19/09/2024 14:00
13	Tender opening date & time: 19/09/2024 14:00
INFORMATION FOR TENDERER	
14	Brief description of works

SL No.	Tender ID	Package No.	Name of the work	Tender/proposal security (Amount in Tk)	Tender/proposal document price (In BDT)	Completion time (days)
1	1013182	GCC/Water/T-01/2023-24/01	Various roads of Gazipur City Corporation Zone-01 (Tongi) Construction of water supply network including supply and installation of HDPE pipe & fitting with related works.	40,11,000.00	4000.00	365 days
2	1013183	GCC/Water/T-01/2023-24/02	Installation of 01 (One) No. Production Tube-well, Pump House, Necessary Electrical & Mechanical Work at South Sayabithi Madobbari and HDPE pipe & fitting with related works in Zone-04, Gazipur City Corporation.	15,42,000.00	4000.00	365 days

15. Tender validity period: 90 days

Procuring entity reserves the right to reject all the Tenders or annul the Tender Proceedings

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is mandatory. The fees for downloading the e-Tender documents from National e-GP System Portal have to be deposited online through any registered banks branches of Bangladesh. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd).



Mohammad Abu Hanif
Executive Engineer
Water Division
Gazipur City Corporation

GD-350

Indo-Bangla trade via railway resumes after 47 days

STAR BUSINESS REPORT

Export and import activities between Bangladesh and India via railway resumed yesterday after 47 days.

The suspension, which began on July 19, was imposed due to security concerns amid students-led protests in Bangladesh.

The resumption of trade comes after high-level discussions between officials from both countries, Rezaul Karim, deputy director (traffic) of Benapole Land Port, confirmed the development to The Daily Star.

The suspension also had a negative impact on passengers' travel.

The development came after normalcy was beginning to return to the country after the fall of the Awami League government on August 5 and the installation of an interim government.

Benapole Railway Station Master Saidur Rahman said BR sent a formal request to Indian Railways to resume operations on August 12.

Rail transport services were reinstated yesterday, allowing goods to be transported between the two countries, he said.

The business community welcomed the move, as traders had suffered significant losses during the trade halt.

Monir Hossain, an importer said, we urge the authorities to restart the visa process soon, as many businessmen rely on travel to India for their operations.

Alhaj Aminul Haque, vice president of the Benapole Port Import-Export Association, noted that the resumption of trade is a relief to all businessmen.

"Apart from importing stone, gypsum, and cement-making materials, various products including garments, chemicals, and motor vehicles are now being imported through this port," he said.

Rail transport from Kolkata to Benapole, which takes just 3-4 hours, is far more efficient than road transport, which can take 5-7 days, he added.

Rezaul Karim, deputy director (traffic) of Benapole Port, said that arrangements were being made to ensure the quick release of goods following the long suspension of rail trade.

Stocks tumble for the third day in a row

STAR BUSINESS REPORT

Stocks in Bangladesh yesterday maintained their losing streak for the third consecutive day as skittish investors made fresh bets on lucrative blue-chip and large-cap shares to pocket short-term gains amid price fluctuations.

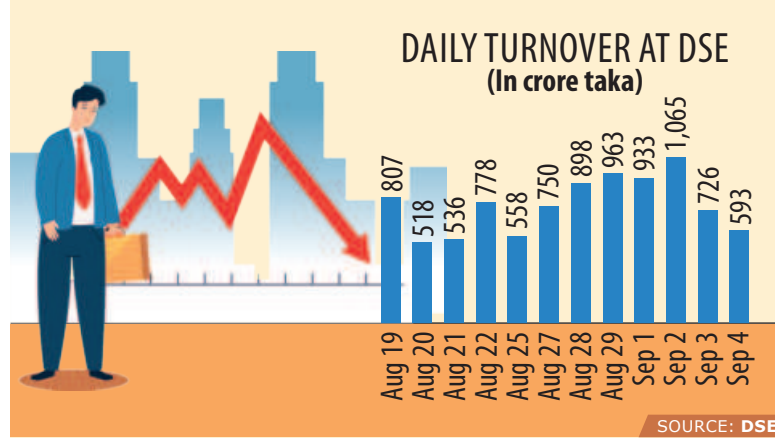
Shares of Square Pharmaceuticals, Southeast Bank, Khan Brothers Woven Bag Industries, Beximco Pharmaceuticals, Midland Bank, Central Insurance Company, Alif Industries, Agni Systems, Prime Islami Life Insurance and Bashundhara Paper Mills drew the most investors.

But none of these companies saw double-digit growth in share prices, with Square Pharmaceuticals logging the highest gain of 1.84 percent, according to LankaBangla Financial Portal.

On the other hand, shares of Islami Bank Bangladesh, BRAC Bank, Renata United Commercial Bank, Olympic Industries, City Bank, MJL Bangladesh, Grameenphone, BAT Bangladesh and Robi Axiata showcased lacklustre performances.

This pulled down the DSEX by 0.82 percent from what it was the previous day to 5,739.07 points, marking a three-day dip in the benchmark index of the Dhaka Stock Exchange (DSE).

Similarly, the DSES index comprising Shariah-compliant companies declined by 0.78 percent



to 1,227.85 points while the DSEX index featuring blue-chip stocks slipped by 0.93 percent to 2,113.25 points.

Daily turnover at the DSE, which is an indicator of stock liquidity in the market, decreased by 18.31 percent compared to its value the previous day to stand at Tk 593.4 crore.

Block trades, meaning high-volume securities transactions that are privately negotiated and executed outside the open market, added about 5.4 percent of the day's total turnover.

BRAC Bank Ltd was the most traded share, registering individual turnover of Tk 47.6 crore.

Of the issues traded at the country's premier bourse, the prices of 81 ended higher while those of 264 closed lower and 52 did not see any price fluctuation.

The services and real estate and

fuel and power sectors closed in positive territory, according to the daily market update of UCB Stock Brokerage.

Meanwhile, the engineering, non-bank financial institution (NBF) and telecom sectors closed in negative territory, it said. The banking sector dominated the turnover chart, contributing 20.41 percent of the day's overall trade.

Engineering experienced the highest loss of 1.84 percent followed by NBF, telecom, bank, food and allied, and pharmaceuticals with losses of 1.75 percent, 1.28 percent, 0.96 percent, 0.77 percent and 0.69 percent respectively.

The Chittagong Stock Exchange saw a similar trend as the CASPI, the broad index of the port city bourse, edged down by 0.38 percent from the day before to settle at 16,438.27 points.

Abdul Mazid becomes chairman of SDF

STAR BUSINESS REPORT



Muhammad Abdul Mazid, former chairman of the National Board of Revenue, has been appointed as the chairman of the Social Development Foundation (SDF).

He will take charge for the next three years, according to a circular by the finance ministry yesterday.

Headquartered in the capital's Mohammadpur, SDF is an autonomous development organisation under the finance ministry.

Market summary table including Stocks (DSEX, CASPI), Commodities (Gold, Oil), and Asian Markets (Mumbai, Tokyo, Singapore, Shanghai).

Real estate still a haven

FROM PAGE B1

discrimination movement in general and corruption control in particular.

Snehasish Barua, managing director of SMAC Advisory Services Ltd, said, "If the intention was to cancel the scope of legalising undisclosed assets, then it should have been completely withdrawn rather than being offered a partial withdrawal."

"There is still scope for such voluntary disclosure for land and apartments under this scheme, meaning we are welcoming undisclosed assets in real estate with absolute amnesty provision," he added.

Barua said it might have been more appropriate to fully withdraw this scheme, considering the fact that the Income Tax Act 2023 already provides for the legalisation of investments in buildings and apartments, unless it is acquired through an illegal source of income through

criminal activity.

The NBR gave the opportunity to taxpayers to legalise undisclosed assets without facing any questions about the sources of income for the two consecutive years from fiscal year 2020-21.

It also kept a provision that taxmen will consider the source of funds as explained if taxpayers pay a specific amount of tax in case of investment in flats depending on the size and location of the property.

The provision has been kept in effect for the current fiscal year.

Contacted, NBR Chairman Abdur Rahman Khan said, "I can only comment after analysing the issue. If anybody earns money unlawfully and no agency cannot ask, such provision is not supposed to be in there."

He said the scope to invest undisclosed money for the purchase of flats and land is not new. It has been

continuing over the years.

"The tax rate is high," he said. Professor Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue (CPD), said there is an official rate of properties including land depending on mouza.

But in reality, properties are transferred at higher than the officially fixed rates. This discrepancy creates a huge amount of undisclosed money, he said.

The government should find a way out so that the buyers and sellers can show the transfer value of properties, he said.

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

According to data from the NBR, nearly Tk 45,522 crore was whitened between 1972 and 2022, with the revenue collector getting Tk 4,641 crore in taxes in total.

BB will safeguard

FROM PAGE B1

laundered money," he said, informing that money from Bangladesh had been laundered in Dubai and Singapore as well.

The governor further said that three task forces would be formed to restore good governance in the banking sector.

He informed that bringing the banking sector in line with international standards, strengthening the central bank and asset recovery of loan defaulters would be given priority.

"It will take two-three years for the banking sector

to fully recover, but it will be stable within a year," the central bank governor remarked.

After the meeting, Selim RF Hussain, chairman of the Association of Bankers, Bangladesh (ABB) and managing director of BRAC Bank, told journalists that the central bank will form three separate task forces to improve the situation of the banking sector.

Selim also informed that the central bank is likely to increase the policy rate to 10 percent in the next couple of months in a bid to tame inflation.

Salman loses grip

FROM PAGE B1

Ultimately, both of them received the same wake-up call.

In recent weeks, Alam lost the control he had forcibly gained over six Shariah-based banks after the boards were reconstituted by the central bank.

The banks had been suffering from a severe liquidity crunch after S Alam Group and its associated companies took out Tk 95,331 crore between 2017 and June this year. Around 79 percent of the sum was withdrawn from Islami Bank alone.

Now, IFIC Bank has been liberated from Salman's influence through a similar reconstitution of the board.

Salman, a major shareholder of the bank, is currently in jail in connection with several cases filed over

various irregularities during the Awami League's 15-year regime.

His son, Shayan Fazlur Rahman, lost his directorship at IFIC Bank due to loan defaults on August 13, just over a week after the fall of the Awami League government.

Allegations are rife that Salman misappropriated thousands of crores through loans and bonds from the bank after taking charge.

Salman's Beximco Group also owed Tk 25,000 crore to Janata Bank at the end of June, which is about 950 percent of the lender's paid-up capital.

As much as 72 percent of Beximco's outstanding loans with Janata have been classified as default loans, according to Janata Bank documents.

SIBL managing

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Hoque, representative of Hamdard Laboratories (Waqf) Bangladesh, to the post of vice chairman.

On Tuesday, a case was filed against Alam and the bank's former chairman Belal Ahmed, who is S Alam's son-in-law, for allegedly attacking an employee.

Fahima Akter Majumder, the wife of alleged victim Masud Mia, filed the case with the Motijheel Police Station, accusing the two officials of assaulting her husband outside the bank's head office in Motijheel on August 8.

Alongside Belal and Zafar, 17 other officials of the bank as well as many unnamed individuals were also implicated in the case.

According to the case statement, Masud Mia was attacked by a group of individuals armed with weapons, including several officials allegedly appointed to the bank by S

LNG imports to be through public procurement

FROM PAGE B1

Khan also said they have instructed all energy companies to ensure competition in awarding public works.

At present, there are two floating storage and regasification units, which regasify imported LNG, with a combined annual capacity of 7.6 million tonnes.

Bangladesh started importing LNG from 2018 under two long term contracts with Qatargas and OQ trading, two companies of Qatar and Oman respectively.

The country then started purchasing LNG from the international spot market in 2020 to meet increasing local demand.

Under the long term contracts, around 3 to 4 million tonnes of LNG are supplied each year, while the rest 4 to 5 million tonnes come from the spot market.

Meanwhile, in a meeting of the advisory committee on public purchase, the government decided to import 10,000 tonnes of lentil from Sahara Enterprise at Tk 98.20 crore under the

Open Tendering Method. As such, the lentils will cost Tk 98.20 per kilogramme.

At the same meeting, the government decided to purchase 30,000 tonnes of urea fertiliser from Fertiglobe Distribution Limited and another 30,000 tonnes from Karnaphuli Fertilizer Company Limited.

Also, the urea from Fertiglobe Distribution will cost about \$343.17 per tonne whereas that from Karnaphuli Fertilizer \$330.50 per tonne.

Government of the People's Republic of Bangladesh Local Government Engineering Department Office of the Executive Engineer District: Bagerhat www.lged.gov.bd e-Tender Notice (OTM): 19/2024-2025

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার বাংলাদেশ পুলিশ কমান্ড্যান্ট (ডিআইজি) এর কার্যালয় পুলিশ ট্রেনিং সেন্টার, নোয়াখালী উন্মুক্ত দরপত্র বিজ্ঞপ্তি নং-রেশন-০২/২০২৪-২০২৫

Honda begins exporting motorcycles made in Bangladesh

STAR BUSINESS REPORT

Bangladesh Honda Private Ltd (BHL), a joint venture between Japan's Honda Motor Company and the state-owned Bangladesh Steel and Engineering Corporation, has begun exporting motorcycles.

The BHL yesterday shipped a container of 14 motorcycles of its flagship model—the Honda X Blade—to Guatemala, a Central American country, according to a press release.

"We are proud to showcase Bangladesh's manufacturing excellence on a global scale and remain committed to producing world-class motorcycles that meet the rigorous standards of international and domestic markets," said Hiroyuki Yasunaga, chief production officer of BHL.

The BHL is the second manufacturer in Bangladesh, after Runner Automobiles, to export locally made motorcycles.

The BHL highlighted that this strategic initiative underscores its commitment to supporting Bangladesh's economic growth by increasing local procurement, generating foreign currency, and enhancing employment opportunities.

In line with Honda's global policy of contributing to countries where it operates, the BHL has taken proactive steps to address the challenges posed by Bangladesh's current economic environment, particularly the decline in foreign currency reserves, the press release said.

The BHL requires substantial foreign currency to import raw materials and knocked down (KD) parts necessary for production, it added.

The company noted that the shipment to Guatemala was sent by sea and future exports are planned for South America, Central America, and Africa.

"The company is actively seeking support in the form of tax exemptions for importing raw materials and export incentives to strengthen its position in the global market."

Yasunaga attributed the achievement to the team's relentless focus on quality and innovation.

Shah Muhammad Ashequr Rahman, chief marketing officer of the BHL, pointed out that the expansion will reinforce its strategic objectives locally.

"By leveraging our global expertise and deep understanding of the local market, we are well-positioned to meet the evolving demands of customers worldwide while driving growth and innovation within Bangladesh," he said.



A farmer spreads out paddy to dry under the sun next to croplands inundated by floodwaters in Katamobarak Ghona under Feni sadar upazila. Floods struck the eastern part of the country last month, which will undoubtedly affect paddy cultivation of the Aman and Aus seasons. This may lead to a 2.4 percent drop in rice production to 3.68 crore tonnes in marketing year 2024-25, which began last May, according to the US Department of Agriculture. The photo was taken recently.

PHOTO: RAJIB RAIHAN

Floods to affect rice acreage, production

SOHEL PARVEZ

Rice acreage and production in Bangladesh are likely to decline because of recent floods, which would affect paddy of the Aus and Aman seasons, said the US Department of Agriculture (USDA) at the end of last week.

The acreage of rice, the staple food, may come to reach 1.15 crore hectares of land in marketing year 2024-25, which began last May, which is 3.4 percent lower than the USDA's previous forecast of 1.19 crore hectares.

This may lead to a 2.4 percent drop in rice production to 3.68 crore tonnes, said the USDA in its grain and feed update on Bangladesh released yesterday.

The forecast comes at a time when rice prices are rising and traders are shying away from imports as import prices would be higher than the prices of coarse rice.

Bangladesh did not import any rice in fiscal year 2023-24, which ended last June.

Until September 3, which fall under the ongoing fiscal year of 2024-25, no rice has been imported.

Yesterday in Dhaka, retailers sold coarse rice at Tk 52 to Tk 55 per kilogramme (kg), up 2.88 percent from that a year ago, according to data compiled by the Trading Corporation of Bangladesh (TCB).

Prices of fine grains also edged up, it said. The current prices of rice were higher than that a year ago.

Aus cultivation begins around the April-May period and is harvested around the August-September period whereas Aman cultivation begins in the August-September period and its harvests conclude in the November-December period.

However, due to changes in climate patterns, delayed monsoons and uneven distribution of rain, the rice growing seasons are now delayed in different parts of the country.

The US agency identifies Boro season rice as the first crop of a marketing year. The dry season crop is harvested in the April-May period.

During the current marketing year, the yield of Boro season paddy and production of the associated rice were very good amidst the absence of natural disasters, such as droughts, heatwaves, cyclones and pest outbreaks, said the agency.

Citing the Department of Agricultural Extension (DAE), it said total production of the rice stood at 2.05 crore tonnes this year.

The agency said it reduced the forecast for Aus acreage to 9 lakh hectares of land, down 18.2 percent from its previous estimate.

Accordingly, production is likely to drop 16 percent from 21 lakh tonnes, it said.

"This reduction is due to flash floods that occurred during June and early July," said the USDA.

The floods that submerged eastern parts of the country last month may cause a reduction in Aman cultivation area by 3.4 percent to 57 lakh hectares

"Heavy rains and water flowing from upstream regions in the northern part of Bangladesh caused flooding that damaged Aus rice fields in many areas of Sylhet and Mymensingh divisions," it said.

The USDA report said farmers were also showing a lack of interest in Aus rice cultivation as many farmers reported planting mustard followed by Boro rice, leaving insufficient time for Aus season rice.

It said high pest and insect infestations was another reason for farmers showing little interest to cultivate Aus season rice. A lack of good varieties of Aus season rice is another reason for the decline in cultivation, it added.

"While the DAE provides various incentives to farmers, including seeds and fertilisers, to encourage Aus rice cultivation, adoption remains very low," it said.

"Instead, they prefer cultivating Aman season rice," said the USDA.

However, the floods that submerged a vast

part of the eastern part of the country last month may cause a reduction in Aman cultivation area by 3.4 percent to 57 lakh hectares.

The overall yield is forecasted to drop too due to severe flooding in several districts of Chattogram, Sylhet and Barishal during the third week of August, said the USDA.

From August 18-21, several districts in Chattogram, Barishal, and Sylhet divisions received heavy rain, leading to flooding in Feni, Noakhali, Cumilla, Lakshampur, Moulvibazar, Habiganj, and Brahmanbaria districts, as well as landslides in Cox's Bazar district, it added.

Since August 20, 2024, heavy flow of water from the Indian highlands through the Muhuri, Kahua, Silonia, and Gumti rivers have caused devastating floods in Feni, Cumilla, and other adjacent eastern districts, it added.

The USDA, citing its rapid assessment, said the flood has damaged 2 lakh hectares of land containing Aman season saplings.

The agency said Aman season rice can usually be transplanted until September 15.

It said if the floodwaters recede and farmers receive enough seeds to prepare the seedbeds by August 31, some 10-15 percent of the Aman rice fields can be replanted by September 15.

The report said until the second week of August, most districts in Rangpur, Rajshahi, and Dhaka have completed Aman rice transplantation.

"This year, they received better rainfall compared to the past three years during seedbed preparation and transplantation. However, some farmers in these districts had to use partial irrigation," it said.

In other southern districts of Khulna and Barishal divisions, Aman rice transplantation is also underway.

Farmers in these southern districts typically start cultivating Aman rice about a month later due to weather and climatic conditions, such as waiting for seasonal floodwaters to recede, said the USDA.

These districts usually begin Aman transplantation in August and continue until mid-September, it added.

IDRA chairman to resign

STAR BUSINESS REPORT



Mohammad Jainul Bari, chairman of the Insurance Development and Regulatory Authority (IDRA), yesterday informed that he would resign today.

"I have decided to resign. I will send the formal resignation letter to the Financial Institutions Division," he said on being contacted by The

Daily Star.

Bari was appointed as the IDRA chairman on a contractual basis on June 15, 2022 for a three-year term.

Following the prime minister's resignation on August 5, top officials of various government bodies have been stepping down en masse.

Amid the wave of these resignations, the IDRA chairman also announced his decision to leave the insurance regulator.

Before joining the IDRA, Mohammad Jainul Bari was secretary to the Planning Division.

DCCI requests simplifying taxation process

STAR BUSINESS REPORT

Taxation rules and processes, including that for income, needs to be revised and automated to make it easy for cottage, micro, small and medium enterprises to run business, Ashraf Ahmed, president of the Dhaka Chamber of Commerce and Industry (DCCI) yesterday.

In case of businesses with multiple ventures, taxation at multiple levels should be scrapped by allowing profits of one concern to cover for losses of another, he requested the National Board of Revenue (NBR) chairman during a meeting at the latter's head office in Dhaka.

Currently there is a provision for the imposition of a 400 percent fine on the price of the product if businesses provide the incorrect Harmonized System (HS) code, even if there is no error in the product description, a DCCI press release quoted Ahmed as saying.

The HS codes are a standardised numerical method commonly used throughout the import and export process for the classification of goods.

The relevant provision should be amended allowing businesses to correct such errors during the declaration of goods at the assessment stage, he said.

Only 5 percent of Bangladesh's population pay tax whereas it is 23 percent in India, said NBR Chairman Abdur Rahman Khan.

A large section of society remains out of the tax net, for which the pressure for revenue generation continues to be exerted on existing taxpayers, he said.

If this continues, diligent taxpayers will become discouraged, for which the NBR is working to expand the tax net on a priority basis in the next six months, he added.

Moreover, the NBR will work on preventing a single entity from being taxed at multiple stages, for which the effective tax rate for corporates sometimes becomes substantially high, said Khan.

The NBR will also focus on streamlining the taxation process and rationalising the rates while sticking to the revenue collection target, he said.

The NBR chairman called upon the business community to go cashless utilising banking channels when conducting financial transactions to help prevent tax or VAT evasion.

He also urged the DCCI to conduct research, either by itself or jointly with the NBR, to identify problems in the revenue sector and inform the authorities concerned so that those can be resolved fast.

Eurozone August business activity up

REUTERS, London

Euro zone business activity received a boost from France hosting the Olympic Games last month but the malaise in the bloc is likely to return once the Paralympics wraps up as demand remains weak, a survey showed.

HCOP's composite Purchasing Managers' Index for countries in the currency union, compiled by S&P Global and seen as a good gauge of overall economic health, jumped to 51.0 in August from July's 50.2.

That exceeded the 50 mark separating growth from contraction for a sixth consecutive month but was a tad below a preliminary 51.2 estimate.

"An Olympics-driven rise in the euro zone's composite PMI in August masks the underlying picture that the bloc's current growth momentum is weak," said Rory Fennessy at Oxford Economics. "This adds further fuel to the fire for the ECB to cut rates on 12 September."

The European Central Bank will cut its deposit rate twice more this year, in September and December, according to an over-80 percent majority of economists polled by Reuters last month.

France's services sector experienced its most robust expansion in over two years in August but growth in Germany's slowed for a third consecutive month in a further sign that Europe's biggest economy is losing steam.

Sentiment among German exporters is growing alarmingly dark, the BGA trade lobby group said on Wednesday, while the economic institute IHW Kiel said it expected the economy to contract 0.1 percent this year.

In Britain, outside the European Union, services activity grew last month at the fastest pace since April and price pressures eased, with its PMI pointing to a more benign inflation outlook and a settling of the economy after July's elections.

Trade War II will be easy to lose for China

REUTERS, Hong Kong

"Trade wars are good, and easy to win," Donald Trump tweeted in March of 2018 when he was US president, just months before kicking off in earnest one of the largest trade conflicts in modern history.

The ensuing campaign of tit-for-tat tariffs between Washington and Beijing hardly proved him right: in June, China notched up a record monthly trade surplus with the United States of \$99 billion. But the Republican nominee for November's presidential election has threatened to raise tariffs on Chinese exports from an effective 10 percent to 60 percent across the board if he wins. With Trump polling neck and neck with his Democratic rival Kamala Harris in key battleground states, Beijing faces the very real possibility of Trade War II.

If the first trade war is any guide, Chinese leaders probably can't stop Trump from imposing tariffs. He remains unhappy with his country's \$280 billion trade deficit with China in 2023. Officials can, though, deploy some tactics they've learnt in the past six years to blunt the impact of any fresh assault on annual exports worth some \$500 billion, and slow the economic decoupling that took root during Trump's first term.

In the first trade war, outreach and negotiations helped to delay the implementation of some of the steepest tariffs threatened by the White House.

Beijing allowed the renminbi to weaken against the dollar cushioning the blow for Chinese exporters early on; rerouting shipments of electronics and textiles to the United States via other countries such as Vietnam and Mexico helped some to skirt new tariffs of up to 25 percent.

Yet it took a dozen odd rounds of talks over the course of about a year and a half—during which Washington branded China a currency manipulator, then walked back that label—before the two sides agreed on

the so-called "Phase One" deal in January 2020 that ended reciprocal tariff hikes.

Perhaps the biggest lesson from the first Sino-American trade war is that once tariffs are applied, they are not removed. The truce paused further hikes, but it provided no clear path towards removal of the tariffs imposed by the United States despite President Xi Jinping's commitment to buy an extra \$200 billion in American goods and services including agricultural products and energy over the

next two years.

Since 2021, President Joe Biden has piled on additional tariffs and export curbs. It is unclear if Vice President Kamala Harris will follow the same path if she wins the race to the White House. Equally, Trump may be making empty threats—though much the same was said of his original tariff threats last time he won the White House.

Ultimately, the direct impact of the trade war thus far has not been too severe. Although China's share of total imports by the United States has fallen 8 percentage points since 2018 to roughly 13 percent, according to the US Census Bureau, China's share of global exports has risen by 1.5 percentage points over the same period, data from the International Monetary Fund shows. What's more, an analysis by the Peterson Institute for International Economics found China bought essentially none of the additional American goods and services it promised.

One of the only real victories for Trump came courtesy of the US share of China's agricultural imports, which per customs data rose from 10 percent in 2019 to 19 percent in 2021 as hog herds recovering from African swine fever in China bolstered demand for grain. But that share slid to 15 percent last year as Beijing—concerned over food security in the wake of Russia's invasion of Ukraine—diversified away from American farms in favour of soybeans and corn from Brazil.



Cars for export are seen waiting to be loaded onto a ship at a port in Lianyungang, in eastern China's Jiangsu province.

PHOTO: AFP/FILE