

Dhaka's importers are still facing long waits to get goods from Chattogram port amid a massive container backlog

Story on B4



Almost all Savar, Gazipur garment factories resume

REFAYET ULLAH MIRDHA

Nearly all of the roughly 407 garment factories situated in the Ashulia area under Savar upazila and Zirabo and Zirani areas under Gazipur were operational yesterday after security measures were beefed up centring labour unrests.

Around 15 factories were kept shut by the owners, who also announced that they were implementing a “no work, no pay” clause under the labour law.

Workers at some of the factories have been staging demonstrations for more than 15 days over different benefits and allowances, such as higher night allowances, tiffin bills, attendance bonuses and incentives for achieving production targets.

They also want factory authorities to implement a four month maternity leave and provide light work to expecting mothers in their fifth month.

Workers at some of the factories have been staging demonstrations for more than 15 days over different benefits and allowances

Other demands include senior officials refraining from using abusive language in factories and an end to the arbitrary termination of workers by factory authorities. Furthermore, they want due benefits to be paid as per the law if an employee resigns.

No untoward incident was reported yesterday.

“I am hopeful that the factories that remained shut will reopen from tomorrow [Monday],” Khandoker Rafiqul Islam, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), told The Daily Star over the phone.

“Normalcy has been restored with improvements in law-and-order with the deployment of more police and army personnel,” he said.

Law enforcers and labour leaders are holding talks for the reopening of the factories, which witnessed production losses over the last two months, firstly for the anti-discrimination student movement and subsequent labour unrest, Islam said.

The BGMEA has been assessing the loss of business during both periods.

Many factory owners will have to provide discounts and face order cancellations and expensive air shipments, he added.

AK Azad, chairman and executive officer of Ha-Meem Group, which has a garment factory at Ashulia, said his factory resumed operations from

READ MORE ON B3

‘We were forced to leave UCB, and the PM knew everything’

New Chairman of the bank Sharif Zahir says in an interview with The Daily Star

MD MEHEDI HASAN

Former land minister Saifuzzaman Chowdhury Javed compelled UCB board members to resign and former prime minister Sheikh Hasina was aware of this, according to the lender's new Chairman Sharif Zahir.

“We had no choice but to leave the bank because Javed was a minister at the time,” Zahir told The Daily Star in a recent interview. “I realised that it was better to resign than remain silent on the board.”

On August 27, the Bangladesh Bank (BB) reconstituted the board of the more than four decade old private commercial lender UCB. Since 2018, the bank had been heavily influenced by former land minister Javed and his family members.

The BB appointed a five-member board, including two shareholder directors and three independent directors. Sharif Zahir was elected as chairman.

Unlike other recently restructured banks, Zahir said UCB does not have a severe liquidity problem. He said they are now rebuilding client confidence as part of their greater endeavour to establishing good governance -- a process Zahir said was hindered by political influence and misconduct.



For the obstruction, he blamed Javed, who took over the UCB board in June 2018 when he was a minister.

“He forced us to resign and brought his family members onto the board,” Zahir said.

It was difficult to speak out on the board because the Awami League government supported them, Zahir said. He said the former prime minister Sheikh Hasina was fully aware of the bank's issues.

Zahir said he complained to the former chairman of the Bangladesh

TO-DO LIST OF THE NEW BOARD

A forensic audit and evaluation

Rebuilding client confidence

Bringing young people to the board

Establishing good governance

UCB AT A GLANCE

Established in 1983

Current clients: 20 lakh

Deposits: Tk 60,000cr

Major areas of financing: RMG, trade finance

INTERVIEW

Association of Banks (BAB) Md Nazrul Islam Mazumder about the takeover. Mazumder subsequently discussed the issue with the former prime minister.

“When we met with the former prime minister during a cheque donation programme, she asked us why we were having so many problems within UCB,” Zahir said.

“You know everything,” Zahir had replied to the prime minister. He said, “No action was taken at that time. It was not possible to fight against the state.”

Javed's father Akhtaruzzaman Chowdhury Babu and Zahir's father Md Humayun Zahir were among the founders of the bank in 1983. Akhtaruzzaman Chowdhury was later removed from the board, and Humayun Zahir was reportedly murdered over a “board dispute” in 1993.

Zahir said Sheikh Hasina visited their residence to offer condolences at the time.

When the Awami League came to power for the second term straight in 2014, Zahid said that Babu and his

family members returned to the bank board. The bank was steadily growing somehow until 2018 before Javed took over the board.

Regarding the bank's future plans, Zahir said they decided to conduct a forensic audit. An audit firm has already begun their examination.

A forensic audit is an examination and evaluation of a firm's or individual's financial records.

“We will be able to identify the actual scenario of the bank after a proper audit,” Zahir said. “This is a large bank with two million customers and Tk 60,000 crore deposits.”

He said ready-made garment (RMG) and trade finance are major investment areas for the bank.

The bank is currently working to rebuild client confidence. The board has motivated the management team and restored their confidence in working together, he added.

“We came up with a new slogan for the bank: ‘United in integrity, growing sustainability,’” Zahir said. “We also want to establish good corporate governance.”

“The bank is now communicating with large borrowers to ensure their compliance,” Zahir added. “We are monitoring the bank's liquidity situation daily, but there are no liquidity problems.”

READ MORE ON B3

ADB may give \$900m by March next year

STAR BUSINESS REPORT

The Asian Development Bank (ADB) may provide \$900 million to Bangladesh by March next year as the budget support for the country, a senior official of the finance ministry said yesterday.

Of the amount, the multilateral lender may provide \$400 million in December to help Bangladesh address challenges that stem from its graduation from the least developed country (LDC) status in 2026.

The rest of the amount, meant for facilitating reforms in the banking sector, will likely be available by next March.

The disclosure came after a senior delegation of the ADB met with Chief Adviser Professor Muhammad Yunus and Finance Adviser Salehuddin Ahmed yesterday.

Takeo Konishi, director general for South Asia at the ADB, led the delegation comprising Edimon Ginting, outgoing country director for Bangladesh at the ADB, and Hoe Yun Jeong, country director designate for Bangladesh.

At the meeting with Yunus, the government's newly launched financial sector reforms, key economic issues such as digitalisation of tax systems, data transparency, energy, private sector and investment were discussed, according to a press release.

“We are in a ground zero situation. Everything needs to be done as quickly as possible,” Yunus said at the meeting.

He added that the students-led revolution, which ousted the Sheikh Hasina-led Awami League government on August 5, has given Bangladesh a new opportunity to rebuild its institutions “piece by piece”.

ADB's South Asia Director Konishi said the ADB has a long history of working in Bangladesh and would be keen to support the interim government to initiate vital structural reforms in the country.

He said there was room for policy-based lending to Bangladesh as the interim government stepped up efforts to stabilise the economy.

READ MORE ON B3

STOCKS			
DSEX ▼		CASPI ▼	
0.25%		0.13%	
5,711.77		16,118.72	

COMMODITIES			
Gold ▲		Oil ▲	
\$2,578.24		\$69.23	
(per ounce)		(per barrel)	

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.08%	▼ 0.68%	▲ 0.17%	▼ 0.48%
82,890.94	56,581.76	3,562.65	2,704.09

USAID to provide over \$200m

STAR BUSINESS REPORT

The United States Agency for International Development (USAID) will provide over \$200 million in aid to support the interim government in advancing Bangladesh's development, empowering youths, and strengthening democracy and governance in the country.

To this end, the USAID and Economic Relations Division (ERD) signed an agreement at the State Guest House Padma in Dhaka yesterday.

“This new agreement highlights the priorities of the interim government focused on inclusive growth and prosperity for the people of Bangladesh. This means we are looking at economic stability and growth,” said Anjali Kaur, deputy assistant administrator of the Bureau for Asia at USAID, after the agreement signing.

This new agreement highlights the priorities of the interim government focused on inclusive growth and prosperity for the people of Bangladesh, said a senior official of USAID

“We are looking at improving health. We are looking at being able to strengthen governance across the country. We are looking at being able to empower youth and making sure that they have the opportunities to be able to grow,” she added.

ERD Additional Secretary AKM Shahabuddin and Mission Director of USAID Reed J Aeschliman signed the deal for the \$202 million grant, which is a portion of USAID's total commitment of \$954 million to Bangladesh for the period of 2021-2026.

USAID has so far provided \$425 million under its commitment.

The US has been a partner of Bangladesh since 1972.

Through the 1974 Economic, Technical and Related Assistance Agreement, the US has contributed over \$8 billion across various sectors, including democracy and

READ MORE ON B3

Plastic rules amid lax compliance with 14-yr old jute packaging law

SUKANTA HALDER

Mandatory jute packaging for nearly two dozen of food stuff now falls almost flat thanks to slack implementation of the law.

Other factors responsible damaging the initiative to promote jute and protect the environment include abrupt inclusion of food items to the jute packaging list without assessing the practicality and the availability of jute sacks and their cost effectiveness compared to plastic ones.

On top of all, officials say the initiative missed a firm political commitment.

Economists, environmentalists and sector people now call on the authorities seeking a sincere effort to apply the law on a priority basis rather than a full implementation.

In 2010, the government passed a law mandating the use of jute sacks for the storage, supply and packaging of rice.

In around five years, jute sacks for rice packaging gained a footing, with millers using jute bags for rice packaging.

However, many millers and traders then started to shift to plastic bags again as imported rice from India arrived in plastic packaging.

The Mandatory Use of Jute Packaging Act, 2010 was enacted to ensure the use of jute bags for 19 essential products, including rice, wheat, maize, pulses, and flour.

In 2017, other kitchen items such as chilli, turmeric, onion, garlic, ginger, coriander, and potatoes were added to the jute packaging list. By 2018, jute



PHOTO: HABIBUR RAHMAN

Rice sacks, mostly plastic, piled up at a wholesale shop at Boro Bazar in Khulna. The photo was taken recently.

packaging coverage was expanded further to include poultry and fish feed.

According to the law, the penalties for non-compliance include up to one year in jail, a maximum fine of Tk 50,000, or both.

Businesspeople acknowledge the environmental hazard of plastic bags, but they wonder whether there would be enough jute bags to meet the local demand. Besides, they question the practicality of mandating jute packaging

for some food items as jute sacks absorb moisture quickly, potentially leading to damages like spoiled flour or sugar.

Abdul Barik Khan, secretary general of the Bangladesh Jute Mills Association,

READ MORE ON B3

Construction work of Krishibid Sea Palace in Kuakata kicks off

STAR BUSINESS DESK

Krishibid Group inaugurated the construction of 'Krishibid Sea Palace', the first five-star hotel in Kuakata, at an event at the Sheraton Dhaka in the capital's Banani yesterday.

Initiated by Krishibid Properties Limited, a concern of Krishibid Group, the Kuakata hotel work will end in 2028. It will be operated under the five-star chain Retaj Hotels and Hospitality of Qatar.

Ambassador of Qatar to Bangladesh Seraya Ali Al-Qahtani inaugurated the construction of the hotel as the chief guest, said a press release.

Al-Qahtani emphasised the importance of economic relations between Bangladesh and Qatar and said, "An international standard five-star hotel like this in Kuakata will showcase Bangladesh's tourism industry on the global stage."

Justice Mohammad Abdur Rouf, former chief election commissioner of Bangladesh, highlighted the potential of the country's tourism industry and said, "Such high-standard establishments will create new employment opportunities in the tourism sector and play a significant role in the country's economic growth."

Ali Afzal, managing director of Krishibid Group, said, "We are proud



Seraya Ali Al-Qahtani, ambassador of Qatar to Bangladesh, attends the inauguration of construction work of the Krishibid Sea Palace, the first five-star hotel launched by Krishibid Group, at the Sheraton Dhaka in the capital's Banani yesterday. Ali Afzal, managing director of Krishibid Group, was present.

PHOTO: KRISHIBID GROUP

that Krishibid Sea Palace will open a new horizon in Kuakata's tourism and hospitality sector. We are hopeful that it will become a popular destination for both domestic and international tourists."

Once the construction is completed, Krishibid Sea Palace is expected to provide world-class service and experiences to

tourists in Kuakata, and it is anticipated that this hotel will significantly contribute to enhancing not just Kuakata, but the entire country's tourism industry, the press release added.

The event was attended by various officials and employees of Krishibid Properties Ltd.

Guests were briefed on the hotel's share

prices, project completion timeline, and the range of services and amenities it will offer.

It was announced that throughout September, there will be a 25 percent discount on shares of the hotel, and buyers will have the option to purchase shares with monthly instalments starting at Tk 5,250.

Hatil wins SDG Brand Champion Award

STAR BUSINESS DESK

Hatil recently won the SDG Brand Champion Award 2024 in the category of "SDG Brand Champion in Responsible Consumption and Production" for the furniture brand's unique waste management process.

Syeda Rizwana Hasan, adviser to the Ministry of Environment, Forest and Climate Change, and the Ministry of Water Resources, handed over the prize to Selim H Rahman, managing director and chairman of the furniture brand, at the Le Meridien Dhaka, according to a press release.

"Hatil is dedicated to fostering a sustainable future. Through innovative practices and responsible sourcing, we strive to minimise our environmental footprint and contribute positively to our nation," said Rahman.

By repurposing waste materials and minimising their carbon footprint, Hatil has transformed dust into fuel briquettes and scrap fabrics into foam for durable furniture pieces.

The innovative approach reduces environmental impact while ensuring resource efficiency. As a trusted brand, Hatil continues to inspire industries to adopt sustainable business models that balance economic growth with environmental responsibility.

Among others, Md Mizanur Rahman Mamun, director for finance and accounts of the furniture brand, Moshir Rahman, director for sales and marketing, and Md Rezaul Karim, company secretary, were also present.



Selim H Rahman, managing director and chairman of Hatil, receives an award from Syeda Rizwana Hasan, adviser to the Ministry of Environment, Forest and Climate Change, in the SDG Brand Champion Award 2024 at the Le Meridien Dhaka recently.

PHOTO: HATIL

BB wins global award for financial inclusion among youth

STAR BUSINESS REPORT

The Bangladesh Bank has received the "AFI Global Youth Financial Inclusion Award 2024" for its role in increasing financial inclusion among youth in the country.

The Alliance for Financial Inclusion (AFI), an international coalition of policymakers and regulators working for financial inclusion, conferred the prestigious award on September 4, according to a press release from the central bank issued yesterday.

The event was organised by the AFI Global Policy Forum in El Salvador, a central American country.

The Bangladesh Bank was selected for the award on the basis that it has taken several initiatives to increase financial inclusion among the country's youths, the central bank said.

For example, the central bank developed financial literacy guidelines for banks and financial institutions, and according to these guidelines, banks and financial institutions have conducted various activities to ensure the coverage of certain categories of students and youth and ensure their financial literacy.

Furthermore, the Bangladesh Bank formed a start-up fund to provide loans to entrepreneurs between 21 and 45 years of age within the country, it added.

Besides, a separate website (<https://finlit.bb.org.bd>) has been launched to provide financial literacy support and ensure consumer interest.

On top of this, an initiative has been taken to add a chapter on financial literacy in the national curriculum.

Moreover, 4.3 lakh school bank accounts have been opened through various banks, according to the central bank.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (SEP 15, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 64-Tk 80	2.86 ↑	9.09 ↑
Coarse rice (kg)	Tk 52-Tk 55	0	9.18 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-8.60 ↓
Lentil (kg)	Tk 105-Tk 110	0	0
Soybean (litre)	Tk 148-Tk 155	2.02 ↑	-3.81 ↓
Potato (kg)	Tk 52-Tk 60	6.67 ↑	20.43 ↑
Onion (kg)	Tk 110-Tk 120	0	53.33 ↑
Egg (4 pcs)	Tk 52-Tk 54	8.16 ↑	2.91 ↑
SOURCE: TCB			

Premier Bank, LORDS sign deal on school fee waiver



Mohammad Shamim Murshed, senior executive vice-president and head of consumer banking division of Premier Bank, and Sifat Laila, principal of LORDS, exchange signed documents of an agreement at the bank's head office in Dhaka recently.

PHOTO: PREMIER BANK

STAR BUSINESS DESK

Premier Bank PLC recently signed an agreement with LORDS, an English medium school, said a press release.

Under this agreement, the school offers a 100 percent waiver on admission fees, security deposit, admin cost and special discounts on monthly tuition fees for the children of the employees and customers of the bank.

Mohammad Shamim Murshed, senior executive vice-president and head of consumer banking division of the bank, and Sifat Laila, principal of the school, penned the deal at the bank's head office in Dhaka.

Abdul Batin Choudhury, senior executive vice-president and head of corporate liability of the bank, Abu Md Sabbir Hassan Chowdhury, executive vice-president and chief information technology officer, and Rumana Akhter, teacher at the school, along with other higher officials of both the organisations were also present.

Dollar drops

REUTERS, New York

The US dollar fell on Friday to its lowest level in nearly nine months against the Japanese yen after media reports once again fueled speculation the Federal Reserve could deliver a super-sized 50-basis-point interest rate cut at its policy meeting next week.

Analysts said reports by the Wall Street Journal and Financial Times late on Thursday saying a 50-bp rate reduction is still an option, and comments from a former Fed official arguing for an outsized cut, caused a shift in market expectations.

The US rate futures market has priced in a 51 percent probability of a 50-bp easing by the Fed at the conclusion of its two-day meeting on Wednesday, up from about 15 percent early on Thursday.

Government of the People's Republic of Bangladesh

Office of the Executive Engineer, RHD
Chattogram South Road Division, Dohazari, Chattogram
E-mail: eedoh@rhd.gov.bd

Memo No. 35.01.1582.414.36.01.04.24-1569

Date: 15-09-2024

e-Tender Corrigendum Notice-2

This is to notify for all concerns that e-Tenders are invited the National e-GP System Portal (<http://www.eprocure.gov.bd>) for procurement of works for the following tenders. Interested persons/firms can see details by visiting the website www.eprocure.gov.bd.

This is to notify all concerned that the following tender has been published through the e-GP Portal.

- Construction of 04 Nos. PC Girder/RCC Girder Bridge, 35 Nos. RCC Box Culvert and others ancillary work at Chaturi (Chowmohoni) CUFL Karnaphuli Dry Dock (Marine Academy), Fakimirhat National Highway (N-121) (Chainage: 00+000 - 15+000) with improvement of appropriate & standard width under Chattogram South Road Division during the year 2024-2025. (WP-01)

Tender ID. 1005037. Tender Reference No. e-GP/OSTETM/CSR/DEV-01/CUFL/2024-2025. Publishing: 29.07.2024.

Corrigendum Details

Sl. No.	Field Name	Old Date & Time	New Date & Time
1	Tender/ proposal document last selling/downloading date and time	18.09.2024, Up to 16.00	29.09.2024 Up to 16.00
2	Tender security submission date and time	19.09.2024, Up to 10.30	30.09.2024 Up to 10.30
3	Tender/ proposal closing date and time	19.09.2024 Up to 11.00	30.09.2024 Up to 11.00
4	Tender/ proposal opening date and time	19.09.2024 Up to 11.00	30.09.2024 Up to 11.00

All other terms and conditions will remain unchanged this addendum will be considered as part of the tender documents.

Pintu Chakma
ID No. 602219
Project Director
&

Executive Engineer, RHD
Chattogram South Road Division
Dohazari, Chattogram

Government of the People's Republic of Bangladesh

Office of the Executive Engineer
Sherpur PWD Division
Sherpur
Phone/Fax: 02997781096

Invitation for Tender (OTM)

Manual Tenders is invited by Executive Engineer, Sherpur PWD Sherpur for the procurement of:

Tender Description

SL No.	Tender No.	Name of work	Tender documents last selling date & time	Tender closing date & time
01	Shrpr/Outsourcing/ I/SE Office memo-131-08/09/2024.	Manpower supplying work by outsourcing method for recruitment of Driver for Govt. Office of Executive Engineer, Sherpur PWD Division, Sherpur and Sub-Divisional Engineer, Sherpur PWD Sub-Division, Sherpur. FY: 2024-25	29-09-2024 10.00am	29-09-2024 14.00

This is a Manual Tender, where only the offline/hard copies will be accepted. Interested tenderers are invited to participate in this REOI collecting tender schedule from the offices mention below

a) Selling tender document (principal) & receiving tender

Office of the Executive Engineer, Sherpur PWD Division, Sherpur.

b) Selling tender document (others)

PWD Division, Sherpur/Mymensingh/ Kishoreganj / Tangail / Jamalpur / Netrakona / Dhaka PWD Division-I/ Barisal PWD Division, Barisal/ Chittagong PWD Division-I, Chittagong/ Khulna PWD Division-I, Khulna/ Rajshahi PWD Division-I, Rajshahi/ Rangpur PWD Division, Rangpur/ Sylhet PWD Division, Sylhet

Sardar Muhammad Mahbubur Rahman
Executive Engineer
Sherpur PWD Division, Sherpur
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GD- 445

China's retail sales slow

AFP, Beijing

Chinese retail sales and industrial production growth slowed in August, official data showed Saturday, as leaders in Beijing seek paths to achieve growth targets despite consumers' reluctance to spend.

More than a year and a half since abolishing strict Covid-19 measures that had dampened activity, the world's second-largest economy has yet to achieve a highly anticipated post-pandemic recovery.

A prolonged debt crisis in China's vast property sector, continued deflationary pressure and high unemployment are among the factors now weighing on investor confidence.

In August, retail sales increased 2.1 percent year-on-year, slowing from 2.7 percent in July, according to data released by the National Bureau of Statistics (NBS).

The figure also came up short of the 2.5 percent growth forecast by a Bloomberg survey of analysts.



Potter Laxmi Rani stacks clay pitchers in order to bake them in an open fire, an arrangement locally known as "puin". Each pitcher sells for Tk 15 to Tk 20 at wholesale. The photo was taken at Shimuleshwar village in Jhalakathi district recently.

PHOTO: TITU DAS

Stockbrokers demand capital market taskforce

STAR BUSINESS REPORT

Stock brokerages have urged the government to form a taskforce for the capital market to support its growth and to carry out any necessary reforms.

The DSE Brokers Association of Bangladesh (DBA) made the demand in a letter to the finance adviser yesterday.

Despite the long-time presence of the Dhaka Stock Exchange (DSE) and Bangladesh Securities and Exchange Commission (BSEC), the stock market still lags from becoming a source of capital formation, according to stockbrokers.

So, establishing a taskforce like the one for the banking sector may work well to develop the market and complete essential reforms, the DBA said in the letter.

It said capital market growth remains stuck due to inappropriate policies, adverse management of asset management companies, improper pricing in initial public offerings, and absence of proper direction for diversified products.

That is why there should be medium and long-term targets for growth, and product diversification of the stock market is crucial to finance big infrastructure projects of the government, according to the association.

Besides, the government should take steps to turn the savings of local and non-resident people into investment and a diversified stock market can be a safe investment option, the letter said.

Stocks fall after a three-day rise

STAR BUSINESS REPORT

Indices of the stock markets in Bangladesh fell yesterday after a three-day rise last week as investors were cautious in trading shares, seeking to wait out earnings disclosures by corporates before undertaking any major move.

Investors were optimistic about the return of good governance as the interim government is implementing a raft of measures to bring about reforms in the overall financial sector, especially the capital market.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), plunged 14.74 points, or 0.26 percent, from that on the day prior to close at 5,711.

However, the DSES, the index that represents the Shariah-based companies, ticked up 1 point or 0.08 percent to 1,246.

The DS30 index for the blue-chip firms slipped 15.22 points, or 0.72 percent, to 2,085.

At Chittagong Stock Exchange, the CASPI, the broad index of the city port bourse, edged down by 21.30 points, or 0.13 percent, to settle at 16,118.

Of the issues that changed hands at the DSE, prices of 169 went up, 182 closed lower and 46 did

not witness any price swings.

Turnover at the DSE, meaning the total value of the shares traded on the day, decreased by 8.79 percent to Tk 669 crore.

The pharmaceuticals sector dominated over the day's total, accounting for 14.25 percent.

Block trades, meaning large-volume securities transactions negotiated and executed privately, contributed another 5.6 percent.

Linde Bangladesh was the most traded share with a turnover of Tk 42.3 crore.

Most sectors which account for large amounts in market capitalisation, which is the total value of a company's outstanding shares, posted a negative performance, according to the daily market update by BRAC EPL Stock Brokerage.

Food and allied experienced the highest loss of 1.35 percent followed by pharmaceuticals (0.91 percent), non-bank financial institutions (NBFIs) (0.82 percent), banks (0.69 percent) and fuel and power (0.18 percent).

However, telecommunication logged a gain of 0.35 percent while engineering 0.92 percent.

Among the sectors, travel and leisure, paper and printing, and life insurance were the top three sectors that closed in the positive.

Bida gets new chairman

STAR BUSINESS REPORT



Ashiq Chowdhury has been appointed as executive chairman of the Bangladesh Investment Development Authority (BIDA) for a two-year term starting from the date of joining.

The Ministry of Public Administration issued a notification in this regard last Thursday.

According to the circular, Chowdhury's new role as executive chairman of Bida is equal to the rank of a senior secretary in the government. However, he was given the job on the condition that he will have to abandon his working relationship with any other institutions and organisations.

The notification said other conditions of his appointment will be determined through the approved contract.

Chowdhury is a banker by profession. He is the associate director of the Real Asset Finance Division of Hongkong and Shanghai Banking Corporation in Singapore.

Before this, former senior secretary Lokman Hossain Miah was the executive chairman of Bida. He had joined Bida as its executive chairman in September 2022.

However, after the interim government took over, his appointment was cancelled on August 14.

BSEC orders probe into unusual price surge of Khan Brothers

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has ordered the Dhaka Stock Exchange (DSE) to investigate the unusual price surge of Khan Brothers PP Woven Bag Industries.

The stock market regulator issued a letter in this regard to the DSE's chief regulatory officer yesterday.

The DSE has been asked to submit a report to the BSEC's surveillance department within 30 working days.

Moreover, the BSEC advised notifying the concerned authorised representative, compliance officer or CEO of the stock brokerage firm immediately regarding any suspicious trading activity.

The BSEC noted that the recent fluctuations in the price and trading volume of the company's shares appear unusual and suspicious.

As a result, the commission has instructed the identification of potential causes behind the irregular price and volume movements, including any market manipulation, insider trading, or other forms of market abuse.

According to DSE data, the stock price of the woven bag company surged around 126 percent to Tk 176 over the past 15 working days.

India sharply raises import tax on edible oils

REUTERS, Mumbai

India has raised the basic import tax on crude and refined edible oils by 20 percentage points, the government said on Friday, as the world's biggest edible oil importer tries to help protect farmers reeling from lower oilseed prices.

The move could lift edible oil prices and dampen demand and subsequently reduce overseas purchases of palm oil, soyoil and sunflower oil.

After the duty hike announcement, Chicago Board of Trade soyoil extended losses and fell more than 2 percent.

New Delhi on Friday imposed a 20 percent basic customs duty on crude palm oil, crude soyoil and crude sunflower oil from Sept. 14, the notification said.

It will effectively increase the total import duty on the three oils to 27.5 percent from 5.5 percent as they are also subject to India's Agriculture Infrastructure and Development Cess and Social Welfare Surcharge.

Imports of refined palm oil, refined soyoil and refined sunflower oil will attract 35.75 percent import duty against the earlier duty of 13.75 percent.

Reuters reported in late August that India was considering an increase in import taxes on vegetable oils to help soybean growers ahead of regional elections due in Maharashtra later this year.

"After a long time, the government has been attempting to balance the interests of both consumers and farmers," said Sandeep Bajoria, CEO of Sunvin Group, a vegetable oil brokerage.

Plastic rules amid lax compliance

FROM PAGE B1

criticised the lack of enforcement, saying, "While many are aware of the environmental harm caused by plastic, there has been little commitment from past governments to enforce this law."

Khan believes proper implementing the law could revive the jute industry, benefit millions of jute farmers and the environment.

He said the government should make jute bags mandatory in all rice mills, with license cancellation penalty for non-compliance.

In the meanwhile, a senior official of a major food importing and processing firm doubted the country's ability to meet the demand for jute sacks.

The official at the food import firm said plastic packaging remains a more practical option due to its lower cost and durability.

In 2012, a writ petition was filed with the High Court. The court issued a stay order, allowing the continued use of plastic bags.

Visiting several kitchen markets in Dhaka's Mirpur, Mohammadpur and Karwan Bazar recently, this correspondent found that plastic sacks were being widely used for rice packaging.

AKM Khorshed Alam, president of the Bangladesh Auto Rice Mill Owners Association, said a few traders currently use jute sacks.

He said the past government did not take stringent measures to implement the law.

The Daily Star approached local major conglomerates including Akij, ACI and Rashid Agro Food Products Ltd for comment on jute packaging for their rice brands. But they were not available for comment on this topic.

Abdur Rauf, secretary of the Ministry of Textiles and Jute,

acknowledged that the law has not been enforced over the past decade but expressed hope that the situation would change with greater political will.

He said that efforts are now on, starting with supershops, and a meeting with jute sector stakeholders was held last Tuesday where a decision to supply jute bags quickly to meet demand was taken.

Syeda Rizwana Hasan, adviser to the Ministry of Environment, Forests and Climate Change, at an event yesterday said that initiatives will be taken to make widespread use of jute packaging through the proper implementation of the law.

"Our ministry will provide all types of policy support to businesspeople to increase the use of jute products," said Rizwana, also an environmental activist and prominent environmental lawyer.

Textiles and Jute Adviser Brigadier General (Retd) M Sakawat Hossain at the same event said initiatives will be taken first to ensure the use of jute sacks of paddy, rice and wheat.

Khondaker Golam Moazzem, research director of local think tank Centre for Policy Dialogue (CPD), said the past government could not fully implement the law due to various operational weaknesses.

However, the current adviser to the Ministry of Environment, Forests and Climate Change has been working on this issue for a long time. "I hope she will take appropriate initiatives to fully implement this law."

Golam Moazzem said local jute mills probably do not have the capacity to meet the demand. "That is why, we need to be prepared first before the implementation."

Another thing is, he said, it will be easier to implement the law if it goes to priority basis, instead of full implementation for all products.

Almost all

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yesterday as law-and-order improved and workers rejoined their workplaces.

His factories were shut for 12 days in September and eight days in August because of the labour unrest and anti-discrimination student movement.

He is also assessing his losses and planning for recovery of the losses. His buyers have already expressed concern over the frequent unrests and production losses.

He said he has received a lesser amount of work orders from international retailers and brands targeting the upcoming winter season.

Normalcy has been restored at the garment factories and production is ongoing, said Md Towhidur Rahman, president of the Bangladesh Apparel Workers' Federation.

The factory owners should fulfil commitments made to workers during the labour unrest, he added.

Amirul Haque Amin, president of the National Garment Workers Federation, echoed the same.

"It is business as usual at the industrial zone," he said.

Bangladesh's garment sector has overcome much more critical times and it is expected that the production losses can be recovered, Amin added.

Nazma Akter, president of the Sammilito Garment Sramik Federation, said factory owners should meet the legitimate demands of the workers.

She said production fell by a substantial amount in the garment sector in July, August and September.

These three months comprise the peak season for the shipment of goods for the upcoming Christmas period as well as the peak season for booking work orders for next year's summer, autumn and winter seasons.

However, many senior officials of international retailers and brands cancelled business trips and work orders, delayed factory visits, sought big discounts or expensive air shipments.

We were forced

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He said the bank is maintaining the statutory liquidity ratio (SLR) and cash reserve ratio (CRR) with the central bank, and the management has been instructed not to fail to meet these requirements.

The private commercial lender is also meeting the 100 percent demand of depositors. "If necessary, we will raise the bank's capital base," the new chairman said.

Regarding the banking sector, Zahir said the rules and regulations are excellent but implementation has been lacking in recent years.

Authorities must address this issue to establish good governance, he said. "The government should grant full independence to the central bank, which would help improve governance in the sector."

He said the primary responsibility of the new UCB board is to develop the

bank's strategy. Loan disbursement is the responsibility of the management and risk management committee while the compliance committee makes recommendations to the management.

Regarding UCB, Zahir said they have begun meeting with borrowers to build confidence.

"We want to include the younger generation on our board of directors to expand the bank."

He also said individuals with political aspirations should not enter the banking sector.

"Banking and politics are distinct fields," Zahir added.

Conflict of interest arises when a member of parliament serves on a board of directors. "Those who want to enter business or banking should have the courage and mentality to speak out against discrimination or irregularities."

ADB may give \$900m

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After the meeting with the ADB team, Finance Adviser Ahmed said they also discussed the possibility of supporting climate funds and environment related projects, and also trade and commerce.

"In total, we are zeroing on some of the important short-term measures, such as reforms deliverable to the people. We also discussed mid and long-term plans. Maybe we can start the process," he added.

Ahmed also said they discussed providing budgetary support to

Bangladesh by the ADB.

Earlier, the interim government sought \$1 billion in budgetary support for the energy and power sector and \$1.5 billion for financial sector reforms in an effort to boost the dwindling foreign exchange reserves and take the economy out of turbulent waters.

The interim government has sought a total of \$5 billion as additional support from development partners and multilateral lenders, including \$3 billion from the International Monetary Fund.

USAID to provide

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governance, food security, health, education, and climate change, primarily through USAID and other US agencies, the ERD said in a press release.

After a meeting with senior officials of the US Treasury Department and USAID, Finance and Commerce Adviser Salehuddin Ahmed said they have discussed financial sector

reforms and cooperation between Bangladesh and the US in the sector.

"We have also discussed increasing cooperation for export diversification," he added.

While replying to a media query, Ahmed said they also discussed issues for cooperation in areas such as the recovery of money laundered abroad.

Fed to cut rates for first time since 2020

AFP, Washington

The Federal Reserve is gearing up to announce its first interest rate cut for more than four years on Wednesday, with policymakers expected to debate how big a move to make less than two months before the US presidential election.

Senior officials at the US central bank including Fed chair Jerome Powell have in recent weeks indicated that a rate cut is coming this month, as inflation eases toward the bank's long-term target of two percent, and the labor market continues to cool.

The Fed, which has a dual mandate from Congress to act independently to ensure both stable prices and maximum sustainable employment, has repeatedly stressed it will make its decision on rate cuts based solely on the economic data.

But a cut on Wednesday could still cause headaches for Powell, as it would land

Senior officials at the US central bank have in recent weeks indicated that a rate cut is coming this month, as inflation eases toward the bank's long-term target of 2 percent

shortly before the election, in which former Republican president Donald Trump is running against the current Democratic vice president, Kamala Harris.

"As much as I think the Fed tries to say that they're not a political animal, we are in a really wild cycle right now," Alicia Modestino, an associate professor of economics at Northeastern University, told AFP.

The debate among policymakers on Tuesday and Wednesday this week will likely center on whether to move by 25 or 50 basis points.

However, a rate cut of any size would be the Fed's first since March 2020, when it slashed rates to near zero in order to support the US economy through the Covid-19 pandemic.

The Fed started hiking rates in 2022 in response to a surge in inflation, fueled largely by a post-pandemic supply crunch and the war in Ukraine.

It has held its key lending rate at a two-decade high of between 5.25 and 5.50 percent for the past 14 months, waiting for economic conditions to improve.



A locomotive engine pulls 31 wagons, each of which can accommodate a 40-foot equivalent unit of container. This means that more than 31 containers can be transported when dealing with 20-foot equivalent units, excluding those carrying heavy loads such as machineries and steel coils. Nowadays, around three to four freight trains are departing the Chattogram port for Kamalapur in Dhaka each day.

PHOTO: STAR/FILE

Dhaka's importers still facing long waits to get goods from Ctg port

DWAIPAYAN BARUA, Ctg

It has been nearly a month that an automobile dealer has been waiting for a container loaded with reconditioned parts to reach the inland container depot (ICD) at Kamalapur, Dhaka from the Chattogram port over railway.

The parts, imported by M/s Partasco Automobiles of Munshiganj's Sirajdikhan from the United Arab Emirates, arrived at the port on August 17, only to add to a massive container backlog.

The yard designated for the ICD-bound containers has been clogged due to a 27-day suspension of railway services since July 18 amidst the countrywide student movement and another five-day suspension in late August for floods.

Around 70 percent of the goods arriving at the port are of importers based in Dhaka and surrounding areas.

Of those, around 3 percent are taken away over railways while the rest over roads and river routes.

The yard meant for the Kamalapur ICD-bound containers can run unobstructed at its standard capacity of 1,774 TEUs (twenty-foot equivalent units).

However, till the first week of August, 2,700 TEUs had been crammed inside.

Recently, railway traffic has somewhat normalised and the situation has improved, according to a senior official of the traffic department of Chittagong Port Authority.

As of yesterday, the yard had 1,278 TEUs, he informed.

However, many of them had been there for anywhere for 17 to 18 days, he admitted on



requesting anonymity.

At least 3 to 4 trains are departing for the Dhaka ICD daily, said Abdul Malek, railway station master of Chittagong Goods Port Yard (CGPY).

Each locomotive engine pulls 31 wagons. Each wagon can accommodate a forty-foot equivalent unit, for which a locomotive can take away more than 31 containers if those are the 20 TEUs, he said.

But in the case of 20 TEUs containing goods with a lot of weight, such as steel coils, machineries or motor parts, more than one container cannot be loaded onto a single wagon, he said.

Hoping that the situation would further improve in the coming days, the port officials stressed the need for operating more trains

daily for speeding up the transport.

Such delays are causing immense losses for the importers as it translates to extra port and shipping charges.

Sojib Mridha, proprietor of Partasco Automobiles, said they imported the automobile parts based on a price range but the market fluctuates as time passes and they were very near to missing out on trending deals.

"If we fail to supply products to customers on time as promised we lose trust which is a huge business loss," he said.

"Moreover, we now have to pay a huge amount of demurrage to the port authority and shipping agent for the overstay of the container at the port," said Mridha.

"Small importers like us try to open a letter of credit (L/C) for an import with earnings being made on the sale of previous imports. Such long delays are hampering business," said the frustrated businessperson.

Like him, many importers based in Dhaka are now having to wait anywhere from 15 days to well over a month to get their consignments from the Chattogram port.

Staff of the clearing and forwarding agent overseeing the release of Mridha's consignment divulged that two other clients were similarly waiting for imports in containers which arrived at the port on August 26 and August 27.

The situation is improving, but then again it is a long delay for businesses heavily reliant on imports, said Sheikh Md Aslam, vice-president of the Dhaka Customs C&F Agents Association.

The way out for weak banks

SALEKEEN IBRAHIM

The banking sector of Bangladesh has expanded over the years in terms of the number of formal financial institutes and types of financing instruments and products available in the country.

But the health of this vital sector has deteriorated over the past decade due to malpractices, scams, corruption, poor governance, weak compliance, heists and rising non-performing loans (NPLs).

Although restoring law and order is the first priority of the interim government, this fragile banking sector is also a big threat to the country's socio-economic stability.

The downfall of 8 to 9 specific banks could lead to widespread financial chaos, affecting businesses, investors, respective bank employees and ordinary citizens who rely on these banks for their savings, earnings and businesses. The damaged confidence may trigger massive withdrawals, resulting in a liquidity crisis and unrest in the society.

Now, we must acknowledge that a weak banking system limits credit availability, restricts business expansion and slows down economic growth. This is a risky symptom for a transforming economy like Bangladesh, where both political steadiness and financial health are crucial for recovery and development.

If these fragile banks are not stabilised, the country risks entering a sliding economic spiral and further worsening the situation.

The interim government has to navigate through a series of challenges to save these fragile banks from collapse. Firstly, restoring governance is crucial. Several of these banks have suffered from poor management practices, lack of compliance with regulatory standards, and political interference.

The restructuring of their boards with experienced bankers and business leaders is a good step, but this needs to be accompanied by a stronger regulatory framework and more sovereign oversight.

The central bank must also ensure that these new boards are held accountable. Governance failures were a major cause of the current fragility, and without a substantial overhaul in compliance and regulation, the same mistakes could be repeated. Secondly, the interim government must address

the capital shortage. Many of these banks are operating below the required capital adequacy ratio, making them vulnerable to external shocks. The injection of capital either through government funds or private investors could be a way out. However, this must be done sensibly, ensuring that the new funds are used for reformation and strengthening, rather than merely bailing out past losses.

It is true that a potential solution is to encourage mergers between weaker banks and stronger ones for more stable institutions. By consolidating resources and management expertise, these banks can become stable.

Certainly, the root cause of these problem banks arises from NPLs, which are mainly politically backed having zero fall back procedures and mostly absconded in nature. As such, the central bank could consider creating a separate specialised "bad book" to take care of these toxic assets and manage these separately with specialists' individuals and firms. This might gear up the standard balance sheets of these fragile banks, allowing them to focus on recovery rather than being bogged down by bad loans.

The central bank must initiate certain activities that would help restore confidence among depositors. Clear communication about the steps being taken to strengthen the banks, improve governance, and safeguard deposits would go a long way in calming public fears. Ensuring transparency is vital in this regard as depositors need to trust that their money is safe.

Currently, this fragile banking sector is a major challenge for Bangladesh's interim government, but it also presents an opportunity to introduce deep and meaningful reforms. With strong governance, recapitalisation and the right regulatory framework, these banks can be saved from collapse. This would not only restore public trust in the financial system, but also ensure that the economy remains on a path of recovery and growth. Now more than ever, the government must act conclusively to secure a stable and affluent financial future for Bangladesh.

The author is a banker

Sri Lanka economy slows ahead of presidential elections

AFP, Colombo

Sri Lanka's economic growth slowed, government data showed Sunday, days ahead of the first presidential elections since an unprecedented financial meltdown in 2022.

The economy grew at 4.7 percent year-on-year in the second quarter of this year, compared to an expansion of 5.3 percent in the previous quarter.

However, the April to June period performed better than the 3-percent contraction during the same period last year.

Heavy rain in the second quarter of the year adversely affected agriculture, the government's statistics office said.

The latest data came before presidential polls on September 21, the first vote since the country's shortage of foreign exchange led to a record 7.3-percent contraction in 2022.

The peak of the economic crisis saw months of shortages that led to street protests, eventually toppling then-president Gotabaya Rajapaksa.

His successor Ranil Wickremesinghe has doubled taxes, withdrawn generous energy subsidies and raised prices of essentials to shore up state revenue.

Sri Lanka is currently drawing down a four-year \$2.9-billion bailout loan from the International Monetary Fund, and is in talks with foreign creditors over a debt restructure.

UK's finance-business chasm is as wide as ever

REUTERS, London

The committee studying the financial state of British business did not pull its punches. After a lengthy investigation, the government-appointed panel of economists and experts concluded UK financial institutions were less supportive of domestic companies than their rivals in Europe and the United States. To revive the sluggish economy and moribund stock market, the group recommended sweeping reforms to funnel long-term capital to industry.

This description could sum up the work of the multiple task forces and committees that have recommended changes to Britain's financial sector in recent years. Yet this particular group reached its conclusion almost a century earlier. The Committee on Finance and Industry was set up in 1929, the year of the stock market crash, under the leadership of Hugh Macmillan, a Scottish lawyer. Its members included luminaries such as the economist John Maynard Keynes and Ernest Bevin, the trade union leader. Its diagnosis of the chasm between British finance and industry was so damning that financiers and policymakers were still debating the "Macmillan Gap" many decades later.

Now British politicians, investors,

and regulators are once again fretting about a dearth of financial support for home-grown enterprises. The number of companies listing on the London Stock Exchange has plummeted. UK-listed stocks trade at a hefty discount to American equities. British entrepreneurs

complain about a lack of financing for fledgling ventures. The country's investment track record is one of the worst in the developed world. The government, faced with high debt and a spending squeeze, is poorly placed to help.

Ministers and watchdogs have



People stand at a lookout point in Greenwich Park, with the Canary Wharf financial district in the distance, on August 25.

PHOTO: AFP