

Interim govt to hold first Ecneec meeting today

STAR BUSINESS REPORT

The interim government is set to hold the first meeting of the Executive Committee of the National Economic Council (Ecneec) today where proposals would likely be placed on five projects, including two new ones.

Muhammad Yunus, chief advisor to the interim government and chairperson of Ecneec, will preside over the meeting at his Tejgaon office.

Planning and Education Advisor Wahiduddin Mahmud is expected to brief journalists on the meeting at the Planning Commission in Sher-e-Bangla Nagar afterwards.

The last Ecneec meeting was held on July 2 under the previous Awami League government at the Planning Commission.

Of the projects, revisions would be sought for “Bakhrabad-Meghnaghat-Haripur Gas Transmission Pipeline”, “Tottho Apa: Empowering Women Through ICT Towards Digital Bangladesh Project” and an infrastructure development project for Langalbandha Mohashtami Punnyasnan Utsab.

FICCI, Bida to work together to attract foreign investment

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The Bangladesh Investment Development Authority (BIDA) and Foreign Investors Chamber of Commerce and Industry (FICCI) will work together to help attract foreign investment, according to a press release.

Lutfi Siddiqui, the special envoy on international affairs to the chief adviser of the interim government, initially disclosed the information at a meeting held between Bida and FICCI representatives at Bida’s conference room yesterday.

Khandkar Azizul Islam, secretary of Bida, presided over the meeting while Ashik Chowdhury, newly appointed executive chairman of Bida, connected virtually. FICCI President Javed Akhtar was also present.

“We have many potential investors in the pipeline who are eager to invest in Bangladesh, but they are currently facing several barriers,” Akhtar said.

“It is essential that we work together to identify and resolve these issues so we can continue fostering economic growth and attracting more foreign direct investment.”

The FICCI president presented a comprehensive overview of the organisation’s activities, outlining key challenges as well as opportunities faced by foreign investors. He also highlighted the need for structural reforms to attract investment.



Workers load sacks, which had earlier been used for carrying potatoes, onto a truck at Goriarpur area in Barishal city for transportation to Dinajpur, earning Tk 500 to Tk 600 a day. The photo was taken recently.

PHOTO: TITU DAS

Stocks keep falling amid wait for earnings disclosures

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Stock market indexes in Bangladesh extended its losing streak for the second consecutive day yesterday as cautious investors opted to wait for corporate earnings disclosures before making significant trades.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), went down by 30.17 points, or 0.53 percent from the previous day before closing at 5,681.60, marking a decline for a second successive day.

Similarly, the DSES, the index that represents the Shariah-based companies, edged down by 8.49 points, or 0.68 percent, to 1,238.19, while the DS30 index for the blue-chip firms, dropped 16.91 points, or 0.81 percent, to 2,068.61.

The Chittagong Stock Exchange witnessed a similar falling trend as the CASPI, the broad index of the port city bourse, slipped by 41.66 points, or 0.26 percent to finish at 16,077.06.

In terms of trading activity at the DSE, prices of 156 stocks increased,

while 182 closed lower, and 63 remained unchanged.

The day’s turnover, which refers to the total value of shares traded in the trading session, dropped by 5.08 percent, totaling Tk 634.9 crore.

Among individual stocks, Sonali Aansh Industries Limited emerged as the most traded share of the day, with a turnover of Tk 21.9 crore.

Additionally, block trades, referring to large-volume securities transactions negotiated and executed privately, made up 3 percent of the day’s total market turnover.

In terms of sector performance, most sectors with significant market capitalisation registered negative results with the engineering sector suffering the largest loss, declining by 1.23 percent.

The pharmaceuticals sector dropped by 1.09 percent, followed by telecommunication with a decline of 0.77 percent, banks by 0.67 percent, the food and allied by 0.52 percent, and the fuel and power sector by 0.18 percent.

However, the non-bank financial

institutions (NBFIs) is the only sector that managed to post a gain of 2.11 percent.

Shares of the companies like Saif Powertec, Islami Bank Bangladesh, Best Holdings, Pragati Life Insurance, Square Pharmaceuticals, Confidence Cement, Sea Pearl Beach Resort and Spa, Bangladesh Thai Aluminium, Fortune Shoes and DBH Finance drew investors the most, according to LankaBangla Finance Portal.

However, none of the companies saw a double-digit growth in share prices. Of them, Saif Powertec logged the largest gain of 1.46 percent, closely followed by Islami Bank Bangladesh, which recorded a gain of 1.42 percent.

Beacon Pharmaceuticals, Beximco Pharmaceuticals, BRAC Bank, Olympic Industries, Renata, Grameenphone, LafargeHolcim Bangladesh, ACME Laboratories, Orion Infusion and Prime Bank displayed a lacklustre performance.

Despite the overall market decline, investors remain optimistic as the government’s ongoing reforms could bring long-term stability and growth to the capital market.

Fossil fuel subsidies bleeding the Global South dry: study

STAR BUSINESS REPORT

The fossil fuel and industrial agriculture sectors in the Global South collectively received about \$677 billion in annual government subsidies between 2016 and 2022, according to a study by ActionAid.

In a report, styled “How the Finance Flows: Corporate capture of public finance fuelling the climate crisis in the Global South”, the global federation working to eliminate poverty and injustice said \$489 billion of the amount was provided as subsidies for the fossil fuel sector.

Teresa Anderson, the global lead on climate justice of ActionAid International, discussed these findings in an online press briefing yesterday.

She said “climate wrecking” fossil fuel and industrial agriculture industries are bleeding economies in the Global South of public funds. The Global South refers to countries with relatively low economic development that are typically located south of more advanced nations.

“Corporations in these climate-sensitive countries are capturing funds that should be spent on providing public services, ensuring sufficient food and energy, and improving people’s livelihoods,” she added.

Corporations in these climate-sensitive countries are capturing funds that should be spent on providing public services, ensuring sufficient food and energy, and improving people’s livelihoods, said an expert

Citing how climate finance from the Global North is grossly insufficient to support the transition away from industries harming the environment, she said their support “is like a drop in the ocean”.

At the Cop29, an annual summit comprising signatories of the UN Framework Convention on Climate Change to be hosted by Azerbaijan in November this year, richer countries need to agree to provide climate finance amounting to trillions of US dollars.

Public financing for initiatives in renewable energy is shockingly low at present, Anderson said while pointing out that the sector gets an average of just \$10.3 billion in annual subsidies in the Global South.

“Moreover, the funding has reduced over the years,” she added.

Against this backdrop, Anderson said the world’s money is flowing in the wrong direction, with more funds flowing to causes of climate change rather than solutions.

Besides, the fossil fuel and industrial agriculture sectors not only harm the environment through land grabbing, pollution and deforestation, they are also draining public finances.

Still, climate finance from wealthy polluting countries to cope with their impact and transition to greener pathways has been minimal and insufficient to trigger change.

Niranjali Amerasinghe, country director of ActionAid USA, moderated the session while Farah Kabir, country director of ActionAid Bangladesh, talked about the impact of climate change in the country.

IsDB to give \$4-5b

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and address some of the issues related to climate change in the country,” he added. He also talked about the IsDB Group’s interventions.

“Of course, the interim government is also looking forward to seeking support for overall engagement, particularly we will discuss it with the ITFC about how the support can be further developed and moved forward,” he said.

Sulaiman mentioned that the IsDB would continue working for the socioeconomic development of Bangladesh.

“Considering the IsDB’s strategies and the interim government’s priorities, we will hopefully be able to give the required support in terms of resources and collaboration,” he said.

Salehuddin Ahmed said since the IsDB was a multilateral development partner of Bangladesh, they were

providing various kinds of assistance to the country, such as in the health sector and for building cyclone shelters.

He informed that the interim government has requested them to support in rebuilding the damaged rural roads affected by recent devastating floods in the country.

He also said they have already conducted a survey in Sylhet, one of the worst affected areas, to this end.

“Overall, the IsDB will support us in rebuilding damaged rural roads. They are already supporting us in the health sector, constructing bridges, physical infrastructures and so on,” Ahmed added.

Regarding support in purchasing fuel oil, the finance adviser said the IsDB would explore possibilities for boosting existing cooperation through consultations with other development partners.

department took control of Nagad’s office. Bangladesh Bank Director Badiuzzaman Dider is currently serving as the Nagad administrator.

Nagad began operations as a mobile financial services company in 2019, receiving exclusive opportunities to acquire customers.

It is alleged that regulations are often bypassed in providing these services.

The government allegedly favoured Nagad for the disbursement of all government allowances.

the ADB in 1973. Since then, the ADB has committed around \$61 billion in loans and grants to the country, including co-financing for priority areas such as energy, transport, urban infrastructure, water supply, sanitation, education, agriculture, and finance.

As of September 2024, the ADB’s Bangladesh portfolio comprises 53 projects collectively worth around \$13 billion. Established in 1966, the ADB is owned by 68 members, with 49 from the Asia-Pacific region.

S Alam seeks govt support

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PLC, followed suit without providing prior notice.

“Those lenders have declined to send letters on the service suspensions and we believe that it is an arbitrary, discriminatory act on their part as well as a violation of the client-bank relationship,” it said.

The letter said that after being contacted, the banks informed that the accounts were frozen as per verbal instructions from the BFIU.

Due to this, their companies are now facing difficulties and incurring huge losses.

The letter added that those companies were failing to pay salaries and wages timely, which may lead to labour unrest in many industrial areas.

Furthermore, the companies have been unable to pay utility bills, which could lead to line and service disconnections and consequently halt production in manufacturing units.

Moreover, the companies have been unable to deposit taxes and sales proceeds, transfer and receive funds from trade receivables, or pay for expenses, including for bank

liabilities and foreign letters of credit (L.Cs), it said.

Contractual obligations with foreign and local suppliers and clients could not be honoured on time and interest is being charged for delayed payments, it said.

L.Cs relating to industrial raw materials for food and allied products have been cancelled by different scheduled banks, for which the country may face a crisis of food and other materials within a short time, warned the letter.

Non-payment of bank liabilities may lead to loan classification at any time, it said, adding that most employees were leaving.

A senior official of the BFIU confirmed to The Daily Star that they received the letter.

Husne Ara Shikha, executive director and spokesperson of Bangladesh Bank, confirmed that the central bank had received a letter after being contacted by The Daily Star.

The BFIU did not instruct banks to freeze or suspend the accounts of businesses or institutions of the group, she said, adding that it had instructed banks to freeze personal accounts related to the group.

Chicken, egg traders defy govt-fixed prices

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a gap between production and demand, as he said stakeholders had confirmed there was no such gap.

Kazi Mohammad Mozammel Hoque, director general of the Directorate of National Consumers’ Rights Protection, said their monitoring teams are actively working across the country to implement government-fixed prices.

He said businesses failing to comply with the rates are being fined.

Md Aftabuzzaman, associate professor and chairman of the Department of Poultry Science at

the Sher-e-Bangla Agricultural University, said the reason for the low production cost of Sonali chicken is that it is still reared in the semi-intensive system.

He said feed costs account for 70 percent of what a chicken costs until it reaches the buyer stage. If the supply demand was right, then the sales would be at the price fixed by the government.

“But that is not happening.”

Aftabuzzaman said this means that the livestock services department is still not able to fully control the private stakeholders.

Gazi Tyres workers

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Gazi Tyres, which had been an economic lifeline for many, now stood in complete ruins.

Nargis, a worker in the tube section of the factory, shared her concerns. “My brother returned to Cumilla after the factory closed, but I’m staying with my husband in a rented house, hoping the factory reopens. If it doesn’t, I’ll need to find another job.”

For 18-year-old Shamser, who had worked at Gazi Tyres for two years, the factory’s closure left him scrambling for a new source of income.

“My father is sick, and his medicine is expensive. We’re poor, and I can’t sit idle,” Shamser explained, adding that he was now looking for work in the garment sector.

The closure has taken a toll on the local economy as well. Khadun village, home to many of the factory’s workers, now feels like a ghost town.

A local tea vendor, sitting idly outside his shop, lamented his dwindling sales: “Business has dropped. People aren’t around anymore to buy anything.”

Jakir Hossain Proddhan, a local grocer, acknowledged the anger that some villagers felt toward Gazi Group for acquiring land cheaply but questioned the destruction.

“Setting fire to a factory that created jobs and opportunities is unacceptable,” he said.

The executive director of Gazi Tyres, Md Quamruzzaman, echoed these sentiments.

Speaking on September 9, he said the company had initially planned to retain workers after the first wave of looting, but the situation escalated.

“We can’t pay salaries after such huge losses,” Quamruzzaman explained.

He called on the government for support, stating that the factory’s closure would hurt workers more than owners. “This factory is a national asset, and the government should protect it.” Built on 36 acres of land, the factory is yet to assess the full extent of the damage.

Police officers stationed at Rupganj Police Station confirmed that Industrial Police had been deployed for security and that 10 individuals

involved in the looting had been arrested and fined.

Despite this, a full investigation has not yet begun as factory officials have not filed a formal case.

Founded in 1974 by former minister Golam Dastagir Gazi, Gazi Group started out producing plastic and rubber products. By 1980, the company entered the tyre market, initially manufacturing rickshaw tubes.

Gazi Auto Tyres, established in 2002 in Rupganj upazila of Narayanganj, was the first manufacturer in Bangladesh to produce tyres for commercial vehicles.

Over the years, Gazi Tyres became a cornerstone of the national economy, growing into a company valued at around Tk 2,000 crore and employing around 2,600 workers, according to its officials.

The factory was instrumental in meeting 70 percent of Bangladesh’s demand for tyres used in rickshaws, three-wheelers and small commercial vehicles. It also captured 15-20 percent of the market share for bus and truck tyres, and up to 65 percent in the minibuss segment.

With a market value of Tk 1,500 crore, the company had set an ambitious target to produce 2.4 million tyres by 2025.

However, the collapse of the Awami League government and subsequent looting have left the company in ruin.

“The factory was a leading contributor to the tyre market, and its destruction will cause huge losses for tyre users, dealers and retailers across the country,” a local business owner said.

“There are only a few other tyre manufacturers in Bangladesh and they won’t be able to meet the enormous demand left in Gazi’s absence,” he added.

“The destruction of the Gazi Tyres factory is unfortunate. We should have protected them,” Bangladesh Bank Governor Ahsan H Mansur said in response to concerns about the attack during a roundtable discussion organised by The Daily Star on September 9.

For the thousands of workers and the local economy, the future now hinges on the revival of Gazi Tyres.