# 

**AkijBashir Group recently** began production at a sprawling glass plant in Habiganj, placing emphasis on more transparent and pure products

Interview on B4



# IMF reaffirms support in fighting economic challenges

REJAUL KARIM BYRON

The International Monetary Fund (IMF) has reaffirmed its support for Bangladesh's interim government in overcoming the various economic challenges the country has been facing in recent times.

In a statement issued yesterday upon completion of its fact-finding mission's visit to Dhaka, the IMF said the country's financial sector vulnerabilities have become more pronounced.

"We support the authorities' efforts to initiate policy adjustments, including continued monetary tightening and

tax revenue collection has declined, while spending pressures have increased and domestic payment arrears have accumulated.

"Financial sector vulnerabilities have become more pronounced," the IMF said.

"In this context, the authorities and IMF staff have held open and productive discussions on the policies and reforms needed to address these emerging challenges," the statement continued.

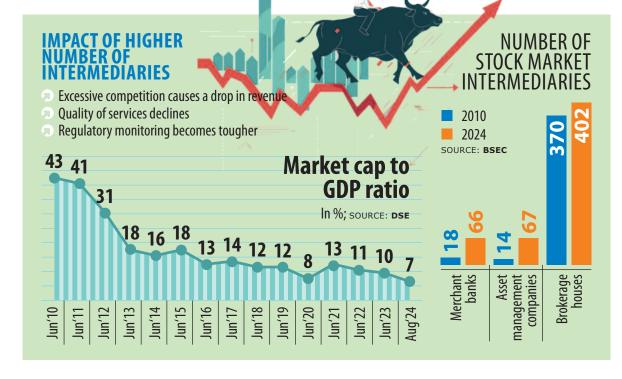
"The IMF remains a steadfast partner, fully committed to supporting Bangladesh and its people," it added.

"Within the framework of the

**KEY POINTS** 

reform agenda

annual meetings



#### Too many stockbrokers, IMF to work closely to advance

market increased steadily.

The stock regulator's puzzling

approval of these intermediaries

has led to several adverse outcomes

market services offered to investors.

League regime, the number of

asset management companies has

risen to 67 from 14 while merchant

banks have increased to 66 from

18. Similarly, stock brokerage firms

have grown to 402 at present from

on political grounds," said Saiful

Islam, president of the DSE Brokers

Association of Bangladesh. "But

licences for stock intermediaries

should have been granted based on

competition, according to Islam,

has forced intermediaries to cut

"These licences were issued

370 in 2010.

the market size."

Subsequent

- broadly a decline in the quality of

In the past 15 years of the Awami

asset managers approved during Hasina's regime

Over the past 15 years, investors management services, only a few

have fled the market, initial public merchant banks have must-have offerings (IPOs) have been scarce research wings, he said, citing this is "almost rare in foreign countries". and capital market growth has fallen short of expectations. Despite this dry market, the number of stock intermediaries entering the

"When the stock market was struggling, the regulator granted licences to as many as 60 new brokerage firms. I don't understand the basis for these approvals," Islam added.

Stockmarketthe 🤗 last15years

Ultimately, more than a dozen of these new intermediaries have yet to start any operations, whether as stock brokerage firms, asset management companies or

merchant banks. Central Depository Bangladesh Ltd data shows that despite the increasing number of stock brokerage firms in the past 15 years, the number of beneficiary owner accounts has nearly halved -- from of 127 companies listed in the past

3.4 million to 1.67 million. Meanwhile, Asif Khan, president prices and compromise quality, of the CFA Society Bangladesh, said

leaving many barely surviving now. a surge in intermediaries always Despite offering portfolio makes regulatory monitoring more challenging.

The Bangladesh Securities and Exchange Commission (BSEC), for this case, must now monitor around 600 intermediaries and listed companies in addition to the secondary market.

"With such limited manpower, how is it possible to properly monitor them?" Khan questioned.

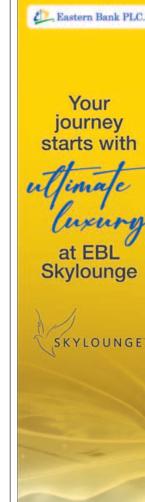
He said the BSEC has allowed exemptions from maintaining provisions for negative equity on margin loans for the past 14 years to keep the market afloat. Some intermediaries have become insolvent but have been allowed to continue operations, making the entire system risky.

Regarding the higher number of merchant banks, Khan said it is difficult to attract good companies to the market if the environment remains unfavourable.

Although the number of merchant banks has tripled to 68, IPO approvals have declined steadily in recent years, with a total 15 years, according to the BSEC.

For discouraging companies

READ MORE ON B3





#### **IMF ON CHALLENGES**

- >> Deterioration in balance of payments has put additional pressure on forex
- Spending pressures have increased
- >> Domestic payment arrears accumulated
- >> Inflation remains at double-digit levels
- >> Tax revenue collection declined

rationalising non-priority spending, in response to these challenging circumstances," the lender said in the

After assuming office, the interim government sought a fresh \$3 billion loan from the IMF in addition to the ongoing \$4.7 billion loan programme approved in January of last year.

statement.

Of the \$4.7 billion, \$2.3 billion has already been disbursed.

The multilateral lender said further discussions on renewed support would be held during the upcoming 2024 IMF-World Bank Annual Meetings in Washington DC from October 22.

From September 24 to 30, the IMF mission team, led by Chris Papageorgiou, visited Dhaka to discuss needs assessments and identify economic challenges.

After the visit, the IMF said that "economic activity has slowed markedly while inflation remains at double-digit levels owing to the recent turbulence and major floods.

"The deterioration in the balance of payments has put additional pressure on "quickly". foreign exchange reserves. Concurrently,

#### programme capital ongoing IMF-supported programme,

we will continue to work closely with

the authorities to advance Bangladesh's

reform agenda, which aims to ensure

macroeconomic stability, promote job

IMF board to decide on providing

fresh loans or extending current loan

Details on fresh loan to be

discussed during IMF-World Bank

creation, strengthen institutions, and foster strong, sustainable and equitable "We welcome the authorities' renewed commitment to implementing the reforms under the IMF-supported programme. Discussions on how to proceed with programme reviews will continue during

Annual Meetings," the statement added. IMF Managing Director Kristalina Georgieva met with Chief Adviser Prof Muhammad Yunus in New York on the sidelines of the United Nations General Assembly last week.

the upcoming 2024 IMF-World Bank

At the meeting, the IMF assured the interim government of providing more loans on a "fast-track" basis.

Georgieva said the IMF "would fast-track financial support for the government" and that she had sent a team to Bangladesh

READ MORE ON B3

# Debt servicing costs outweigh incoming loans

excessive

#### **Debapriya Bhattacharya**

#### Workers being deprived of fair wage Labour leaders tell Debapriya

STAR BUSINESS REPORT

Workers have been deprived of a fair share of the country's development as they are still not being paid proper wages, labour leaders yesterday told Debapriya Bhattacharya, head of a committee preparing a white paper on the state of the economy.

"Labour leaders claimed that the measures put in place to protect workers' interests, such as housing and maternity benefits, are inadequate," he said after meeting labour leaders at the Planning Commission in Dhaka.

The meeting was a part of a series of  $dialogues\,that\,the\,12\text{-}member\,committee$ was holding with stakeholders.

READ MORE ON B3

Bangladesh's cost to service loans from multilateral and bilateral lenders surpassed the amount received from them during the first two months of fiscal year (FY) 2024-25, indicating that the country's already fragile foreign exchange reserves may be stressed

MD ASADUZ ZAMAN

External debt servicing costs soared 47 percent year-on-year to \$589 million in the July-August period amid rising global interest rates and a heavier foreign loan portfolio.

In the same period, the country received \$458 million from global financiers, down 38 percent year-on-year.

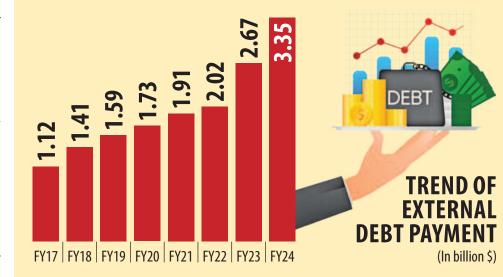
Overall, loans disbursed by foreign lenders were around \$131 million lower than the money spent by the government on debt servicing.

"The July-August period was one of the most eventful periods in Bangladesh's history, marked by significant changes and uncertainty," said Md Deen Islam, an associate professor of economics at the University of Dhaka.

"As a result, it was expected that loan and grant commitments and disbursements would be low during this period."

The Economic Relations Division (ERD) said overall commitments from financiers dipped drastically to only \$20 million in the first two months of FY25 compared to \$1.14 billion a

This situation has arisen at a time when Bangladesh is struggling to increase its foreign exchange reserves and contain exchange rate



"The finance ministry must expedite access to foreign loans and grants that multilateral partners have committed to providing," said Ashikur Rahman, principal economist at the Policy Research Institute of Bangladesh.

SOURCE: ECONOMIC REVIEW

The ministry should do that so the pressure of these international payments on our foreign reserves is minimised, he said.

Rahman said the interim government should also try to renegotiate bilateral loans taken under government-to-government frameworks to reduce medium-term pressure

on the balance of payments.

Asked whether this situation is a matter of concern right now, Rahman said: "Nothing major, but we must be watchful."

He suggested that the ERD formulate a five-year projection to help policymakers understand how much is expected in debt repayments annually over the next five years.

'It can help improve economic planning," In the July-August period, Japan disbursed

the highest amount, releasing \$130 million. READ MORE ON B3



Salehuddin Ahmed

#### Automated financial services can curb graft Salehuddin says

STAR BUSINESS REPORT

Automation of government financial services is critical for reducing corruption and resource misuse, said Salehuddin Ahmed, finance adviser to the interim government.

He made the remarks while inaugurating several new online platforms at the finance ministry yesterday.

Ahmed emphasised that integrating financial services into a unified digital system would improve transparency and accountability.

The newly launched platforms aim to streamline services provided by the Finance Division. READ MORE ON B3













#### Moklesur Rahman elected as SBAC Bank chairman

STAR BUSINESS DESK

Md Moklesur Rahman has been elected chairman of South Bangla Agriculture and Commerce (SBAC) Bank. The election was held at the 186th board meeting of the bank at its head office in Dhaka yesterday.

Rahman, one of the sponsor directors of the bank, was serving as the vice-chairman prior to his new role, said a press release.

He replaced Abu Zafar Mohammad Shofiuddin upon the completion of

Rahman is the founder of B&T Group, a conglomerate with allied concerns such as Contech Construction Ltd, B&T Knitwear Ltd, B&T Cables Ltd, B&T Cold Storage Ltd, and B&T Development Ltd.

The other concerns are B&T Meter Ltd, B&T Transformers Ltd, Smart Meter, Pre-Stressed Poles Ltd, Nexus Securities Ltd, Tushar Ceramics Ltd, PMJ Asset Management Ltd, and BD Game Studio Ltd.

He is engaged in social, cultural, religious activities and patron of education as a distinguished philanthropist besides playing an exemplary role in the country's industry and commerce, economic development and job creation.

## Al-Arafah Islami Bank turns 30



Khwaja Shahriar, chairman of Al-Arafah Islami Bank PLC, poses for photographs during celebrations to mark the bank's founding anniversary at its head office in Dhaka recently. PHOTO: AL-ARAFAH ISLAMI BANK

STAR BUSINESS DESK

Al-Arafah Islami Bank PLC has recently stepped into 30 years of operations in the banking sector of Bangladesh.

The bank chalked out numerous including discussion programmes, meetings and prayer ceremony, at its head office, all branches and sub-branches across the country marking the 30th founding anniversary.

Khwaja Shahriar, chairman of the bank, attended the programme as the chief guest, according to a press release.

In his welcome speech, Shahriar said Al-Arafah Islami Bank has been playing an important role in the country's agriculture, economy, trade, industry and infrastructure.

"We are proud to be a partner in the overall development and prosperity of the

Besides, he extended his sincere congratulations and best wishes to the customers, well-wishers, patrons and regulatory bodies on this auspicious occasion.

"Al Arafah Islami Bank has been providing services to customers sincerely since its inception. Due to the trust and faith of the customers towards the bank, the Shariah-based lender has become one of the best Islamic banks in the country," Farman R Chowdhury, managing director and CEO of the bank, said while presiding over the event.

Chowdhury urged everyone to work sincerely so that the success of the bank can be sustained.

Al-Arafah Islami Bank started banking operations on September 27, 1995.

The bank has been providing advanced

banking services to customers through 225 branches, 72 sub-branches, 745 agent outlets, and 225 ATM booths across the

The total amount of the bank's deposit is Tk 51,530 crore till June this year, while the investment amounted to Tk 46, 561 crore. The bank has 36 lakh customers, while more than 2.5 lakh of them are investment clients.

At the celebrations, Md Shahin Ul Islam, Md Abdul Wadud, Mohammed Abu Eusuf and Mohammad Asraful Hassan, and Syed Masudul Bari, Muhammed Nadim, Md Fazlur Rahman Chowdhury, Md Asaduzzaman Bhuiyan, Mohammed Hossain, deputy managing directors, were present.

Departmental head and executives of the bank, along with zonal head, branch managers, sub-branch incharges, and clients were also present.

#### Sheikh Mohammad Maroof becomes MD of Dhaka Bank

STAR BUSINESS DESK

Sheikh Mohammad Maroof, a veteran banker with almost three decades of experience in the industry, joined Dhaka Bank PLC as managing director (MD) with effect from October 1, 2024.

Maroof was serving City Bank as additional managing director and chief business officer prior to his new role, according to a press release.

His multi-skilled experience encompasses working as deputy managing director, head of wholesale banking, executive vice-president and head of treasury.

Maroof started his professional banking career American Express Bank as a management trainee

officer in 1995. Afterwards, gained experience in corporate, treasury, retail, cards, market risk, transactional, and wholesale banking as well as trade and micro

He also previously worked at Eastern Bank PLC as head of treasury.

He played significant roles in bringing forth derivative products, developing foreign exchange market, money market, merger and acquisition, advisory services, structured finance transactions and offshore banking business in Bangladesh.

financing.

Dhaka Bank PLC is looking forward to benefitting from his experience, approachable personality, leadership capabilities and charismatic persona in the coming days, the press release added.

Maroof is a "Certified Corporate Banker" and a fellow of the American Express Bank.

He obtained his master's degree in finance from the University of Dhaka.

#### **National Finance** elects Ridwan, Rozina as directors

STAR BUSINESS DESK

Ridwan Mannan and Rozina Yasmin Kabir have been elected directors of National Finance Limited.

The election was held during its 22nd annual general meeting (AGM) at a hotel in the capital yesterday.

Asif Zahir, chairman of the non-bank financial institution (NBFI), presided over the meeting, where Abu Zakir Ahmed was introduced as company secretary.

Maruf Akhtar Mannan, Md Abdul Mannan Bhaiyan, Fahima Mannan and Arifa Kabir, directors of the NBFI, were present. Foreign shareholders of the NBFI virtually joined the AGM.

Among others, Yaweer Saeed, independent director, Irteza Ahmed Khan, managing director, and Kamal Uddin, chief financial officer (acting) of the company, were also present.



a hotel in the capital yesterday.

#### PRICES OF KEY ESSENTIALS IN DHAKA CITY % CHANGES PRICE % CHANGE (SEP 30) FROM A FROM A 2024) Fine rice (kg) Tk 64-Tk 80 9.09 Coarse rice (kg) Tk 50-Tk 55 -1.87 🔱 7.14 🕇 Loose flour (kg) Tk 40-Tk 45 -2.30 🖶 Lentil (kg) Tk 105-Tk 110 -6.52 🕹 26.47 🕇 Soybean (litre) Tk 151-Tk 155 3.03 -2.86 🖶 Potato (kg) Tk 50-Tk 60 -1.79 🔱 26.44 🕇 Onion (kg) Tk 105-Tk 110 Tk 55-Tk 56 13.27 🛧

# 2 Trust Bank PLC

General Waker-Uz-Zaman, Chief of Army Staff of Bangladesh Army and chairman of Trust Bank PLC, attends the bank's "Managers' Meet 2024" at the Radisson Blu Dhaka Water Garden in the capital recently.

#### Trust Bank organises managers' meet

STAR BUSINESS DESK

Trust Bank PLC recently organised its "Managers' Meet 2024" at the Radisson Blu Dhaka Water Garden hotel in the capital.

General Waker-Uz-Zaman, Chief of Army Staff of Bangladesh Army and chairman of the bank, attended the programme as chief guest, the bank said in

Directors of the bank, along with high officials from head office and managers of all the branches of the bank across the country, were also present.

## EU states plan vote on Chinese EV tariffs

AFP, Brussels

EU member states are expected to vote on whether to slap hefty tariffs on imported electric cars from China on Friday, European diplomats said on Monday.

The European Commission, in charge of EU trade policy, plans to levy additional duties of up to 36 percent on electric vehicles imported from China but the issue has divided the bloc.

Brussels announced its plans in July for the tariffs -- on top of current duties of 10 percent – after an anti-subsidy probe found Chinese state subsidies were unfairly undermining European competitors.

The tariffs would become definitive for five years after a vote by the EU's 27 member states that must take place before the end of October.

That vote is now planned for October 4, EU diplomats told AFP. One diplomat said the hope now was that talks "can continue after the adoption of the rates".

Eleventh-hour talks took place in

Brussels when China's commerce minister Wang Wentao visited earlier this month but no solution was found to avoid duties.

The EU wants to level the playing field to protect its automotive industry, which provides jobs to around 14 million people in the bloc.

Germany, and most recently Spain, have criticised the tariffs, which they fear could lead to a trade war with China, but EU states including France and Italy support

Beijing has already bared its teeth in anger at the duties, launching probes into European brandy, some dairy, and pork products imported into China.

It also filed an appeal with the World Trade Organization over the tariffs last month.

It is unlikely that enough EU states will vote against the tariffs to force the commission to reverse

At least 15 countries representing 65 percent of the EU population -- would need to oppose the tariffs to stop them becoming

#### China's factory

FROM PAGE B4

China also aims to raise another 1 trillion yuan via a separate special debt issuance to help local governments tackle their debt problems, Reuters reported.

Officials said last week the programme has already boosted auto sales, home appliances and home decoration products.

As a property downturn weighs on the broader economic recovery, top leaders at a Politburo meeting last week called for efforts to stop the falls in the housing market.

Shanghai Megacities

Shenzhen planned to lift key home purchase restrictions in coming weeks, joining a long list of smaller cities that have done so, Reuters reported on Friday. On Sunday, Guangzhou lifted all home purchase restrictions. "Attention now shifts to the

equity market, particularly property sales and consumption during Golden Week," said Zhou Hao, chief economist at Guotai Junan International.

Chinese households preparing to kick off the seven-day Golden Week holidays from Tuesday.

# Pubali Bank organises orientation programme for junior officers

STAR BUSINESS DESK

Pubali Bank PLC organised an "Orientation Program" for its newly recruited probationary junior officers A total of 148 junior officers took part in the five-

day-long programme, according to a press release. Mohammad Ali, managing director and chief executive officer of the bank, attended the event as the chief guest. In his inaugural speech, Ali urged everyone to work sincerely and honestly.

He advised all officers to abide by the rules and regulations of the Bangladesh Bank and other regulatory bodies and equip themselves with diversified banking knowledge to cope with the current competitive global market.

The bank's MD told them to serve the customer with determination, integrity, and professionalism.

Mohammad Esha, Mohammad Shahadat Hossain, Ahmed Enayet Manzur, Md Shahnewaz Khan and Mohammad Anisuzzaman, deputy managing directors, and Ismat Ara Huq, general manager and head of human resources division, were present.

Among others, general managers of the head office and the bank's senior executives were also present.



PHOTO: PUBALI BANK

Mohammad Ali, managing director and chief executive officer of Pubali Bank PLC, attends an "Orientation Programme" for newly recruited officers at its head office in Dhaka recently.

#### Public, private collaboration a must now Finance adviser says

STAR BUSINESS REPORT

Bangladesh cannot make significant without the private sector and for this a strong between collaboration government private enterprises is a must now, said Finance and Commerce Adviser Salehuddin Ahmed.

He made this comment when a delegation from the Foreign Investors' Chamber of Commerce and Industry (Ficci), led by its President Zaved Akhtar, met with the adviser at his office in Dhaka on Sunday.

At the meeting, the commended Ficci for their support emphasised government's commitment to increasing foreign direct investment as a critical driver of economic growth.

The Ficci president presented a comprehensive outline on how the interim government can implement necessary reforms to enhance the business climate.

recommended practical including reforms in the banking sector and taxrevenue administration as well as maintaining law and order to foster a favourable business environment.

The trade body also proposed leveraging worldclass regulatory technology to enhance efficiency and increasing effectiveness, tax-to-GDP easing transaction processes

Additionally, Akhtar highlighted the need to address the punitive corporate tax, particularly in the banking sector.

chamber raised concerns about the additional withholding income tax on interest payments earned by noninstitutions resident from foreign currency borrowing, which raises the cost of borrowing for Bangladeshi borrowers.

Furthermore, emphasised that banks should not bear the responsibility for deductions at source for payments.



Women separate jute fibres from stalks after they have been loosened through soaking for a period of time in stagnant waterbodies in a process known as retting. Women undertake the task as farmhands when time allows from household chores to make some extra earnings. Each person can separate around 20 to 25 bundles a day. The photo was taken at Birgram village in Narail recently. PHOTO: HABIBUR RAHMAN

# **Confidence Cement investing** Tk 815cr to set up new factory

JAGARAN CHAKMA

Confidence Cement PLC, a cement maker based in Chattogram, is investing Tk 815 crore to set up a new production facility on 10 acres of land in Narsingdi and cater to the future demand.

The move comes at a time when cement sales have nearly halved over the past few months as most private and public construction works have come to a screeching halt following the recent change in government.

Bangladesh has been gripped with economic uncertainty ever since the Sheikh Hasina-led Awami League government was ousted through a mass uprising on August 5, with many development projects now being put on hold or cancelled.

Md Delowar Hossain, company secretary of Confidence Cement, said they are establishing the new unit as their existing facility in Chattogram is only capable of meeting demand in that region.

Once complete, the new unit dubbed "Confidence Cement Dhaka Ltd" will be capable of producing 6,000 tonnes of the key onstruction material daily, he added.

Hossain also informed that the unit institutions have a repayment tenure of up to Islam said.

will create an opportunity for the direct seven and a half years. employment of about 1,000 people once it begins operations in the first quarter of next

"About 80 percent of the construction is complete," he said.

Bangladesh Cement According to Manufacturers Association, there are roughly 30 factories across the country that can collectively churn out about 78 million tonnes of cement each year against a demand for around 40 million tonnes.

Some 13 banks and non-bank financial institutions are financing 70 percent of the total project cost while the rest is being paid from company equity.

Md Shafiqul Islam, vice president and head of debt capital market at Prime Bank PLC, said they and have successfully raised their share of Tk 558 as lead arranger through a syndicated blended credit facility.

Among the contributors, Bangladesh Infrastructure Finance Fund Limited provided support for purchasing energy efficient machinery with a 10-year repayment period.

Meanwhile, the loans from the remaining 10 banks and two non-bank financial

Pointing out how Confidence Cement began operations back in 1994, Islam said the company is a pioneer in the domestic cement manufacturing and distribution

"But in the face of higher transportation and distribution costs, it has become difficult for the company to supply its cement products in Dhaka and the surrounding areas," he

Much of the demand for cement is Dhaka-centric as most private and public construction works are based in the capital.

Against this backdrop, the financiers of Confidence Cement Dhaka decided to facilitate the construction of a new manufacturing plant with an annual production capacity of 18 lakh tonnes in Palash upazila of Narsingdi, Islam said.

He also informed that the unit will be equipped with energy efficient machinery from Loesche, a leading German manufacturer of cement-making equipment like vertical roller mills.

"We are financing the project as our

#### FBCCI member platforms should hold polls first Says a reform council

STAR BUSINESS REPORT

Elections must be held for all trade platforms under the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) before one is held for the FBCCI itself to ensure that representatives are free from political influence, a group of businesspeople demanded yesterday.

The businesspeople, under the banner Boishamma Birodhi Songskar Parishad (Anti-Discrimination Reform Council), made the demands during a press conference at the Dhaka Reporters Unity Building in the capital yesterday, according to a press release. On September 11, the government appointed

Md Hafizur Rahman, a member of the Bangladesh Competition Commission and a former additional secretary, as an administrator to the FBCCI following the resignation of its president. Mahbubul Alam, the immediate past president

of the FBCCI, stepped down that same day citing illness amidst protests following a mass uprising that ousted the Sheikh Hasina-led government on

Contesting from Sammilito Oikko Parishad, Alam had been elected president in August 2023 for the 2023-2025 term.

The commerce ministry has instructed the newly appointed administrator to conduct a fair and neutral election within 120 days.

Over the past 15 years, most business chambers and associations have become embroiled in partisan politics, said Abul Kashem Haider, coordinator of Boishamma Birodhi Songskar Parishad.

Most current leaders are accused in various cases. Many are also absconding, leaving a vacuum of leadership, he said.

Amidst this situation, it is imperative to elect members who are honest, qualified and free from political influence, he added.

In the past 15 years, many incompetent people who are not even involved in business activities were inducted into the FBCCI's board of directors through political influence using a "nominated director" provision, said Giasuddin Chowdhury Khokon, another coordinator.

As such, the provision should be completely abolished, he said.



111	COMMODITIES		
AOIL A	Gold 🔻	Oil 🔻	
	<b>\$2,645.67</b> (per ounce)	<b>\$68.02</b> (per barrel)	

	ASIAN MARKETS			
	MUMBAI	ТОКУО	SINGAPORE	SHANGHAI
	1.49% 84,299.78	4.80% 37,919.55	0.33% 3,585.29	<b>8.06%</b> 3,336.50

Too many stockbrokers

### Britain to end coal power

REUTERS, London

Britain will become the first G7 country to end coal-fired power production on Monday with the closure of its last plant, Uniper's Ratcliffe-on-Soar in England's Midlands.

It will end over 140 years of coal power in Britain.

In 2015 Britain announced plans to close coal plants within the next decade as part of wider measures to reach its climate targets. At that time almost 30 percent of the country's electricity came from coal but this had fallen to just over 1 percent last year.

"The UK has proven that it is possible to phase out coal power at unprecedented speed," said Julia Skorupska, Head of the Powering Past Coal Alliance secretariat, a group of around 60 national governments seeking to end coal power.

The drop in coal power has helped cut Britain's greenhouse gas emissions, which have more than halved since 1990.

Britain, which has a target to reach net zero emissions by 2050, also plans to decarbonise the electricity sector by 2030, a move which will require a rapid ramp-up in renewable power such as wind and solar.

"The era of coal might be ending, but a new age of good energy jobs for our country is just beginning," energy minister Michael Shanks said in an emailed statement.

Emissions from energy make up around three quarters of total greenhouse gas emissions and scientists have said that the use of fossil fuels must be curbed to meet goals set under the Paris climate agreement.

In April the G7 major industrialised countries agreed to scrap coal power in the first half of the next decade, but also gave some leeway to economies who are heavily coal-reliant, drawing criticism from green groups.

#### Debt servicing costs

The Asian Development Bank (ADB), which provided \$117 million, followed closely behind.

However, the ADB, World Bank, Japan and the Asian Infrastructure Investment Bank did not make any further commitments during the

On a positive note, Islam said the interim government's focus on transparency and accountability, as demonstrated by recent reform initiatives, meant that development partners are now more willing to provide assistance.

For example, the World Bank has committed to providing an additional \$2 billion in loans, while other development partners, including the ADB and the International Monetary Fund (IMF), are also stepping forward with financial and technical support for ongoing reforms, according to

"These efforts are expected to boost foreign investor confidence, placing Bangladesh in a better position to attract more foreign direct investment, which had stagnated in recent years," Islam

IMF reaffirms

The team will submit its report to

the IMF management board this

board could initiate a new lending

programme for Bangladesh based

on the team's report or could extend

During their visit to Dhaka, the

IMF team met with Finance Adviser

Salehuddin Ahmed, Bangladesh

Bank Governor Ahsan H Mansur

They also met with representatives

bilateral donors and development it added.

the existing loan program.

and other senior officials.

Georgieva also said the IMF

He termed the rising debt servicing costs a consequence of indiscriminate borrowing by the previous regime.

Bangladesh's foreign servicing costs have been growing steadily, but overall payments have soared since FY23.

The nation paid \$3.35 billion in FY24 to service its debts, a 25.73 percent jump compared to the \$2.67 billion it had cost the year prior.

"The continued positive trends in remittance inflows, along with renewed support from development partners, could help Bangladesh manage pressure on its foreign exchange reserves," he added.

"This would mitigate potential negative impacts on macroeconomic indicators such as inflation and GDP growth."

However, if the newly borrowed funds are not utilised properly and a significant portion is lost to corruption, imbalances in the foreign exchange market could deepen, exacerbating inflationary

pressures, said Islam. "Therefore, effective use of these resources is critical for maintaining economic stability.'

In the statement, the global

lender expressed sorrow over the

deaths during the student-led mass

loss of lives and injuries during the

recent public uprising and stand

in solidarity with the people of

Bangladesh during these difficult

interim government has helped

stabilise political and security

conditions, fostering a gradual

"The timely formation of an

times," it said.

from the private sector, think-tanks, return to normalcy in the economy,"

"We are deeply saddened by the

#### Bhattacharya said the workers' concerns would be considered during the formulation of the white

Automated

financial services

consistent with international laws.

Workers

a provident fund.

them, he added.

Bhattacharya said.

so without any hindrance.

fellow of the Centre for Policy

units had been closed and no proper

initiatives had been taken to reopen

In many cases, government

Besides, labour leaders demanded

regulations are being violated due to

the influence of large, vested groups,

to make Bangladesh's labour laws

FROM PAGE B1

These include an updated iBAS++ website, the A-Chalan portal, a verification app for pensioners, and various online systems for managing leaves from work of government employees.

Ahmed highlighted the need for ongoing system upgrades and skilled personnel to maintain the efficiency of these platforms, as automation reduces direct interaction between service providers and recipients, curbing opportunities for corruption.

Md Nurul Islam, comptroller and auditor general of Bangladesh, and Md Abdur Rahman Khan, secretary to Internal Resources Division, were present at the event, presided over by Finance Secretary Khairuzzaman Majumder.

#### Bhattacharya, also a distinguished FROM PAGE B1

from market listing, he blamed the Dialogue, said workers also alleged current IPO pricing method, lack of tax rate differences, easy bank loans that there are no proper arrangements for their welfare, pointing to a lack of and tax evasion culture.

Meanwhile, investors have a fragile He added that workers faced trust in mutual funds, leading to a nascent sector despite the increase pressure when it came to forming in asset managers. Total assets under trade unions although the law stipulates that they be allowed to do management are only Tk 14,860 crore, which is less than 2 percent of Labour leaders informed the total market capitalisation, according committee that many industrial to IDLC data.

> By giving licences to many institutions, the number of eligible investors has increased, and many of them have engaged solely in IPO applications and enjoyed quotas, said Shekh Mohammad Rashedul Hasan, managing director and CEO of UCB Asset Management.

"These investors often participate in syndication and disrupt the

Regarding the reasons for the nascent mutual fund industry, Hasan cited lower investor literacy, frequent policy changes and an unfriendly tax policy.

On tax policy, he said asset management companies have to cut taxes when they pay dividends, which is an uncommon practice globally.

Due to the large number of intermediaries, competition has turned fierce. So, some merchant banks had to surrender their licences, said Mazeda Khatun, president of the Bangladesh Merchant Bankers

"I doubt whether the regulator conducted any research to assess the necessity of these licences for the economy," she added.

Without ensuring governance in the market and introducing attractive policies, simply having a large number of merchant banks will do nothing in attracting quality companies. This is also true for other intermediaries, Khatun added.

Compared to its neighbouring unavailable for comment.

countries and other similar-size economies and nations, Bangladesh has a higher concentration of market intermediaries.

Bangladesh also leads in terms

of stockbrokerage firms, with 402 brokers serving investors through the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE). In India, there are 314 brokerage

firms, while the numbers are 67 in Nepal, 89 in Vietnam, 204 in Pakistan, 26 in Sri Lanka, 36 in Thailand and 183 in Nigeria. merchant With 68

Bangladesh ranks second among the eight countries, following India, which has 200 merchant banks. Nepal has 28 merchant banks, while the numbers are 17 in Vietnam, 54 in Pakistan, 21 in Sri Lanka, 50 in Thailand and 32 in Nigeria.

Indian merchant banks managed initial public offerings for 2,183 companies between 2018 and 2022, compared to 50 companies in Bangladesh.

The number of asset management companies is also higher in Bangladesh. The country has 67 asset management companies while India has 44.

**Brokers** President Saiful Islam recommended merging some intermediaries and consolidating the two stock exchanges.

He said the DSE could focus on bond and equity markets while the CSE could specialise in commodity exchanges.

"This will be a win-win situation for both exchanges as the CSE's turnover is very low," he added.

The Daily Star approached former BSEC chairman M Khairul Hossain for comment, but he did not respond to phone calls.

Prof Shibli Rubayat-Ul Islam, the other chairman who led the BSEC during the latter part of the 15-year Awami League regime, was also found



The interior of AkijBashir Group's glass-manufacturing factory, located in Habiganj's Madhabpur, features impressive technologies to enhance product quality, including an online scanner that checks panes for impurities like bubbles or stones. PHOTO: COLLECTED

# Expanding into glass production was a logical step

AkijBashir Group Managing Director Sk Bashir Uddin says

MAHMUDUL HASAN

To meet the rising demand for basic and high-quality glass in Bangladesh's construction sector, AkijBashir Group recently began production at a sprawling plant in Habiganj's Madhabpur upazila, placing emphasis on more transparent and pure products to position itself as a key player in the rapidly growing market. "The building materials market

has experienced tremendous growth over the past two decades, driven by increased purchasing power and a significant portion of remittances from migrant workers being spent on home improvements," Sk Bashir Uddin, managing director of AkijBashir Group, told The Daily Star in an interview.

As traditional earthen houses and tin-roofed homes evolved into concrete structures over time, glass became an essential component of modern

for large-scale infrastructure projects such as shopping malls, hospitals, and corporate offices.

"We have taken all these factors into account before selecting our projects," he

"We focused on producing traditional window glass and made significant strides in increasing transparency and quality by refining our raw materials and streamlining production processes."

Bashir Uddin added that venturing into the glass industry was a natural progression for the Akij Group, which already offered several products in the building materials sector, including cement, ceramics, and sanitary ware.

"Expanding into glass production was a logical step towards our vision of becoming a complete home solutions sustainability efforts and eco-friendly



Sk Bashir Uddin

construction.

There has been a surge in demand for basic glass products like float glass for windows, as well as advanced technical

Subsequently, following his exit from Akij Group, which he led as managing director for over one and half decades, and the formation of the AkijBashir Group as prioritised environmental responsibility. part of the family settlement, the glass business became part of his portfolio under AkijBashir Group.

AkijBashir Group is also actively involved in manufacturing ceramics, sanitary ware and particle boards.

He added that their products, which launched in September this year, were

poised to raise standards. "We believe our glass products have achieved the highest level of transparency available in the market. At the same time. we are steadily introducing the necessary technical features to meet both the functional and aesthetic demands for

high-end glass products.' Asked what distinguishes Akij Glass from competitors, he said that apart from a commitment to innovation, their initiatives ensure that the highest

prioritised environmental responsibility. Currently, up to 71 percent of our electricity consumption comes from renewable energy sources. The goal is to reach 100 percent over time," he said.

"Achieving this requires significant investment and meticulous planning; it cannot happen by chance.'

"Glass production is highly energyintensive, but we have managed to balance energy efficiency with uncompromised functionality. Our financial partner, IDCOL (Infrastructure Development Company Limited), has been immensely

supportive in completing this initiative." He also emphasised that their products would be free from defects like bubbles and stones.

"We are the only company in the country to have installed an online scanner, ensuring that every product is and soundproof variants.

digitally scanned for quality. This allows us to maintain precise dimensions and

He proudly claimed that Akij is the only company in the country producing glass with a 700 ppm (parts per million) rating, resulting in clearer and higherquality glass products.

"While some competitors claim to produce 700 ppm glass, it's simply not true. This will become glaringly obvious when you compare our glass side by side with theirs. The difference is like day and night."

Asked about why he chose Madhabpur as the location for the facility, he explained: "It was due to the proximity of raw materials and natural resources. Sylhet offers relatively uninterrupted gas supplies and essential materials like sand and gas are close by. However, there are other crucial chemical components

The project, which currently employs over 1,000 people, faced significant cost increases due to delays caused by the Covid-19 pandemic and the taka's slide against the US dollar, ultimately reaching Tk 2,000 crore.

He also confirmed that the company was preparing for international markets.

"When production exceeds domestic demand, we must explore foreign markets. We need to keep the plant operational; stopping glass production isn't an option."

When asked about handling technically complex ventures within his portfolio, he credited the legacy of Akij Group, which has thrived for over 70 years.

"Innovation has always been at the core of Akij's success. Personally, I was trained by my father, who was constantly pushing for excellence and innovation across

Industry insiders say that around 3.5 lakh tonnes of glass is consumed annually in Bangladesh, including float, reflective

#### Thriving in business through energy transition

ARIJIT CHAKRABORTI

With climate change quickly becoming a global emergency, businesses need to contribute in both cooperative and coordinated way to address it. The historic Paris Agreement, in which Bangladesh is one of the signatory countries, aims to reduce greenhouse gas emissions and limit the global average temperature rise to 1.5° C above pre-industrial levels. Businesses can contribute to this goal by not only reducing their direct emissions, but also by focusing on how they use energy to produce and distribute their goods and services.

However, business leaders must assess their energy

transition activities with respect to the business value they can create for their stakeholders – including customers employees, investors and regulators. They should analyse their energy usage by considering two aspects -- sources of energy and efficient consumption of energy. While the sources of energy should get switched out by greener options, the optimised use of energy to produce goods and services is also crucial. These steps would help businesses to be resilient against the shocks pertaining to rapid rise in energy prices.

Transformation of the energy supply from greener sources for businesses will require more energy from wind and solar farms. At the same time, businesses need to explore the possibility of using alternative sources of energy, such as green hydrogen and biofuels. These alternative energy sources have been in use in specialised applications – e.g. hydrogen has been used as rocket fuel for several decades now. Moreover, their commercial viability to produce and supply energy for business processes has improved significantly in the recent years. For example, hydrogen can now be used in the cooling and heating systems of homes and commercial premises.

Businesses have an important role in catalysing the transformation of energy production

and supply. By seeking to transition to the electricity produced from greener sources, businesses can influence energy suppliers transform production alternative fuels to run their business processes, businesses can catalyse the development of the alternative fuel market. In either scenario, businesses must conduct a cost-benefit analysis to

understand how such energy transition is going to help their businesses commercially and deliver value to the stakeholders. A scientific assessment of the cost-benefit analysis - by estimating the energy supply mix and its cost will help businesses to make prudent business decisions as well as make their business more resilient.

While the supply side of energy has been an area of focus from the beginning, it should also be noted that the effective management of demand is another important parameter of energy transition for businesses. From simple changes like changing the lighting within the entire factory or office from incandescent lamps to LED lamps, to a complete redesign of the business processes, there are ample opportunities to improve energy efficiency in most business operations.

According to a recent report published by the World Economic Forum in collaboration with PwC, improving energy efficiency at the demand side across buildings, factories and transportation can reduce the global energy intensity by up to 31 percent. Furthermore, the consequent monetary savings globally would be up to US\$2 trillion. Evidently, businesses will be able to reap this benefit quickly by improving on their demand-side energy efficiency.

Apart from business leaders' collective focus, the policymakers and regulators also need to step in and catalyse the change. Promoting entrepreneurship for creating innovative sources of energy, incentivising the initiatives towards sustainable and transparent changes, and enabling the intersecting industries to collaborate and co-create innovative solutions for themselves and their stakeholders remain a few key focus areas where policymakers and regulators can help the businesses in their energy transition.

The need for rethinking business strategies in order to thrive post energy transition and stay relevant in the future is quickly becoming imperative. Therefore, the business leaders who are proactively embracing greener supply and pursuing efficient consumption of energy are going to set compelling examples for others to follow.

The writer is a partner with PwC. The views expressed

#### Duty cuts calm potato, onion prices **Tariff commission says**

STAR BUSINESS REPORT

Import tax cut by the National Board of Revenue (NBR) has brought down potato and onion prices in the domestic markets, despite the kitchen items having seen price spirals in the international market, according to the tariff commission.

Prices of potatoes dropped by 1.79 percent to Tk 54-Tk 56 each kilogramme (kg) over the last month. Onions, a good portion of which are imported to cover the deficit in local production, also registered a decline.

Prices of locally grown onions fell by 6.52 percent to Tk

105-Tk 110 per kg on September 29 from a month ago. Prices of imported onions dropped by 11.6 percent to Tk 90-Tk 100 since August 29 this year, the Bangladesh Trade and Tariff Commission (BTTC) said in a report submitted to the commerce ministry.

"A positive impact of the duty cut is visible in the market," the report mentioned.

The NBR slashed regulatory duty on onion imports to 5 percent on September 5 following recommendations of the BTTC that tax cuts would encourage imports and increase supply of these kitchen staples.

The BTTC also reduced customs tariffs on potato imports to 15 percent from the previous 25 percent.

The reduced import taxes will remain effective until November 30 this year.

In its latest report, the commission said prices of onions stood at \$510 a tonne, which was 25.4 percent higher than the prices on August 30.

Potato prices in the international market grew by 20.1 percent in a month to \$358 each tonne yesterday (Monday), it said.

# China's factory, service sector activities shrink for fifth month

China's factory activity shrank for a fifth straight month and the services sector slowed sharply in September, suggesting Beijing will need even more stimulus to hit its 2024 growth target with only three months left in the year.

The National Bureau of Statistics (NBS) purchasing managers' index (PMI) released on Monday nudged up to 49.8 in September from 49.1 in August, still below the 50-mark separating growth from contraction but beating a median forecast of 49.5 in a Reuters poll. The reading was the highest in five months.

However, paired with a downbeat private-sector Caixin survey and weak service PMIs, the data showed China's factory and consumer activity remains a pain point for policymakers who acknowledged the economy faces "new problems" and have called for more forceful stimulus.

Authorities last week launched their most aggressive stimulus package since the COVID-19 pandemic, which helped China's stocks post their best weekly performance in nearly 16 years. Share markets extended their rally on Monday.

Economists say while the PMIs showed some bright spots for manufacturing,



Employees work in a factory that produces LED lights for export in Jiujiang, in China's central Jiangxi province. China's factory and consumer activities remain a pain point for policymakers. PHOTO: AFP/FILE

last week's big policy announcements, which include loosened property curbs in China's biggest cities, would be enough to kickstart a recovery.

"From a macro perspective these these cities account for a small share of

the bigger question now is on whether national property market," said Zhiwei Zhang, chief economist at Pinpoint Asset Management. "The key policy to address the macro challenge remains to

The central bank and top financial policies are not that important, as regulator on Sunday night unveiled more sweeping measures to aid the housing

market, including directives for banks to lower mortgage rates for existing home loans before Oct. 31.

Analysts expect the stimulus and a reported new 2 trillion yuan (\$285.20 billion) bond package should be enough to deliver growth in line Beijing's growth target of around 5 percent, but the country still needs to tackle issues of weak demand and an increasingly hostile global trade environment.

Signs of persistent consumer weakness were evident in Monday's readings with the official services PMI falling to 49.9 in September, showing the first contraction since December last year. Meanwhile, the Caixin services PMI showed activity in the

Zhao Qinghe, statistician at the NBS, said the decline in the official services PMI was due to the end of summer holiday travel peak and extreme weather such as typhoon in some regions.

The official construction PMI, however, shot up to 50.7 from 50.6 in the prior month.

Reuters reported on Thursday that 1 trillion yuan due to be raised via special bonds will be used to increase subsidies for a consumer goods replacement programme and for business equipment