



DHL, Daily Star to honour best in business today

STAR BUSINESS REPORT

The DHL and The Daily Star come together every year to recognise the best businesses in Bangladesh.

Bangladesh Business Awards (BBA), a flagship annual event of the two organisations, will celebrate the outstanding achievements of businesses at a ceremony in Dhaka today.

DHL, a global logistics service provider, and The Daily Star, the most circulated English newspaper in Bangladesh, have been honouring the best in the business community since 2000 for their entrepreneurial spirit, creativity and hard work.

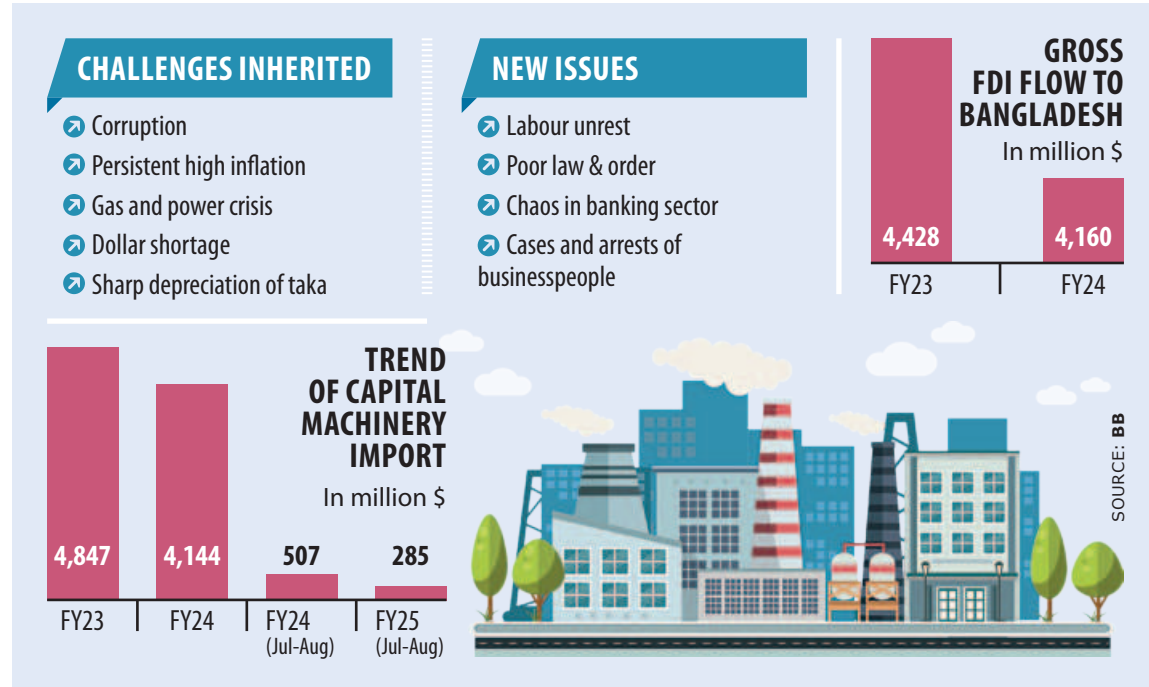
Finance and Commerce Adviser Salehuddin Ahmed is scheduled to attend the 22nd edition of the event – Bangladesh Business Awards 2023 – as the chief guest at Radisson Blu Dhaka Water Garden.

This year, the BBA will be given in five categories: Business Person of the Year, Best Financial Institution of the Year, Best Enterprise of the Year, Best Woman in Business, and a Life Time Achievement Award.

Kihak Sung, chairman of Youngone Corporation, is scheduled to deliver a keynote speech at the ceremony.

The BBA is given to create an environment of excellence and competitiveness so that businesses achieve greater heights of productivity and efficiency.

Uncertainty shrouds business recovery



REFAYET ULLAH MIRDHA

The uphill battle to restore confidence among the business community is progressing slowly as the Prof Muhammad Yunus-led interim government marks its second month in office.

Businesspeople, who now adopt a "wait-and-see" approach, say they are worried but still optimistic that the situation will improve soon. Meanwhile, business expansion, foreign direct investment (FDI) and new local investment plans remain on hold.

After weeks of fierce nationwide protests and mass uprisings, the Awami League government was ousted on August 5. Subsequently, the interim government led by Nobel laureate Yunus was sworn in on August 8.

The new government inherited at least half a dozen business challenges, such as corruption, persistent high inflation, gas and power crises, dollar shortages and a sharp depreciation of the taka.

These challenges already translated into declining FDIs, slumping capital machinery and raw material imports, according to official data.

Even before the new government could begin confidence restoration work, widespread labour unrest, deteriorating law and order, arson, factory looting and the arrest of businesspeople added to the

existing challenges.

"We expected a higher level of business confidence from the incumbent government," said AK Azad, chairman and managing director of Ha-Meem Group, a leading garment exporter. "The future of business and investment depends on the government's restoration of law and order."

The apparel exporter said the student movement in July and August impacted their fashion orders from Western buyers. At the

Businesspeople, who now adopt a "wait-and-see" approach, say they are worried but still optimistic that the situation will improve soon

time of the movement and soon after the government's fall, timely shipment of export orders became very difficult.

Apart from exports, the opening of letters of credit (LCs) for imports declined by 4.76 percent in July-August compared to the corresponding period last year, according to Bangladesh Bank data.

In late August and early September, labour unrest erupted in major industrial belts, disrupting production lines that were already struggling to meet tight deadlines.

Although the situation has now improved largely, Azad said international clothing retailers and brands placed fewer work orders for the next seasons due mainly to the inability to contain labour unrest promptly.

"Amid this turmoil, the investment climate is almost missing," he commented. "We are worried, but not entirely disappointed. We hope the business and investment climate will improve soon."

Ashraf Ahmed, president of the Dhaka Chamber of Commerce and Industry (DCCI), said three key factors diminished the business confidence after the political changeover.

Those are poor state of law and order, labour unrest and energy shortages in industrial units.

In such a situation, the DCCI president said new investment is unimaginable, as it is difficult to protect existing investments. "We are under immense pressure and need rapid improvement."

While Azad and Ahmed worried about law and order, Abdul Hai Sarker, chairman of the Bangladesh Association of Banks (BAB), said investment primarily depends on an adequate supply of gas and power to industrial units.

He said inconsistent supplies of these industrial inputs are worsening business optimism.

READ MORE ON B3

NBR detects Tk 1,400cr of unpaid VAT of S Alam firms

MOHAMMAD SUMAN, Ctg

Ten companies of S Alam Group have been ordered to pay Tk 1,414 crore of unpaid value-added tax (VAT) they allegedly "evaded" in the past two years.

Of the firms, S Alam Refined Sugar Ltd, SS Power Ltd, S Alam Cold Re-Rolling Mills, and Chemon Ispat Ltd have around Tk 1,319 crore of unpaid VAT, an indirect tax paid by the ultimate consumers.

The remaining six concerns of the Chattogram-based group have around Tk 100 crore of unpaid VAT, according to the audit reports by the Customs, Excise & VAT Commissionerate, Chattogram.

The field office of the National Board of Revenue (NBR) came up with the findings more than a month after it formed four teams to conduct audits into business activities and transactions of 18 concerns of S Alam Group to verify if they have paid the VAT properly.

Tafsir Uddin Bhuiyan and Kamrul Hasan, joint commissioners of VAT, were appointed as heads of the four teams formed on August 19.

The Daily Star could not reach S Alam Group's Chief Financial Officer Subrata Kuman Bhowmik despite repeated phone calls and text messages for comments.

With the latest findings, the total amount of unpaid VAT by the concerns of S Alam stands at around Tk 5,000 crore.

The field office of VAT, in separate audit reports submitted in May 2024, found that S Alam Vegetable Oil Ltd and S Alam Super Edible Oil Ltd allegedly "evaded" Tk 3,538 crore through various means, including by presenting lower purchase and sales data in VAT returns between 2019 and 2022.

With the latest findings, the total amount of alleged VAT "evasion" by the concerns of S Alam stands at around Tk 5,000 crore.

In its latest audit, the NBR's field office of VAT found that S Alam Refined Sugar allegedly "evaded" Tk 755 crore of VAT.

S Alam Sugar claimed Tk 7,219 crore in sales in its audited financial statement for the 2021-22 and 2022-23 financial years, according to the reports by audit teams formed by VAT Commissionerate Chattogram.

However, the company showed Tk 1,751.47 crore in its VAT return in the two years.

As such, the company did not show Tk 5,468 crore as sales in the VAT returns and "evaded" Tk 713 crore as VAT, as per the report.

The company also "evaded" Tk 42.18 crore of source VAT during the period, as per the reports.

Similarly, SS Power Limited claimed payment of the source VAT of Tk 516 crore in its financial statement audited by a chartered accountancy firm.

Actually, the company paid Tk 316 crore, according to the audit reports by the VAT office.

As such, the VAT Commissionerate in Chattogram issued a show cause notice asking the company for payment of the outstanding source VAT of Tk 200 crore.

The audit team of the field office of VAT also found out that S Alam Cold Re-Rolling Mills has Tk 215 crore of

READ MORE ON B3

S Alam took out Tk 7,000cr loan from Social Islami Bank

Says new chairman of the bank

STAR BUSINESS REPORT

Chattogram-based business conglomerate S Alam Group took out around Tk 7,000 crore from Social Islami Bank, which is over 18 percent of the total outstanding loans of the cash-strapped commercial lender.

Of the Tk 7,000 crore, the bank has identified that Tk 6,400 crore are funded loans, meaning which involved the direct transfer of cash, said Professor M Sadiqul Islam, the new chairman of the bank.

As of June this year, the total outstanding loan of the Shariah-based lender stood at Tk 37,285 crore, he told a views-exchange meeting with journalists at its head office yesterday.

Social Islami Bank is one of the six Shariah-based lenders that were controlled by the Chattogram-based business giant. The conglomerate took over the bank through coercion in 2017.

Following the political changeover in August, the central bank reconstituted the bank's board, freeing the lender from the grip of S Alam.

At the views-exchange meeting, the new chairman said there had been a lack of good governance at the bank and a huge amount of money was channelled out from the bank.

However, it is possible to recover S Alam loans as many projects of the group are still ongoing, believes Sadiqul Islam.

READ MORE ON B3

Taskforce formed for stock market reform

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) yesterday formed a five-member taskforce to prepare a report comprising recommendations for bringing about reforms to ensure good governance in the stock market.

Mohammed Helal Uddin, a professor of the economics department of the University of Dhaka, and KAM Majedur Rahman, a former managing director of Dhaka Stock Exchange, are two of the members.

AFM Nesaruddin, senior partner of Hoda Vasi Chowdhury & Co, Md Mostofa Akbar, a professor of computer science and electronics of the Bangladesh University of Engineering and Technology, are also in the taskforce.

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Manipulators behind protests against BSEC

Commission says in letter sent to finance ministry

AHSAN HABIB

The Bangladesh Securities and Exchange Commission (BSEC) has alleged that manipulators were fuelling protests against the regulator to prevent it from taking a stand against corruption and reforming the stock market.

The involvement of manipulators and an "AGM Party" was uncovered through an investigation, the BSEC said in a letter sent to the Financial Institutions Division of the Ministry of Finance on Sunday.

According to the BSEC, "AGM Party" are people who pass agendas at annual general meetings (AGM) of listed companies in order to take illegal benefits.

Protests have been staged outside the BSEC office in Agargaon and in Motijheel for more than a week.

These so-called investors came under the banner of the general investors but in reality they are not general investors, the BSEC said.

Major steps of BSEC

- Committees formed to probe manipulations
- 25 individuals and firms fined
- 80 accounts of several people frozen
- Fund raising appeal of several companies cancelled for noncompliance
- Steps taken against companies who broke rules
- Floor price, circuit breaker lifted

MAJOR DEMANDS FROM INVESTORS

- Boosting stock market
- Returning 27 junk stocks to A, B categories
- Delaying punishment to manipulators
- Giving financial support to those who lost funds

They are trying to destabilise the situation with their demands, most of which are illogical. They also raised questions regarding the companies that were sent to the Z category.

Recently, the stock exchanges demoted 27 companies to Z category from A and B categories as

they failed to pay dividends properly. The BSEC said its mandate is only to monitor whether the rules and regulations were followed in demoting the companies. Its job is not to look after the indices but to ensure accountability and transparency.

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Bangladesh economy to grow 7.1% in FY26: HSBC

STAR BUSINESS REPORT

Bangladesh's economy is expected to clock a 7.1 percent growth in fiscal year 2025-26, driven by exports and remittances, according to an HSBC Global Research report.

Both exports and remittances are showing positive signs despite the ongoing challenges in the global economy, the HSBC said in a statement following a webinar on economic outlook organised by the British multinational bank's Dhaka office recently.

At the event, Frederic Neumann, chief Asia economist and co-head of HSBC Global Research Asia, said even though Bangladesh's GDP growth rate for fiscal year 2024-25 was revised to 4.5 percent, it would jump to 7.1 percent in the following year.

The garment sector, which accounts for 83 percent of the country's exports, is expected to grow through an increase in demand from international markets, he said.

"At the same time, imports, which had been strained by rising global energy prices, are now stabilising reflecting a recovery in domestic demand and easing cost pressures," he said.

The official said

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ShareTrip wins 'Leading Online Travel Agency' award

STAR BUSINESS DESK

ShareTrip, a travel and lifestyle platform in Bangladesh, was honoured "Leading Online Travel Agency" for the company's commitment to innovation and excellence in the travel industry at the Travel, Tourism, and Hospitality Awards 2024.

Jointly organised by Prime Bank and The Bangladesh Monitor, the award winners were selected from 184 entries by a jury of professionals and leaders from various sectors, along with over 108,000 online public votes cast across different categories, according to a press release.

Mofassal Aziz, head of brand communication, media and public relations division at ShareTrip, received the award at the function held at the InterContinental Dhaka in the capital recently.

Sadia Haque, co-founder and CEO of ShareTrip, expressed her gratitude, stating: "This award speaks volumes about the love and trust our customers place in us. It drives us to continue innovating and creating better travel experiences for all."

With this recognition, ShareTrip reinforces its position as a trailblazer in the travel tech space, offering cutting-edge solutions that redefine travel for its rapidly expanding community.

Oil prices extend gains

REUTERS, London

Oil prices extended gains on Monday, with Brent nearing \$80 to build on last week's steepest weekly jump since early 2023, driven by fears of a wider Middle East conflict and potential disruption to exports from the major oil-producing region.

Brent crude futures rose \$1.11, or 1.4 percent, to \$79.16 a barrel by 0839 GMT. US West Texas Intermediate crude futures jumped \$1.28, or 1.7 percent, to \$75.66.



The straw left over from the harvest of paddy is a major component of the cattle diet maintained by smallholder farmers. Though low in energy and protein and very deficient in minerals, straw is a good roughage feed. Each bundle can sell for Tk 25 to Tk 30. The photo was taken on the Khulna city bypass road recently.

PHOTO: HABIBUR RAHMAN

MATARBARI DEEP-SEA PORT

Interim govt to continue the Japan funded project

STAR BUSINESS REPORT

The interim government will undertake a lone mega project during its tenure, namely the Matarbari deep-sea port, according to Planning and Education Adviser Prof Wahiduddin Mahmud.

"This will be the sole mega project during the interim government's tenure. It may be completed by 2030," he said yesterday at a press briefing in the capital's Agargaon.

In this regard, the Executive Committee of the National Economic Council (Enec) approved the "Matarbari Port Development Project", which was revised for the second time.

"This deep-sea port has geopolitical significance. Many countries, including China and India, want to build this port," the adviser said.

However, the government has selected Japan as the development partner considering it charges lower interest and offers a longer repayment period, he said.

He added that once the deep-sea port comes into operation, trade and commerce in the country will be boosted while the importance of this route will increase.

"Existing ports will not meet the demands of the future," he said.

After revising the project, the overall cost now stands at Tk 24,381 crore with an additional cost of Tk 6,574 crore. The project was taken in 2020 and was supposed to be

completed by 2026.

However, the deadline was later extended to December 2029.

Prof Mahmud said a new road would be built under this project, which will raise the overall cost.

He also opined that the level of corruption and waste of resources had now reduced to some extent.

"But the magnitude of extortion has probably not decreased so much," he said.

Besides, Prof Mahmud said the pace of investment in the country is slow. Although the private sector is the engine of the economy, many private sector entrepreneurs and bank owners are missing.

"After such a big political change, such a slowdown in investment is normal," he said.

Given this context, Prof Mahmud also said increasing public expenditure to some extent is necessary to spur job creation and ensure smooth functioning of the economy.

Prof Mahmud also said there was undue political influence on the growth and inflation figures that were presented in the past.

He added that the Bangladesh Bureau of Statistics (BBS) lacks capacity.

"I'm not reprimanding them for that. The situation is the same in all developing countries."

The adviser further said the government will prepare a report on the vehicles owned by the government throughout the country.

Matarbari deep-sea port has geopolitical significance. Many countries, including China and India, want to build this port

Wahiduddin Mahmud
Planning adviser

completed by 2026. However, the deadline was later extended to December 2029.

S Alam

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He said the bank holds Tk 250 crore in fixed deposits of the group, which has already been frozen.

Due to credit overexposure over the past few years, the bank is now facing a liquidity crisis, he said.

"We have signed agreements with four banks for around Tk 900 crore in liquidity support. Social Islami Bank has already received Tk 450 crore as deposits and liquidity support," said Sadiqul Islam.

The bank is now honouring a small number of cheques, which will eventually help restore client confidence, said the new chairman, adding that the new board has recovered Tk 794 crore from borrowers.

The bank has also increased its focus on dealing with cases against defaulters, he said.

"We have tracked most of the borrowers who took loans in recent years. We are in touch with them. The bank will surely protect the money of the depositors," he said.

The new chairman said Social Islami Bank would be able to conduct all normal banking activities, such as opening letters of credit (LCs) and offer some other banking services, as the central bank was gradually withdrawing restrictions.

Mentioning the bank's liquidity crisis, he said as per rules, their banking business was supposed to close because of a shortfall in cash reserve ratio (CRR) and statutory liquidity ratio (SLR) with the central bank, but that did not happen.

"The central bank allowed us to run our business despite a negative current account balance, that is why we are in a severe liquidity crisis," he said.

The bank faced its first CRR shortfall in November 2022.

From January to June this year, Social Islami Bank collected more than \$400 million as remittance at high exchange rates and then it was provided to some state-run banks at a low rate as per the verbal instruction of the central bank.

This led to the Shariah-based lender incurring a loss of Tk 130 crore, according to officials at the meeting. They said the issue is now under the inspection of the central bank.

NBR detects Tk 1,400cr

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unpaid VAT and Chemon Ispat Ltd Tk 147 crore.

"We have issued demand notices to the companies," said Syed Mushfequr Rahman, commissioner at Customs, Excise & VAT Commissionerate, Chattogram.

He said the VAT Commissionerate is also in the process of realising the unpaid VAT of Tk 3,538 crore and fines from S Alam Vegetable Oil Ltd and S Alam Super Edible Oil Ltd.

Rahman said his office has issued notice to the two companies for payment of unpaid VAT in 21 working days.

"If they do not clear (the payment), we will go for freezing the bank accounts of the companies and

locking business identification numbers to realise the VAT," he said.

S Alam Group came under greater scrutiny from the regulatory agencies, including tax compliance, after the fall of the Awami League government in early August this year.

Mohammed Saiful Alam, chairman and managing director of S Alam Group, is widely believed to be a beneficiary of the previous government.

The Bangladesh Financial Intelligence Unit has sought account details of S Alam and his family members, while the Bangladesh Bank restructured the boards of banks, which were dominated by S Alam and his family members during the tenure of the previous government.

Taskforce formed for stock

FROM PAGE B1

The last member is Al-Amin, an associate professor of the accounting and information systems of the University of Dhaka, according to a circular published on the BSEC website.

Created based on opinions of stakeholders, the taskforce will itself create several focus groups which would work on several issues, avail opinions and provide recommendations for the report's preparation within a "logical timeframe".

The issues include identifying the

reasons behind the country's low tax to GDP ratio, which is 7 percent at present, alongside solutions for it and ways to improve the BSEC's efficiency.

The groups will also find ways to ensure good governance in the stock market, upgrade market intermediaries to international standards, ensure accountability and transparency of listed companies and modernise several rules.

They will also recommend ways to increase the diversity of products in the market and attract local and foreign investors.

Bangladesh economy

FROM PAGE B1

remittances were anticipated to grow, driven by improved employment conditions in key overseas markets.

"This rise in remittances will not only support household consumption but play a significant role in sustaining the broader economic recovery," he said.

However, challenges remain, particularly with inflation, said Neumann, adding, "This will continue to affect both household spending

Manipulators behind protests

FROM PAGE B1

Since the fall of the Sheikh Hasina government on August 5, the DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), has fallen by 283 points, or 5 percent, to 5,335 points till yesterday.

There is an official process to submit demands and the regulator should have been given proper time to scrutinise those, the letter said.

However, they placed their demands in the media and urged for the resignation of the BSEC chairman. After that, they came to the BSEC office and locked its gate.

It indicates that some people are being used in order to stop the BSEC's reform activities, it said.

To maintain transparency and accountability, the regulator must take punitive steps which may not satisfy everyone, the letter read. "Clearly, the activities of the undisciplined people are ill-motivated."

"The BSEC found in its investigation and analysis that the AGM Party and some people involved in a lot of corruption are against

punitive actions and reforms, so they are fuelling the protests."

They fear that their manipulation will be stopped if all reform activities are carried out, it said.

In order to gauge the present situation of the stock market, the BSEC said the new commission met with several stakeholders to unearth problems and ways out.

It has already formed several investigation committees to reveal corruption and manipulation in the past 15 years.

The last commission hardly took legal steps against manipulators, but the present one has taken proper legal action against delinquents.

Last week, the BSEC imposed a record fine of Tk 428.52 crore on 9 individuals and firms for manipulating the stocks of Beximco Ltd.

Three audit firms were removed from the BSEC's audit panel as they failed to enlist in the Financial Reporting Council (FRC).

It also cancelled the bond issuance of several banks as they failed to fulfil all the conditions and cancelled the

businesses," he added.

"Business and investor confidence has not settled down yet," said M A Jabbar, managing director of conglomerate DBL Group.

He held poor law and order and overall uncertainty responsible for the low confidence of businesses and investors.

Requesting anonymity, a spinning mill owner, meanwhile, complained about inconsistent gas supplies and the sharp depreciation of the local currency Taka. Due to gas shortages, he said his factory is currently running at 40 percent of its total capacity.

The spinner said the government should take new initiatives to attract new investment and protect existing investments.

Khandoker Rafiqul Islam, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said new investment and expansion plans are

Tourism experts present roadmap for recovery

STAR BUSINESS DESK

Experts and businesspeople of the tourism industry in Bangladesh have prepared a roadmap for the sector's recovery and urged the government for a comprehensive crisis management plan to this end.

They put forward their plan during a seminar, styled "Roadmap for Tourism Recovery: Present Bangladesh Context", at the Sheraton Dhaka in the capital's Banani on Sunday.

The event was organised by The Bangladesh Monitor, a publication on travel and trade services in the country, according to a press release.

At the seminar, industry experts suggested a number of measures, including launching e-visa systems, ensuring travellers safety, undertaking public relations efforts, attending international fairs, appointing tourism officials at foreign missions, and so on.

Addressing the seminar, Peter A Semone, chairman of the Pacific Asia Travel Association (PATA), assured they would provide full cooperation if the Bangladesh government seeks their support in this regard.

He further stressed the necessity of establishing visa free entry for the country's top tourist generating source markets.

Syed Ghulam Qadir, general secretary of the World Tourism Network Bangladesh Chapter, presented the keynote paper.

He said building the country's image as an ideal destination to visit is key for increasing the number of tourist arrivals.

Qadir noted that the hotel occupancy rate in Bangladesh stands at just 30.35 percent, with many international bookings remaining cancelled.

Kazi Wahidul Alam, editor of The Bangladesh Monitor, moderated the session.

Among others, Md Rafeuzzaman, president of the Tour Operators Association of Bangladesh, Masud Hossain, managing director of Bengal Tours, Taufiq Rahman, chief executive officer of Journey Plus, and Md Shakawath Hossain, CEO of Unique Hotel and Resorts, also spoke.

STOCKS	
DSEX ▼	CASPI ▼
0.81%	1.01%
5,335.05	15,012.75

COMMODITIES	
Gold ▲	Oil ▲
\$2,658.26	\$75.92
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.78%	▲ 1.80%	▲ 0.28%	Closed
81,050.00	39,332.74	3,599.19	

Stocks fall for second day

STAR BUSINESS REPORT

Indices of the Dhaka Stock Exchange (DSE) fell for a second day yesterday as jittery investors went on a share selling spree amid price movements.

Following the preceding day's sharp fall, the DSEX, the broad index of the country's premier bourse, dropped 43.72 points, or 0.81 percent, from the previous day to close at 5,335 points.

The DSES index for Shariah-based companies shed 1.47 points, or 0.12 percent, to 1,189 points.

In the blue-chip segment, the DS30 index slipped 22.08 points, or 1.12 percent, to 1,942 points.

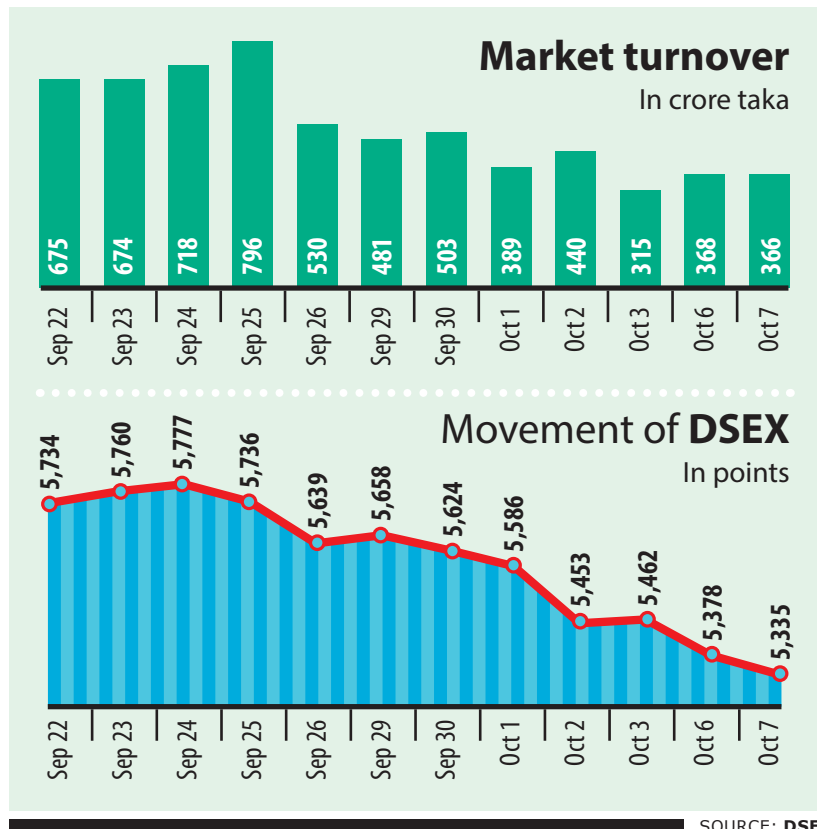
The Chittagong Stock Exchange witnessed a similar trend as the CASPI, the main index of the port city bourse, slipped by 154.50 points, or 1.02 percent, to settle at 15,012 points.

Out of 396 scrips that witnessed trade at the DSE, only 53 saw a price rise, 55 remained unchanged while the remaining 288 closed lower.

The day's turnover decreased by 0.44 percent to Tk 367 crore.

The banking sector dominated the turnover chart, accounting for 29.05 percent of the total.

Block trades, meaning high-volume transactions in securities that are privately negotiated and executed outside the open market, contributed another 5.6 percent.



Midland Bank was the most traded share, with a turnover of Tk 36.9 crore.

Sector-wise, paper and printing, engineering and jute became the top three sectors to close in the negative

while cement was the only sector to close in the positive, according to the daily market update by UCB Stock Brokerage.

All sectors that account for large

amounts in market capitalisation, which refers to the value of a company's outstanding shares, closed in the negative, according to the daily market update by BRAC EPL Stock Brokerage.

Engineering experienced the highest loss of 3.58 percent, followed by non-bank financial institutions (NBFIs) (2.64 percent), fuel and power (2.09 percent), telecommunication (1.82 percent), food and allied (1.57 percent), pharmaceuticals (0.73 percent) and banking (0.25 percent).

Among the large-cap companies, Islami Bank Bangladesh, LafargeHolcim Bangladesh, Beximco Pharmaceuticals, Square Pharmaceuticals, Pubali Bank, United Commercial Bank, Eastern Bank, Agni Systems, Islamic Finance and Investment, and Jamuna Bank drew a lot of investors, according to the LankaBangla Financial Portal.

Islami Bank Bangladesh, which accounted for a drop of around 44 points of the DSEX on the previous day, was the only company to secure a double-digit growth of 18.61 percent in share prices.

Meanwhile, shares of BRAC Bank, British American Tobacco Bangladesh, Grameenphone, Beacon Pharmaceuticals, Bangladesh Submarine Cables, Renata, Prime Bank, ACME Laboratories and Olympic Industries suffered losses.

READ MORE ON B2

Why our mobile data prices are higher than India, Pakistan

MUSTAFA MAHMUD HUSSAIN

Bangladesh's mobile data prices are among the highest in the region, surpassing Pakistan, India, and even developed countries like France and Italy. In today's world, access to affordable data is a necessity, not a luxury. It's the bridge between a mother staying connected to her children overseas, a farmer consulting a doctor via telemedicine, or a student in a remote village accessing the same quality education as a child in Dhaka. When the cost of data is high, we're not just raising prices, we're raising barriers to progress, education, and health.

The golden goose and the tax trap

Bangladesh's telecom sector is like a golden goose – a powerful engine of economic growth. Yet, high taxes and fees are stifling its potential. The NBR imposed heavy taxes on mobile operators, discouraging innovation and expansion as they struggled to meet both the tax load and growing consumer demand. Without changes, Bangladesh risks sacrificing long-term growth for short-term revenue. In a country where the wealth gap is already wide, the high cost of mobile data creates a digital divide. While the wealthy enjoy fast, reliable internet, the majority of Bangladeshis are left disconnected. This isn't just about technology, it's about fairness, inclusion and equity for every citizen.

The heavy tax burden

The telecom industry in Bangladesh faces an overwhelming tax burden. Telecom companies are subject to VAT (15 percent), supplementary duty (15 percent), and a 1 percent surcharge on subscriber services, accounting for 25 percent of their revenue. On top of this, they bear corporate tax, SIM taxes, customs duties, and regulatory fees like revenue sharing (5.5 percent), the social obligation fund (1 percent), and spectrum amortization costs. These fees add another 15 percent to their costs. Ecosystem costs, including payments to TowerCo, NTTN, IIG and others, make up 18 percent while network operations, marketing, capital expenditures and financial costs account for around 26 percent. This leaves operators with a very low profit margin, making it difficult to improve service quality or reduce prices.

CDN barriers and content delivery

Bangladesh's lack of proper implementation of content delivery networks (CDNs) further contributes to high data costs and slow internet speeds. BTRC announced that IIG operators, the NIX, ANSS, and nationwide ISPs were allowed to set up caching servers with BTRC's permission. CDNs store data closer to users, reducing the need to pull data from international sources, which improves speed and lowers costs. However, bureaucratic delays have prevented CDNs from being fully adopted. Expediting CDN implementation could significantly reduce international bandwidth costs, improving both speed and affordability for consumers.

The second-order effect

Imagine you have a toy car, and you push it. The first thing that happens is the car starts moving (that's the first effect). Now, imagine the car bumps into another toy, making that toy move too. This is the second effect – the ripple. Let's consider a real-life example in Bangladesh.

First-order effect: a telecom company introduces a more affordable data plan. Second-order effect: more people can afford internet access, which leads to improved access to information, online education, and digital services.

The ripple of cheaper data

Imagine students in remote villages accessing online lessons with affordable data. Like watering a garden, this would nurture a more knowledgeable population, driving growth in sectors like ICT, education, and healthcare. Now, picture a small business owner in a rural area setting up an online store with cheaper data, reaching customers far beyond their village. This would open doors to new markets and bring millions of unbanked citizens into the formal financial system through mobile wallets like bKash. More people online means more demand for services, jobs, and innovation, fueling Bangladesh's economy in ways that are just waiting to be unlocked.

What needs to change

Bangladesh is at risk of being left in the slow lane while countries like India and Pakistan surge ahead with cheaper, faster data access.

To unlock the potential of affordable mobile data, Bangladesh must: Reduce the tax burden: Lower VAT, supplementary duty, and regulatory fees to allow operators to offer affordable data plans. The BTRC should ease its ecosystem costs and spectrum fees to enable more investment in network improvements.

Promote innovation: Lower taxes would encourage operators to invest in technologies like 5G, fostering competition, improving service quality and driving prices down.

Accelerate CDN adoption: The BTRC must fast-track CDN approvals, reducing international bandwidth costs and making data more affordable.

Conclusion

It's time for policymakers to recognize that affordable data is the key to unlocking Bangladesh's future potential. The time for action is now. We must reduce the tax burden on telecom operators, accelerate the adoption of new technologies and ensure that every Bangladeshi – no matter where they live – has access to fast, affordable internet. The future of our nation depends on it.

The author is a telecom policy analyst

Jatri to expand into GCC market

STAR BUSINESS REPORT

Jatri, a digital ticketing platform that is revolutionising public transportation in Bangladesh, has announced its expansion into the Gulf Cooperation Council (GCC) market, starting with Saudi Arabia and the UAE, by introducing "Saafir".

It will offer travel packages for Umrah, catering to pilgrims seeking a seamless and fully managed experience.

The all-inclusive packages, available on the Saafir.co platform, feature door-to-door transportation, a range of accommodation options, and personalised support throughout the pilgrimage.

"Through this expansion, we aspire to redefine the travel experience across the GCC, blending cutting edge technology with unparalleled service to create a truly integrated and seamless journey for our users," Aziz Arman, cofounder and CEO of Jatri, told The Daily Star.

"Our vision is to set new standards in mobility, connecting people and places with efficiency and elegance."

The local startup, which was launched in 2019 and has secured foreign investment worth \$6 million till date, already struck a deal with Eilago, a leading travel tech focused startup in the GCC transport sector, with the aim of jointly offering seamless, integrated travel and transport solutions.

With flexible pricing plans and a user-friendly booking system, the Umrah packages are designed to cater to travellers of all budgets, making the spiritual journey smoother and more accessible than ever before, the startup said in a statement.

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27 progress to world stage of Nasa Space Apps Challenge

STAR BUSINESS REPORT

The Bangladesh phase of 11th edition of the Nasa Space Apps Challenge 2024 concluded on Sunday with 27 winners.

The winners will now compete at the world stage.

The Nasa Space Apps Challenge – an initiative of the National Aeronautics and Space Administration (Nasa) of the US – brings together talented individuals from 185 countries, including technologists, scientists, designers, artists, educators and entrepreneurs, to develop innovative solutions to global challenges.

The 36-hour hackathon began on October 4 this year.

The Bangladesh Association of Software and Information Services (BASIS), with support from the BASIS Students' Forum, organised the awards giving ceremony, which took place on Saturday at the auditorium of the American International University-Bangladesh (AIUB).

Helen LaFave, charg e d'affaires of the US embassy in Dhaka, and Nadia Anwar, founding member and chairperson of AIUB's board of trustees, were present.

In his remarks, BASIS President Russell T Ahmed said Bangladesh is not a country that backs down.

"We regularly face challenges and move forward. Our students have become local and global champions through their participation in the Nasa Space Apps Challenge, with some even securing jobs at Nasa," he said.

"BASIS has organised this competition for an 11th consecutive

year, and this continuity will keep our youth motivated and lead us to a fifth global victory," he added.

Nadia Anwar said this event is significant not only for the youth but also for advancing the future of science and technology.

"Science and technology have always been at the forefront of human progress, reshaping industries and societies. This will inspire our youth to become the scientists and technologists of tomorrow."



LaFave congratulated participants.

"This platform not only fosters innovation, but also ignites a passion for science and technology in our youth. It's remarkable that no other country has been a global champion three consecutive times. You should take pride in yourselves, and I hope to see another victory from you next year for the fifth time."

In 2018, Shahjalal University of Science and Technology's 'Team Olik' became the global champion in the 'Best Use of Data' category.

In 2021, 'Team Mohakash' from Khulna University of Engineering and Technology and Bangladesh Army University of Engineering and Technology became world champions in the 'Best Mission Concept' category.

Graft major barrier to smooth NGO operations

Sector leaders say

STAR BUSINESS REPORT

Corruption and institutional impediments are the major barriers for non-governmental organisations (NGOs) to run their activities smoothly in Bangladesh, NGO representatives told a committee preparing a white paper on the state of the economy yesterday.

"These hurdles and grafts have been committed, sometimes voluntarily and sometimes with the support of the government's policy," said Debapriya Bhattacharya, head of the committee, quoted the NGO representatives as saying.

Bhattacharya was talking to journalists at National Economic Council in Dhaka on meeting with 78 representatives of different NGOs across the country.

The meeting was a part of a series of dialogues that the 12-member committee was holding with various stakeholders.

Bhattacharya, also a distinguished fellow of the Centre for Policy Dialogue, said the NGO executives accused the agency in charge of overseeing them, the local administrations and law enforcement agencies of allowing the malpractice.

Non-government development organisations have made a large contribution to Bangladesh's development since the country gained independence in 1971 but were not recognised, he quoted the representatives as saying.

India may keep rate on hold

REUTERS, Mumbai

India's central bank is likely to keep rates steady on Wednesday, with a small number of investors betting on the probability of a change in stance to neutral, opening the door to rate cuts as economic growth slows and global rates ease.

The Reserve Bank of India (RBI) is seen maintaining the repo rate at 6.5 percent for a 10th straight meeting with more than 80 percent of the 76 economists in a Reuters poll forecasting no change in rates. It has held the repo rate steady since February 2023.

A dozen economists predicted a 25 basis-point cut, while one anticipated a drop to 6.15 percent. Nomura economists said they see a 55 percent probability of a rate cut in October while acknowledging it would be a close call.

Market participants believe the US Federal Reserve's 50-bp rate cut last month may prompt the RBI to start cutting rates sooner rather than later, with most now pricing in a December rate cut versus early 2025 previously.

"Given the undershooting in the initial Q1 GDP growth relative to the MPC's forecast, and the likely sizeable undershooting in the Q2 CPI inflation print as well, we believe a stance change to neutral may be appropriate in the October 2024 policy review," said Chief Economist at ICRA Aditi Nayar.

India's economic growth slowed to 6.7 percent in the April-June quarter from a year earlier as a decline in government spending during national elections weighed, but it remained the world's fastest-growing major economy.

High frequency indicators such as the manufacturing PMI slowed to an eight-month low in September, while services PMI eased to a 10-month trough, latest data showed.

China to flesh out economic stimulus plans after bumper rally

AFP, Beijing

Top Chinese economic policymakers are expected to flesh out a raft of growth-boosting policies on Tuesday, after the announcement of long-awaited stimulus measures last month sparked a blistering stock market rally.

Beijing has struggled to kickstart the economy as officials target around five percent growth this year – a goal analysts say is optimistic given the numerous headwinds, from a prolonged housing crisis to sluggish consumption.

After months of piecemeal tinkering did little to reverse the malaise, officials have unveiled a raft of measures from rate cuts to loosening house buying curbs aimed at getting money flowing again.

Hopes of that long-awaited "bazooka stimulus" have lit up stock markets, sending bourses in mainland China and Hong Kong surging more than 20 percent.

And with all eyes on the reopening of mainland markets following the Golden Week public holiday, officials from the National Development and Reform Commission will hold a news briefing at 10 am (0200 GMT) Tuesday.

Chairman Zheng Shanjie and others will discuss the rollout of "a package of incremental policies to solidly promote

economic growth", Beijing has said.

Analysts said they hoped officials would unveil further fiscal support measures such as trillions of yuan in bond issuances and policies to boost consumption.

But they cautioned that deep reforms

to the economic system to relieve the debt crisis in the property sector and boost domestic demand are needed if Beijing is serious about resolving the fundamental obstacles to growth.

"Unless China introduces structural



A worker checks newly-produced gas cylinders at a factory in Ruichang, in central China's Jiangxi province, on September 25. China has struggled to kickstart the economy as officials target around 5 percent growth this year -- a goal analysts say is optimistic.

PHOTO: AFP

reforms to really jumpstart consumption – from unemployment benefits to real pensions – I just don't think that we will see a major change," said Alicia Garcia Herrero, chief economist for the Asia-Pacific region at Natixis.

The market rally risked becoming a "mirage", she warned, as policymakers propped up stocks without properly tackling the underlying issues in the real economy. "If the measures are not proven to be effective... it will be even worse, because it means that not even the stimulus works," she said.

Hong Kong's benchmark Hang Seng Index closed up 1.6 percent on Monday, while mainland markets reopen Tuesday after a surge led by technology and property firms was interrupted by the public holiday.

Many of the measures unveiled so far have been aimed at the flagging housing market, long a key driver of growth but now mired in a prolonged debt crisis exemplified by the fates of developers like Evergrande.

To that end, Beijing's central bank has slashed interest for one-year loans to financial institutions, cut the amount of cash lenders must keep on hand, and pushed to lower rates on existing mortgages.