

Star BUSINESS



Online return filing a must for certain govt officials

STAR BUSINESS REPORT

In a major push toward automation, the National Board of Revenue (NBR) yesterday made the online filing of tax returns mandatory for government officials under tax zones of the Dhaka, Narayanganj and Gazipur city corporations.

Also, the tax authority said all bankers, officials of mobile network operators and five multinational companies must file their returns electronically for the current assessment year, according to a statement by the NBR.

The five multinationals are Unilever Bangladesh Ltd, British American Tobacco Bangladesh Company Ltd, Marico Bangladesh Ltd, Berger Paints Bangladesh and Bata Shoe Company (Bangladesh) PLC.

"We want to establish a contactless NBR. Hence, there is no alternative to automation in our drive toward the creation of a harassment-free tax environment," said a top official of the NBR.

The NBR received 5 lakh tax returns online in the last assessment year of 2023-24

The tax authority took the decision as the filing of tax returns by individual taxpayers crossed 1 lakh since the NBR relaunched the online portal for submissions early last month to make the system user-friendly.

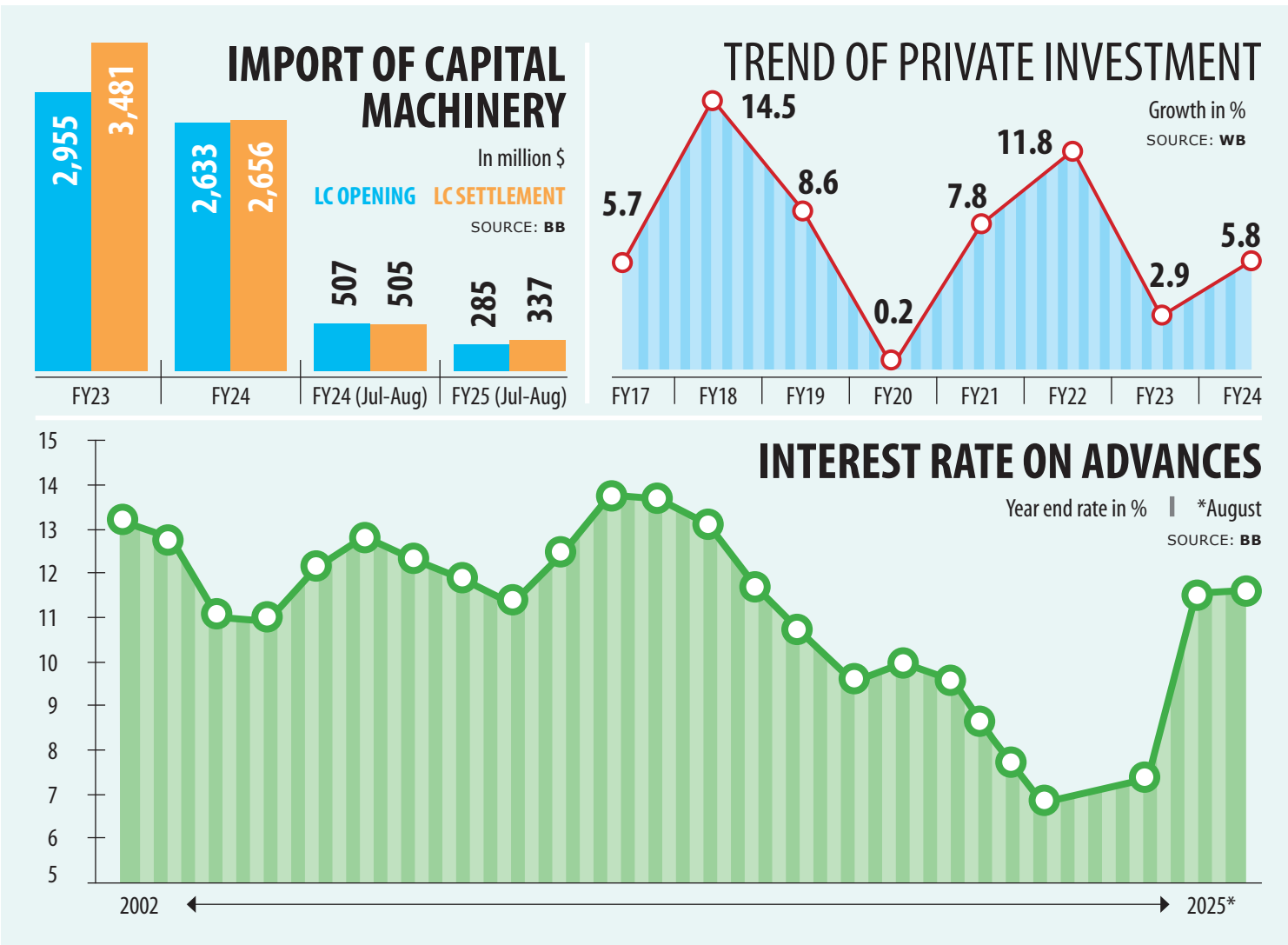
The NBR received 5 lakh tax returns online in the last assessment year of 2023-24 and it aims to double the electronic tax filing to 10 lakh this year.

The NBR official said they would aim to bring all the salaried persons in the public and private sector under compulsory return filing online.

"Automation is a major means to ensure transparency. We are increasing the capacity of our online system to accommodate all tax returns," he said.

The NBR said taxpayers have been able to prepare and file their income and wealth statement online and submit the returns. They can also pay tax by using cards, internet and mobile financial services.

Rate hike further dampens investment mood



JAGARAN CHAKMA

In an effort to curb stubbornly high inflation, the central bank's latest interest rate hike has sparked concerns among the business community as they argue that the increased cost of borrowing will strain their existing ventures and dampen future expansion plans.

The Bangladesh Bank yesterday raised the policy rate by 50 basis points to 10 percent, marking the fifth increase this year and the third under Governor Ahsan H Mansur.

This hike places the repo rate, the interest rate at which commercial banks borrow money from the central bank, above the inflation rate for the first time in many years.

The new policy rate, which will take effect on October 27, comes amid a decline in letter of credit (LC) opening for capital machinery imports and a slump in private investment — key indicators of investor sentiment.

According to official data, LC opening for capital machinery imports dropped 44 percent year-over-year to \$285.56 million during July-August.

"I don't believe the new interest rate will reduce inflation," said Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA). "Instead, it will cause sufferings to the industry and force investors to default on their bank loans."

Hatem said the latest hike has increased the cost of industrial loans by nearly 17 percent year-over-year. "How can entrepreneurs survive with such high financing costs?" he questioned.

The business leader's concerns are not

unfounded.

According to the World Bank's recent Bangladesh Development Update, a cocktail of inflationary pressures, tight financing conditions, and economic and political uncertainties is expected to slow the growth of private consumption, investment and exports.

Anwar-Ul-Alam Chowdhury Parvez, president of the Bangladesh Chamber of Industry (BCI), said that while the central bank's policy tightening is meant for reducing inflationary pressures, it may ultimately lead to "suicidal results" in terms of investment and employment generation.

The Bangladesh Bank yesterday raised the policy rate by 50 basis points to 10 percent, marking the fifth increase this year and the third under Governor Ahsan H Mansur

According to Parvez, three factors can largely slow private investment: deteriorating law and order, inconsistent energy supply and excessively high interest rates.

All of these factors are currently present, he said, adding that there is no guarantee that the business environment will improve in the near future. In such circumstances, businesses tend to cut costs and avoid financial losses.

"I believe investors will not take on new investment risks at this time," he commented.

The BCI president anticipated that rising interest rates would severely hurt small and medium-sized entrepreneurs and that the

purchasing power of the general population would decline rather than inflation cooling down.

He argued that the theory of policy tightening is more effective in import-based economies like the United States and Canada, but less so in developing countries like Bangladesh.

International development partners and multilateral lenders like the International Monetary Fund (IMF) have been advocating for policy tightening in Bangladesh to help alleviate inflationary pressures.

Since assuming office in August, the new governor of the Bangladesh Bank Ahsan H Mansur, a former IMF economist, has continued to increase interest rates in an effort to combat inflation.

However, Humayun Rashid, president of the International Business Forum of Bangladesh (IBFB), said blindly following the "IMF prescription" would not solve all problems.

He said the new interest rate will further erode public trust as commodity prices are likely to continue to rise in the coming days.

The increase in interest rates will discourage investors from making new investments, as there is currently a lack of investment interest among businessmen. Both domestic and foreign direct investment will be deterred, said Rashid.

He said if there is no new investment, economic growth and job creation will be in jeopardy. "The new decision will increase the cost of doing business and beyond a certain threshold, traders will be reluctant to take on new investments."

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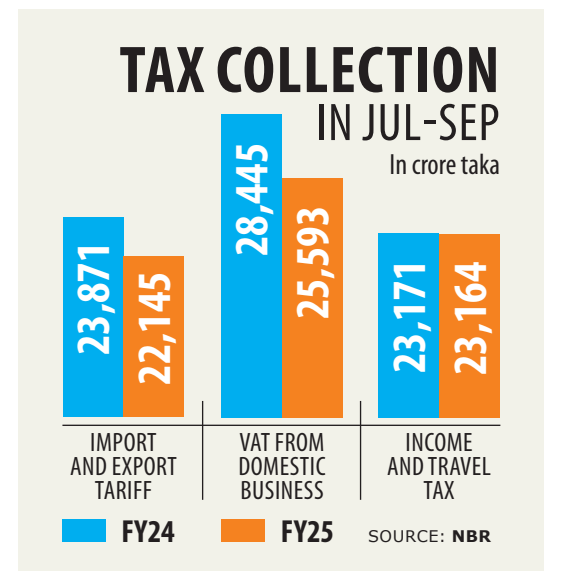
Revenue receipts fall 6% in Jul-Sep

MD ASADUZ ZAMAN

Revenue collection in the first quarter of the current fiscal year showed a 6 percent year-on-year decline, raising concerns that the interim government's fiscal space may be squeezed further amid the contractionary monetary policy.

The National Board of Revenue (NBR) logged Tk 70,903 crore in the July-September period of fiscal year (FY) 2024-25, missing its target for the three months by around Tk 25,597 crore.

The tax administration aims to collect Tk 480,000 crore in revenue by the end of this fiscal year.



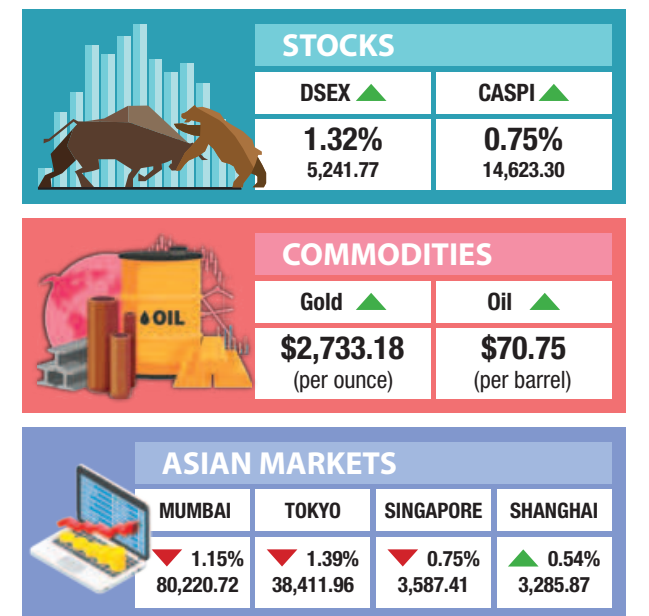
The interim government will not cut the target for this fiscal year, which was set by the previous regime, Finance Adviser Salehuddin Ahmed said last month.

"The slowdown in revenue collection in July-September was mostly driven by political unrest, which resulted in economic uncertainties," said Ashikur Rahman, principal economist at the Policy Research Institute (PRI) of Bangladesh.

The World Bank has already reduced Bangladesh's growth forecast for the current year to 4 percent and it is still evident that there is a lack of coherence within the civil bureaucracy, he added.

Besides, recurring strikes and unrest regarding various issues are keeping political uncertainties very much alive.

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Domestic factors account for 74% of inflation: BB

STAR BUSINESS REPORT

Domestic products were the primary drivers of inflation in Bangladesh, accounting for 74 percent of the overall inflation in September 2024.

Domestic items contributed 61 percent to inflation in June, highlighting the growing impact of local factors, as per the data from the central bank's quarterly report, titled "Inflation Dynamics in Bangladesh", which explores inflation trends and wage dynamics.

By comparison, the contribution of import-dependent items to inflation fell to 26 percent in September, down from 39 percent in June.

The year-on-year consumer price index (CPI) inflation surged to 10.7 percent in the first quarter (July-September) of the current fiscal year.

July recorded a 12-year high inflation rate of 11.7 percent, and inflation remained elevated at 9.9 percent in September compared to 9.6 percent in the same month last year.

Persistent inflation was driven by high commodity and energy prices along with currency depreciation.

Food inflation peaked at 14.1 percent in July, the highest in 13 years, before falling to 11.4 percent in August and 10.4 percent in September.

Non-food inflation increased modestly, averaging 9.6 percent in Q1 of FY25, up from the previous quarter.

More than half of the headline inflation during this period came from food prices, while energy inflation's contribution declined.

Cereals, vegetables and protein-based items were key contributors to food inflation, according to the report.

Garment exports to EU decline 3.53% in Jan-Aug

STAR BUSINESS REPORT

Bangladesh retained second position in garment exports to the European Union (EU), but shipments of apparel from the South Asian country to the bloc declined 3.53 percent in the January-August period to \$12.90 billion owing to political turmoil and labour unrest, according to data from the Eurostat.

High inflationary pressures on the European economy also had an impact, with exports from most major destinations trending downwards.

Nations in the EU imported garment items totalling \$59.32 billion in the eight months, registering a 3.63 percent decline.

Garment exports from China, the largest exporter of apparel items to the EU, declined by 4.10 percent to \$15.62 billion in the same period, data showed.

Turkey secured third position, exporting apparel worth \$6.84 billion, representing a 7.52 percent decline, while India was the fourth-largest exporter with shipments worth \$3.33 billion, down 2.73 percent.

Although garment shipments from major exporting countries to the EU declined, exports from Cambodia

increased by 12.78 percent to \$2.51 billion.

Pakistan also performed well, registering a 7.32 percent increase to \$2.43 billion. Another gainer was Morocco, which saw garment exports to

the EU grow 6.09 percent to \$2 billion.

Meanwhile, shipments from Sri Lanka declined 1.45 percent to \$906.91 million and those from Indonesia declined 9.35 percent to \$677.53 million.



Political turmoil and labour unrest in Bangladesh took a toll on the country's garment exports to the EU bloc.

PHOTO: RAJIB RATHAN

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Walton Digi-Tech Industries organises IT fair in Dhaka

STAR BUSINESS DESK

Walton Digi-Tech Industries Limited recently organised an IT fair, styled "Walton Computer Divisional IT Fair", at the ECS Computer City at Multiplan Centre in the capital.

The first phase of the Dhaka Division fair was held from October 18-21. The fair will be gradually held in other divisional cities of the country as well.

AHM Shafiquzzaman, secretary to the Ministry of Labour and Employment, inaugurated the fair as the chief guest, Walton said in a press release.

"Walton is creating skilled manpower and making important contributions to the overall economy of Bangladesh. The company manufactures electronics and technology products, including refrigerators, A/Cs, TVs, which used to cost a lot of foreign currency to import," said Shafiquzzaman.

"Through local manufacturing, a huge amount of foreign currency is being saved. Walton products are currently being exported to 44 different countries in the four continents of the world. As a result, our foreign exchange reserves are increasing," he added.

Customers can enjoy a maximum of 20 percent discount on exchange of their old and damaged products at the fair and up to 50 percent discount on online e-plaza's



AHM Shafiquzzaman, secretary to the labour and employment ministry, cuts a ribbon to inaugurate "Walton Computer Divisional IT Fair" at the ECS Computer City of Multiplan Centre in the capital recently.

PHOTO: WALTON

exclusive offer, along with special gifts on the purchase of various Walton computer products.

Appreciating Walton's computer exchange offer, Secretary Shafiquzzaman said, "This initiative helps e-waste management as well as customers getting special discounts on buying new Walton products in exchange for their old or

damaged products."

He urged everyone to use products manufactured by domestic brands.

"It will decrease our import dependency, boost domestic industrialisation and create more employment," he added.

In the event, Liakat Ali, additional managing director of Walton Digi-Tech Industries Limited, said that the

Computer Exchange Offer Season-4 is currently being conducted across the country.

"In this season, customers can exchange their old or damaged laptop, desktop, all-in-one PC, monitor, printer, tab, speaker, CCTV products and get a maximum discount of 20 percent on buying similar new Walton products."

RSB Industrial signs payroll banking deal with Eastern Bank

STAR BUSINESS DESK

RSB Industrial Limited, a Chattogram-based industrial entity in the clothing, fashion, textile and fabrics sectors, signed a payroll banking agreement with Eastern Bank PLC recently.

M Khorshed Anowar, deputy managing director and head of retail and SME banking at Eastern Bank PLC, and Anjan Shekhar Das, managing director of RSB Industrial Limited, penned the deal at the latter's corporate office in the port city, said a press release.

Under the agreement, the bank will offer a comprehensive banking solution tailor-made for RSB Industrial employees.

Among others, Trisha Taklim, head of payroll banking of the bank, Rezwan Ur Rahman, head of business development unit, and Chinangshu Ranjan Nath, manager for human resources division and admin at RSB Industrial Ltd, were also present.



Anjan Shekhar Das, managing director of RSB Industrial Limited, and M Khorshed Anowar, deputy managing director and head of retail and SME banking at Eastern Bank PLC, pose for photographs after signing an agreement on payroll banking at the former's corporate office in Chattogram recently.

PHOTO: EASTERN BANK

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (OCT 22, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 64-Tk 80	0	9.09 ↑
Coarse rice (kg)	Tk 50-Tk 55	-1.87 ↓	7.14 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-2.30 ↓
Lentil (kg)	Tk 105-Tk 110	0	0
Soybean (litre)	Tk 153-Tk 156	3.34 ↑	3.00 ↑
Potato (kg)	Tk 55-Tk 60	9.52 ↑	17.35 ↑
Onion (kg)	Tk 115-Tk 130	8.89 ↑	25.64 ↑
Egg (4 pcs)	Tk 48-Tk 52	-7.41 ↓	-2.91 ↓

SOURCE: TCB

Pubali Bank holds orientation for new officers

STAR BUSINESS DESK

Pubali Bank PLC recently held an orientation programme for newly recruited deputy junior officers.

A total of 218 officers took part in the five-day programme, which aimed to familiarise participants with the bank's concepts, principles, rules, regulations, laws and practices.

Mohammad Ali, managing director and CEO of the bank, attended the event as chief guest, according to a press release.

In his inaugural speech, Ali urged the new recruits to "work sincerely and honestly" and advised them to equip themselves with diversified banking knowledge to cope with the "present competitive global market".

He also said that one could become a successful banker by exploring skills and talents "at the highest level".

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

Mohammad Esha, Ahmed Enayet Manzur and Md Shahnewaz Khan, deputy managing directors of the bank,

attended the event as special guests. Ismat Ara Huq, general manager and head of the human resources division of the bank, along with other general managers and senior executives of the lender, were also present.



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

PHOTO: PUBALI BANK

Midland Bank strikes MoU with Sea Pearl Beach Resort

STAR BUSINESS DESK

Midland Bank PLC yesterday signed a memorandum of understanding (MoU) with Sea Pearl Beach Resort & Spa, located on Inani Beach in Cox's Bazar.

Md Abdul Awal, group director of sales and marketing at the resort, and Md Rashed Akter, head of retail distribution division and chief bancassurance officer of the bank, penned the MoU at the latter's head office in the capital's Gulshan, according to a press release.

Under the agreement, all the bank's Visa debit, credit and prepaid cardholders will enjoy a 50 percent discount on regular room tariff or 5 percent discount on ongoing promotional offers excluding blackout dates - days when travel rewards and other special discounts and promotions are not available.

The bank cardholders will also enjoy a 15 percent discount on the ongoing published packages for entry to Sea Pearl Water Park.

Md Abed-Ur-Rahman, head of cards of the bank, Sazal Ahmed,

merchant relationship officer, and Amjad Hossain, assistant director of sales of the resort, Md Alamgir Hossain, senior executive of sales, along with other officials from both the organisations, were also present.



Md Abdul Awal, group director of sales and marketing at the Sea Pearl Beach Resort & Spa, and Md Rashed Akter, head of retail distribution division and chief bancassurance officer of Midland Bank PLC, pose for photographs after signing a memorandum of understanding at the latter's head office in Gulshan, Dhaka yesterday.

PHOTO: MIDLAND BANK

Office of the Basurhat Pourashava
Companigonj, Noakhali
Tel: 03223-56302, Fax: 03223-56308

Invitation Ref No.: Basu/Pou/Eng/Dep/2024/391 Date: 22/10/2024

Corrigendum of e-Tender(Re-Tender) Notice No. 02/2024-2025 (OTM)

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for procurement of the following works under IUGIP project, LGED. Details are given below:

Published e-Tender ID	Corrected e-Tender ID	Name of scheme	Tender closing/opening date & time	Tender security submission (last date & time)	Tender publication date & time
1000540	1024645	IUGIP/BASU/UT+DR/01/2023 Rehabilitation/Improvement of 4571.00m Road in 08 Location by DBC/RCC, 662.00m Drain in 03 Location by RCC and 03 Nos. RCC Cross Drain, Palisading Work Total Length-250.00m and 150 Nos. Solar Street Light including 100 Nos. Tree Plantation at Basurhat Pourashava under Noakhali District.	05/11/2024 13.00pm	05/11/2024 12.00pm	22/10/2024 09.00am
1000541	1025868	IUGIP/BASU/UT+DR/02/2023 Improvement of 3855.00m Road in 09 Location by DBC/RCC, 1087.00m Drain in 03 Location by RCC, 01 No. RCC Box Culvert and 05 Nos. RCC Cross Drain, Palisading Work Total Length-340.00m and 137 Nos. Solar Street Light including 60 Nos. Tree Plantation at Basurhat Pourashava under Noakhali District.	05/11/2024 13.00pm	05/11/2024 12.00pm	22/10/2024 09.00am

1. These are an online tender, where only e-GP Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted.
2. To submit e-Tender registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required.
3. The fees for downloading the e-Tender documents from the National e-GP System Portal have to be deposited on the through any registered banks branches up to 04-11-2024 up to 16.00. Further information and guidelines are available in the National e-GP System Portal and from help desk (helpdesk@eprocure.gov.bd).

Mohammed Yasin
Executive Engineer (Inc)
Basurhat Pourashava, Noakhali

GD-762

edcu এসেনসিয়াল ড্রাগস্ কোম্পানী লিমিটেড
৩৯৫-৩৯৭, তেজগাঁও শিল্প এলাকা
ঢাকা-১২০৮।

সূত্র নং-ইডিসিএল/ক্রয়/পরিবহন ঠিকাদার/স্থানীয় দরপত্র/২০২৪/৪২৯ তারিখঃ ২২/১০/২০২৪ইং

জরুরী ঔষধ পরিবহন ঠিকাদার নিয়োগ বিজ্ঞপ্তি

গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের একমাত্র সরকারি মালিকানাধীন জরুরী ঔষধ প্রস্তুতকারী প্রতিষ্ঠান এসেনসিয়াল ড্রাগস্ কোম্পানী লিমিটেড (ইডিসিএল), ৩৯৫-৩৯৭, তেজগাঁও শিল্প এলাকা, ঢাকা-১২০৮ প্রধান কার্যালয় হতে ঢাকা শহরের মধ্যে বিভিন্ন স্থান সমূহে এবং ঢাকার বাইরে বিভিন্ন জেলায় অবস্থিত কমিউনিটি ক্লিনিক সমূহে জরুরীভাবে উৎপাদিত ঔষধসহ অন্যান্য মালামাল সরবরাহের নিমিত্ত প্রকৃত খ্যাতি ও অভিজ্ঞতা সম্পন্ন পরিবহন ঠিকাদার, যাদের ড্রেড লাইসেন্সসহ ভ্যাট, ট্যাক্স ও অন্যান্য প্রয়োজনীয় কাগজপত্র হালনাগাদ আছে সেইরূপ ট্রান্সপোর্ট এজেন্সী সমূহের নিকট হতে সীলমোহরকৃত খামে দরপত্র আহবান করা যাচ্ছে। বিস্তারিত নিয়মাবলী সম্বলিত দরপত্র সিডিউল ইডিসিএল, হিসাব বিভাগ, ঢাকা এর ক্যাশ শাখা হতে নগদ টাকা ২,৫০০.০০ (দুই হাজার পাঁচশত) মাত্র মূল্যে আগামী ১১/১১/২০২৪ইং পর্যন্ত অফিস চলাকালীন সময় ক্রয় করা যাবে। আগ্রহী প্রতিষ্ঠান সমূহকে আগামী ১২/১১/২০২৪ইং বেলা ৩.০০ ঘটিকার মধ্যে প্রধান কার্যালয়, ইডিসিএল ঢাকা-এর প্রকিউরমেন্ট বিভাগে রক্ষিত বাক্সে দরপত্র দাখিল করতে হবে, যা ঐ দিনই বেলা ৩.১৫ ঘটিকায় দরপত্র সমূহ খোলা হবে। ইডিসিএল কর্তৃপক্ষ কোন কারন দর্শানো ব্যতিরেকে যে কোন অথবা সকল দরপত্র গ্রহন অথবা বাতিল করার পূর্ণ ক্ষমতা সংরক্ষণ করেন।

মহাব্যবস্থাপক
প্রকিউরমেন্ট (চলতি দায়িত্ব)
পক্ষেঃ ব্যবস্থাপনা পরিচালক।

সাইজ: ৫" X ৪ক.

BSEC invites good Ctg-based companies to get listed

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has invited fundamentally sound companies in port city Chattogram to get listed on the stock market, according to a press release issued by the regulator.

BSEC Chairman Khondoker Rashed Maqsood extended the invitation to company representatives at an event organised at the Radisson Blu Chattogram Bay View on Monday.

Attendees of the event included top officials from PHP Group, BSRM Group and Pacific Jeans.

Maqsood said many companies in the country have huge goodwill and are contributing to the economy in many ways. "We hope these types of companies will be listed on the stock market."

If a well-performing company goes public, it has a positive impact on the stock market and the company also benefits, he added. "As such, the stock market regulator has been inviting good companies to get listed."

All three commissioners of the BSEC – Md Mohsin Chowdhury, Ali Akbar and Farzana Lalarukh – were present at the event, where entrepreneurs and BSEC officials discussed the problems and potentials of listing a company.

Alihussain Akberali, chairman of the BSRM Group, said when a firm gets listed, good governance and accountability are ensured in the company.

He recommended keeping sponsors' shares in a dematerialised (demat) format to ensure there is no scope to engage in any illegal activity during the process.

Demat is the move from physical certificates to electronic bookkeeping. They are among the most accurate forms of record keeping, offering more security and increased speed.

Sufi Mohammed Mizanur Rahman, chairman of PHP Group, and Syed Mohammed Tanvir, managing director of Pacific Jean Group, also spoke at the event.

Spiralling seed prices shock potato farmers

KONGKON KARMAKER

Dhiraj Roy, a farmer from Maljhar village in Biral upazila of Dinajpur, is reconsidering plans to cultivate early varieties of potatoes on his 50-decimal plot of land as the rising cost of seeds and agricultural inputs is straining his limited budget.

"Each kilogramme (kg) of Chalisa variety potato seeds now costs Tk 100," Dhiraj lamented as he was looking to stock up on seeds at the Railbazarhat market, the largest wholesale seed market in Dinajpur.

This is a significant increase from last season, when prices hovered at around Tk 60 to Tk 70 per kg.

After some bargaining, Dhiraj managed to get the seeds for Tk 5 less than the original asking price. However, he estimates increased seed prices alone will cause him to incur additional expenses of Tk 10,000 to 12,000 this season.

Farmers across the Rangpur division, including in Dinajpur, Thakurgaon and Panchagarh, began cultivating early varieties of potatoes in October, hoping to capitalise on better prices from new-season crops.

According to the Department of Agricultural Extension (DAE), around 1.5 lakh hectares were used for potato cultivation last season, requiring approximately 3 lakh metric tonnes of potato seeds.

While farmers source around 90 percent of seeds from fellow farmers in the country, private seed companies and the Bangladesh Agricultural Development Corporation (BADC) provide about 10-12 percent.

However, the BADC has not yet started selling seeds, leaving private sector seeds, which have been available since early October, to dominate the market at significantly higher prices.

Seeds that were fetching around Tk 50-Tk



Farmers are having a busy time planting potatoes in a field at Kantanagar village of Kaharol upazila in Dinajpur. The photo was taken recently.

PHOTO: KONGKON KARMAKER

60 per kg at the start of the month now range from Tk 80-Tk 100 per kg.

Nur Alam, a farmer from Dinajpur's Ramdubi village, also noted a sharp rise in prices of the Esterize variety of potato seeds, which increased from Tk 50 to Tk 85 per kg in a matter of weeks.

"This is not a normal market increase; it's shocking to farmers," he said, urging strong regulatory action from local authorities.

Seed-producing farmers pointed to middlemen as the culprits behind the price hikes.

Milon Islam, a seed producer from Biral upazila, mentioned that he was selling granola potato seeds for Tk 54 per kg to wholesalers. Those same seeds are now selling for Tk 80 per kg on the market, he added.

Wholesale trader Mazedur Rahman attributed the rising prices to the high cost of potatoes last year, along with additional expenses for cold storage and labour charges.

As the BADC prepares to distribute 2,800 metric tonnes of potato seeds in five districts of the greater Rangpur area, farmers are calling for government intervention to control seed prices.

These seeds, sourced from BADC's cold stores in Nilphamari and other areas, will be distributed through 820 dealers in Rangpur, Kurigram, Lalmonirhat, Gaibandha and Nilphamari districts.

Of these, 283 metric tonnes are early varieties like Santana and Granola, while the remainder are normal season varieties such as Asterix and Aluita.

Gold prices hit new record in local market

STAR BUSINESS REPORT

Gold will cost Tk 141,950 a bhori, the highest in the history of Bangladesh, with effect from today.

The previous price of each bhori or 11.664 grammes of 22-carat gold ornaments was Tk 140,061.

The standing committee on pricing and price monitoring of the Bangladesh Jewellers' Association (Bajus) in a meeting yesterday took the decision to raise prices citing an increase in pure gold prices in the local market.

The price of gold in Bangladesh has been rising steadily for more than a year, influenced by hikes in the international market and volatility in its supply in the domestic market.

In July last year, the price of gold crossed the Tk 100,000 mark for the first time in Bangladesh.

Although Bangladesh does not import any significant quantity of gold, its prices are almost linked with international trends.

The country's annual demand for gold stands between 20 and 40 tonnes, according to industry people.

AB Bank cardholders to enjoy discounts at Heritage Resort

STAR BUSINESS DESK

AB Bank PLC recently signed a memorandum of understanding (MoU) with Heritage Resort Limited, located at Nawapara in Narsingdi's Madhabdi.

Tarique Afzal, managing director and CEO of the bank, and Menhazur Rahman Bhuiyan, managing director of the resort, penned the MoU at the latter's office in Narsingdi, the bank said in a press release.

Under the MoU, the bank's cardholders will enjoy special discounts up to 44 percent discount on weekends and up to 48 percent discount on weekdays on renting rooms at the resort. Shafiqul Alam, independent director of the bank, Md Fazlur Rahman, director, and Reazul Islam, additional managing director, along with other officials of both organisations were also present.



Menhazur Rahman Bhuiyan, managing director of Heritage Resort Limited, and Tarique Afzal, managing director and CEO of AB Bank PLC, exchange signed documents of a memorandum of understanding at the former's office in Madhabdi, Narsingdi recently.

PHOTO: AB BANK

China's youth jobless rate falls again

REUTERS, Beijing

The jobless rate for 16 to 24-year olds in China, excluding students, fell to 17.6 percent in September from 18.8 percent a month prior, official data showed on Tuesday, offering officials relief after youth unemployment hit fresh highs for two straight months.

Unemployment among young people and college graduates jumped from 13.2 percent in June to 17.1 percent in July, as some 12 million students entered the labour market, before the August figure rose to its highest level since the National Bureau of Statistics decided to change the methodology to not include students in December 2023.

Youth unemployment hit a record high of 21.3 percent in June last year, prompting China to halt publication of the closely watched benchmark until that change was made.

Officials on Friday expressed confidence the world's No.2 economy would "continue the stabilisation and recovery trend that occurred in September," at a news conference after the release of a disappointing growth figure for the third quarter.

UK govt borrows more ahead of budget

AFP, London

UK public borrowing rose more than expected in September, official data showed Tuesday, as the new Labour government prepares for its first budget next week that is expected to include tax rises.

Public sector borrowing stood at £16.6 billion (\$21.5 billion) last month, up £2.1 billion from September 2023, the Office for National Statistics said in a statement.

It marked the third highest September borrowing figure since records began, the ONS added.

The figure was £1.5 billion higher than the amount expected by government watchdog the Office for Budget Responsibility.

However, it came in lower than the amount

forecast by economists.

Prime Minister Keir Starmer has warned Britons that the budget announcement on October 30 will be "painful", with spending cuts also expected.

Government finances last month suffered from "increased spending, partly due to higher debt interest and public sector pay rises", said Jessica Barnaby, ONS deputy director for public sector finances.

Tuesday's data also showed total state debt at 98.5 percent of UK gross domestic product, remaining at levels last seen in the 1960s.

The ONS added that net social benefits decreased by £2 billion last month, partly owing to a controversial Labour policy to reduce spending on winter fuel payments for pensioners.

Finance minister Rachel Reeves has pledged to impose "iron discipline" over public finances to claw back what she says is a £22-billion black hole inherited from the previous Conservative government.

Labour won a landslide election in early July, ending 14 years of Tory rule.

"Resolving this black hole at the budget next week will require difficult decisions to fix the foundations of our economy," senior Treasury official Darren Jones said in a statement following Tuesday's data.

Labour has pledged not to hike taxes on "working people", which would appear to rule out raising income tax, other social security and VAT rates.

But there is growing speculation that other taxes, like capital gains, could be targeted.

Revenue collection receipts

FROM PAGE B1

"This undermines the momentum within the economy, which in turn weakens revenue collection," Rahman said.

Consequently, the interim government must establish a firm grip on law and order and reduce economic uncertainties associated with political instability.

Rahman added that the Ministry of Finance and NBR must identify low-hanging fruit that can expedite revenue collection in the very short term, especially by targeting the revenue lost due to tax expenditures.

Towfiqul Islam Khan, a senior research fellow at the Centre for Policy Dialogue, said the lower revenue collection would squeeze the interim government's fiscal space, which may force it to curtail the development budget.

Currently, the central bank is utilising a contractionary monetary policy to fight inflationary pressures, which means the government is unlikely to run a budget deficit.

When a government spends more than it collects in tax revenues, there is a budget deficit. Conversely, if there is more collected than spent, there is a surplus.

In addition, the government has to exempt duties on some commodities for inflation and the overall import may be reduced significantly.

"The government must now consider how to defend marginalised and smaller groups," Khan said. Amid the transitional period, the economy is expected to slow down this year. But the government must devise a strategy depending on the extent of the slowdown, he said.

"A revision of the budget will be required by December."

Khan also suggested the government focus on framing the budget properly and take strict steps to curb tax evasion.

The year-on-year drop in revenue generation emanated from all three of the NBR's wings – income tax, value-added tax and customs duties.

Except for travel tax and export duty, all taxes witnessed negative growth in the first quarter of FY25. The collection of duties from international trade fell 7.23 percent to Tk 22,145 crore as the political turmoil led to a fall in imports.

Meanwhile, income tax receipts declined by 0.3 percent to Tk 23,164 crore. The collection of value-added tax, the biggest source of revenue, fell 10 percent to Tk 25,594 crore.

Rate hike further

FROM PAGE B1

Ashraf Ahmed, president of the Dhaka Chamber of Commerce and Industry, said the new interest rate increase is expected to result in higher borrowing costs for businesses and tighter liquidity in the banking sector, which will reduce credit flow to the private sector. He believes that this will create reactionary pressures on investment and job creation.

"While the interest rate hike may help reduce inflation in the short term," said Ahmed, "it could lead

to a slowdown in growth and increased bad debts if not reversed in time."

He pointed out that the reduction in banking system liquidity between June and September is a precursor to the current trend, which will likely be exacerbated by the interest rate increase.

Higher interest rates and reduced availability of bank lines may constrain the supply side, pushing up prices for imported food and other commodities, the Dhaka chamber president commented.

Garment exports

FROM PAGE B1

At the same time, the EU market was affected by high inflationary pressures due to the severe fallouts of the Covid-19 pandemic and the Russia-Ukraine war.

As a result, the purchasing power of European consumers

was eroded although economies in the Eurozone are gradually rebounding.

Bangladesh's exports to the EU have been increasing because of a higher focus on high value-added garment items, with work orders shifting from China to Bangladesh.

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার	
বাংলাদেশ পুলিশ	
অধিনায়কের কার্যালয়	
র‍্যাপিড গ্র‍্যাকশন ব্য‍াটালিয়ন-৭	
পতেঙ্গা, চট্টগ্র‍াম	
স্মারক নং-৭৪৫৭/এমটি/র‍্যাব/৮৬	তারিখ: ০৫ কার্তিক ১৪৩১ বঙ্গাব্দ ২১ অক্টোবর ২০২৪খ্রিঃ
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র‍্যাব ফোর্সেস সদর দপ্তর স্মারক নং-৩৩০/৪১/অকেজি/যানবাহন/অপারেশনস/২৯ তারিখ ১৯ সেপ্টেম্বর ২০২৪ মূলে আপ‍্যামী ১২ নভেম্বর ২০২৪ তারিখ র‍্যাজ মঙ্গলবার র‍্যাপিড গ্র‍্যাকশন ব্য‍াটালিয়ন-৭ (র‍্যাব-৭), পতেঙ্গা, চট্টগ্র‍াম হতে ০১টি নিশান ডাবল কেবিন পিকআপ দরপত্র নিলামের মাধ্যমে বিক্রয় করা হবে। নিলামের শর্তসমূহ নিম্নরূপঃ	
১	মন্ত্রণালয়/বিভাগ
২	নিলামকারী প্রতিষ্ঠানের নাম
৩	সম্প্রদায়িক সত্ত্বা
৪	দরপত্র বিজ্ঞপ্তি স্মারক নং ও তারিখ
৫	বিষয়
৬	জামানত/ব‍্যাংক ড্র‍্যাফট
৭	দরপত্র তফসিলের (সিডিউল) মূল‍্য এবং দরপত্র বিক্রয়ের সময়সীমা
৮	জামানত/ব‍্যাংক ড্র‍্যাফট জমা/গ্র‍াহণ এবং দরপত্র খোলার তারিখ ও সময়
৯	নিলাম যোগ‍্য মালামাল প্রদর্শন
১০	নিলাম মূল‍্য
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Proposed policy reforms conducive to business confidence

Says Exceletrate Energy CEO Steven Kobos

ASIFUR RAHMAN

The policy reforms being considered in Bangladesh will not only improve its business climate, but also increase foreign investment in the country, according to the top official of Exceletrate Energy.

As such, the US-based energy and infrastructure solutions provider is still interested in expanding its local operations even though the interim government recently cancelled one of its major projects.

Since taking office on August 8, the interim government has proposed a slew of measures to improve public administration, the financial sector, public procurement practices and other areas of concern.

"I think these reforms will improve business confidence and foreign investment," Steven Kobos, chief executive officer and president of Exceletrate Energy, said in an interview with The Daily Star.

During a four-day visit to Dhaka starting on October 14, he informed Professor Muhammad Yunus, chief adviser to the interim government, and other state officials of his company's views in this regard.

Kobos commended the decision to review all energy projects planned by the previous government as the current administration should be confident about the benefits of these initiatives before implementing them.

He said that as the interim government will reassess the domestic requirement for liquefied natural gas (LNG), they provided ideas on how to increase its supply and affordability in the country.

"From our analysis, we believe the country could consume an extra billion cubic feet of LNG each day," he added.

Besides, increasing the supply of LNG would further fuel its demand by boosting industrial activities.



Steven Kobos

Kobos also informed that the main purpose of his meetings with local government officials was to think collaboratively on how to expand the country's LNG capacity as soon as possible.

The previous government had awarded Exceletrate Energy with a project to build a floating storage and regasification unit (FSRU) in Payra of Pataukhali last November.

However, the interim government decided to cancel the agreement earlier this month for failing to follow the proper tendering process.

Kobos, also president of the US-Bangladesh Business Council, said although the contract was still in its primary stage, they had secured a multi-million US dollar commitment from the International Finance Corporation (IFC) for implementing it.

"But I understand that steps are being

taken to review agreements in the energy sector that have not been fully executed. So, it is their right [to cancel it] and that is fine," he added.

Still, Kobos conveyed their enthusiasm for further investment as the talent of human resources in the country is as good as anywhere else on Earth.

"We want to invest in Bangladesh if it's the right project. Obviously though, it needs to be something mutually beneficial. We are going to suggest ideas on how that can best be done," he said.

But despite repeated questioning, Kobos refused to confirm whether Exceletrate Energy would participate if the interim government floated a fresh tender for another FSRU project.

However, he said they would review the proposals in any such event.

Bangladesh currently has two FSRUs located in Moheshkhali of Cox's Bazar

that contribute about one-third of the country's gas supply.

"The existing investments were built on operate and transfer arrangements, meaning they will eventually go to Bangladesh after 15 years of their establishment," he said.

"This means we are transferring knowledge and skills," he added while mentioning that they have around 100 employees in Bangladesh.

Furthermore, Kobos said that one message that kept coming up during his meetings with the advisers of various ministries is that the interim government is trying to improve its transparency and accountability to the people.

"I told the government that I like the progress on transparency and other practices that are going to make this [Bangladesh] a more optimal place to invest in," he added.

Asked about his company's plan to invest in a gas transmission pipeline project in southern Bangladesh, Kobos said they have asked the interim government to consider alternatives as well.

Regarding any other potential plans for the country, he said they are all currently in the concept phase.

"The interim government will need to decide which shortfalls need to be addressed and what routes to take in this regard while considering anticipated changes to domestic production," Kobos added.

Asked about why Exceletrate Energy is so eager to invest in Bangladesh, Kobos said most companies generally want to increase their operations in countries where they understand the regulatory regime, how to go about hiring employees and set up offices.

"Once you've done all that, you've done the hardest part of entering a new market. So, in general, we like to do more in markets that we are already in."

Hidden financial strain of sister concerns

MASUD KHAN

The financial sector in Bangladesh is grappling with a significant issue stemming from the unchecked proliferation of "sister concerns" within large local business groups. Unlike multinational corporations (MNCs), which usually focus on core competencies, many Bangladeshi conglomerates have expanded into numerous unrelated sectors, often without conducting proper financial analysis. This expansion, driven by the belief that "if one company can profit, so can I," has led to a wide range of businesses spanning 10 to 50 industries. Unfortunately, most of these ventures are loss-making, with only a few achieving profitability.

This unrestrained diversification has resulted in systemic financial problems. Instead of being shut down, the loss-making concerns are propped up by the successful ones. Profitable companies obtain loans from banks, which are then used to provide intercompany loans to keep the failing businesses afloat. This practice not only weakens the profitable entities but also spreads financial strain across the entire group.

In many cases, financial statements are manipulated, using "window dressing" to disguise losses as profits, creating a false impression of financial health and enabling continued borrowing from banks. Banks are deeply entangled in this practice, as a large portion of their lending is directed at these corporate groups. The funds intended for profitable ventures are often redirected to struggling sister concerns, increasing the volume of non-performing loans (NPLs) in the banking system. Over time, this creates a growing debt burden that becomes increasingly unsustainable, with interest piling up alongside the principal.

The financial sector's complicity in this cycle stems from several factors. Large business groups often wield significant influence, making it difficult for banks to enforce strict lending conditions. As a result, banks have turned a blind eye to the issue of intercompany loans, exacerbating the problem.

Rather than addressing the root cause, overexpansion into unrelated industries, entrepreneurs persist in funding loss-making ventures, holding out hope for an eventual turnaround. This reluctance to shut down failing businesses is driven by a mix of overconfidence, an emotional attachment to their enterprises and a refusal to admit failure.

The continued reliance on intercompany loans and the manipulation of financial statements are leading to a dangerous build-up of risk in the banking sector. Non-performing loans are a growing concern, threatening the liquidity of banks and the stability of the financial system. As losses accumulate and companies fail to generate sufficient revenue to cover their debts, the entire financial sector faces increasing pressure.

This issue poses a long-term threat to the economy. Rather than focusing on sustainable, well-managed businesses, many entrepreneurs are gambling on an eventual upturn that may never come. In the meantime, profitable companies are drained of their resources to prop up failing ventures, while banks bear the brunt of rising defaults and mounting debt.

To address this issue, a fundamental shift in mindset and business practices is required. Entrepreneurs must recognise the need for financial discipline, shutting down failing ventures rather than diverting resources from profitable businesses. Banks also need to take a more proactive role in ensuring that loans are used for sustainable ventures rather than being funnelled into loss-making entities. Stricter regulatory oversight is necessary to prevent the manipulation of financial statements and ensure that lending is based on sound financial fundamentals.

In conclusion, the proliferation of "sister concerns" in Bangladesh's corporate sector has created a tangled web of financial mismanagement that threatens the stability of the banking system. The practice of using profitable businesses to fund loss-making ones has led to a build-up of debt, non-performing loans and financial inefficiencies. Without a change in approach – both from the business groups and the financial sector – the situation is likely to worsen, putting both individual businesses and the broader economy at significant risk.

The author is the chairman of Unilever Consumer Care Ltd and chief adviser of the board at Crown Cement Group



Sena Insurance's profit declines 17% in Jul-Sep

STAR BUSINESS REPORT

Sena Insurance PLC reported a Tk 3.88 crore profit in July-September of 2024.

This was a 17 percent decline from the same period last year. The company's earnings per share (EPS) dropped to Tk 0.97 for the quarter, compared to Tk 1.18 a year earlier.

The insurer said the downfall in EPS was driven by a decrease in business income, according to its disclosure on the website of the Dhaka Stock Exchange (DSE).

However, Sena Insurance performed well in the January-September period, with EPS rising to Tk 3.03, up from Tk 2.50 during the same period in 2023.

The insurer attributed an increase in other income to the positive performance in the first nine months of the year. Despite the profit growth in this period, the insurer's net operating cash flow per share fell to Tk 4.88 from Tk 6.37, due to higher management, reinsurance, and claim expenses.

Headquartered in Mohakhali, Dhaka, Sena Insurance is a concern of Sena Kalyan Sangstha (SKS), managed by senior military officers with its board chaired by a serving major general of the Bangladesh Army.

All shares of the company are owned by SKS, an organisation under the Bangladesh Armed Forces.

Shares of Sena Insurance rose 7.31 percent to Tk 41.1 on the DSE yesterday.

Gold hovers near record high

REUTERS

Gold prices rose on Tuesday and hovered near a record high hit in the previous session, amid uncertainties around the US election, the ongoing Middle East tensions and expectations of central banks cutting interest rates.

Spot gold rose 0.6 percent to \$2,735.14 per ounce by 0658 GMT and US gold futures rose 0.4 percent to \$2,749.30.

Gold, considered a hedge against political and geopolitical uncertainty, hit an all-time high of \$2,740.37 on Monday and has gained more than 32 percent so far this year.

"A confluence of tailwinds remains in place, which includes its (gold's) status as an attractive hedge against US election uncertainties and geopolitical risks, resilient central banks' demand and room for catch-up ETF buying," IG market strategist Yeap Jun Rong said.

"Buyers may seem to eye the \$2,800 level next, as political uncertainties will persist as the election draws nearer."

With the US presidential election just over two weeks away, former President Donald Trump and Vice



PHOTO: AFP/FILE

President Kamala Harris are caught in a knife-edge battle to win over some of the more competitive states.

Recently, Israel assassinated the leaders of Hezbollah in Lebanon and of Hamas in Gaza, while showing no signs of reining in its ground and aerial offensives.

Traders now see an 87 percent

chance of a 25-basis point cut by the US Federal Reserve in November, according to the CME Fedwatch tool.

Benchmark 10-year treasury yields rose to a 12-week high in the last session, while the dollar clung to a two-and-half-month high on Tuesday.

Heidelberg Materials posts Tk 79.10 lakh loss in Jul-Sep

STAR BUSINESS REPORT

Heidelberg Materials Bangladesh PLC reported a loss of Tk 79.10 lakh for the July-September quarter of 2024.

This negative result led to a loss per share of Tk 0.14, according to a disclosure on the Dhaka Stock Exchange (DSE) website.

The company attributed the downturn to a drop in sales volume and net sales price per tonne, negatively affecting its earnings per share compared to last year.

Net operating cash flow per share also saw a decline, falling to Tk 9.77, largely due to lower collections and increased income tax payments, the company said.

However, Heidelberg's net asset value per share rose to Tk 72.01, which it attributed to profits generated earlier this year. Despite the third-quarter loss, Heidelberg Materials Bangladesh posted a profit of Tk 41.30 crore for the January-September period.

As one of the largest cement producers in Bangladesh, the company operates under the global Heidelberg Materials Group, which has a 150-year legacy and a footprint in over 50 countries, according to its website.

Heidelberg solidified its presence in Bangladesh by establishing a floating terminal with packing facilities in Chattogram, serving key markets like Dhaka and the port city.

In 1999, the company expanded with a greenfield plant near Dhaka, ScanCement International, producing 0.75 million tonnes annually. The 2000 acquisition of Chittagong Cement Clinker Grinding Co. further boosted capacity. Merged in 2003, the company rebranded as HeidelbergCement Bangladesh Limited.

REUTERS, Hong Kong/London

HSBC Holdings said on Tuesday it would combine some of its commercial and investment banking operations in a major overhaul under new CEO Georges Elhedery, which will see it cut costs while trying to improve returns.

A new leadership structure, which includes the appointment of Pam Kaur as the lender's first female chief financial officer, would "unleash our full potential and drive success into the future," Elhedery said in a memo to staff.

The group is carving up its operations into four business lines, namely UK, Hong Kong, corporate and institutional banking, and wealth banking.

The overhaul sees Elhedery tackle one of HSBC's most intractable problems. Its commercial bank, which serves the lender's more than 1.2 million business customers from startups to major corporations, has long held the potential to turbocharge profit if those customers could be persuaded to buy more products.

Executives in that division, however, have sought to protect their clients from cross-selling efforts by investment bankers

The bank also names first female CFO

in HSBC's Global Banking division, sources at the bank have previously said. By combining the two divisions - except in Hong Kong and the UK - into

the new corporate and institutional division, Elhedery hopes to drive closer cooperation and deliver on the lender's recent publicly stated focus to cross-sell

more products to internationally focused customers.

HSBC did not say what the projected cost savings might be or indicate how many jobs would be affected, but more details could emerge when the bank reports third quarter results on Oct. 29.

The new corporate and institutional banking unit will house a newly combined commercial banking and global banking and markets business, and Western wholesale banking businesses, including Europe and the Americas.

HSBC's shares were little changed in Hong Kong trade, down just 0.1 percent. The reaction in London was similarly muted, with the stock down 0.4 percent in line with the FTSE 100 index.

"The announcement today is just moving around different parts of the group, with no change to the big picture," Ben Toms, an analyst at RBC Capital Markets, said.

"The real question that the market is waiting to hear about, given that the bank is searching to cut costs to offset top-line pressure, is which parts of that Group could be next on the chopping block, and how much will this restructuring cost the bank?"



A taxi drives past a branch of the HSBC bank in central London, Britain. The group is carving up its operations into four business lines, namely UK, Hong Kong, corporate and institutional banking, and wealth banking.

PHOTO: REUTERS/FILE