



Fishermen cast a net on the Kirtankhola river in Barishal sadar upazila in hopes of catching a Gangetic Goonch, a large species of catfish. Known in Bangla as Bagha Ayer, this freshwater fish is listed as "critically endangered". Although hunting, trade and transport of the species is prohibited by law, with a maximum punishment of one-year imprisonment, such activities continue unabated. The photo was taken recently.

PHOTO: TITU DAS

NBR freezes bank accounts of UCB chair

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has directed banks to freeze the accounts belonging to Sharif Zahir, managing director of Ananta Group and chairman of United Commercial Bank, as well as those owned by his family members.

In a letter to chief executives of banks issued on December 1, the NBR's Central Intelligence Cell (CIC) asked banks to block withdrawals and transfers from the accounts.

The accounts belonging to Sharif's mother Qamrun Nahar Zahir and his brother Asif Zahir were also frozen.

Both are involved in Ananta Group, with Qamrun Nahar serving as chairperson of the leading garment exporter and Asif Zahir as deputy managing director.

The NBR also instructed banks to block access to lockers maintained by the individuals and their family members. A top official of the NBR confirmed the development.

Sharif said they had contacted top officials of the NBR following the move, adding: "They could not give us any specific reason till now."

The whole issue is embarrassing for us."

He said he took charge of UCB after the political changeover on August 5 and has taken steps against irregularities, saying: "This is why a vested quarter is trying to harass me."

New renewable plants to get 15-year tax exemption

STAR BUSINESS REPORT

With the objective of facilitating clean energy generation, the National Board of Revenue (NBR) has granted a 15-year tax benefit for investments to establish renewable energy-based power facilities.

The revenue authority issued a circular in this regard on November 27, saying it would exempt all taxes on income from renewable energy projects if the plants start commercial production between July 1 next year and June 30, 2030.

A full tax exemption will be applicable for the first 10 years after starting production, according to the circular.

Half of the income will be tax-exempt for the following three years while 25 percent will be exempt for two years thereafter, the circular added.

The producer or the company will require a no-objection certificate from the Ministry of Power, Energy and Mineral Resources to avail of the benefit, it added.

Officials said the tax benefit was offered in line with a request from the Power Division to encourage private investment in clean energy ventures and cut dependence on fossil fuel-based electricity.

The NBR has previously offered tax breaks for privately-run power plants, except for coal-fired ones.

In June 2023, it provided a 12-year extension to a tax holiday on the income of private power plants, except for coal-fired ones, that started electricity generation before June 30, 2024.

On August 27 this year, the interim government cancelled 42 power plant projects, including 37 renewable facilities, with a combined capacity of around 3,102 megawatts (MW).

It announced that it would float tenders against all of those power plants, aiming to reduce tariffs.

Currently, the country has 893 MW of power generation capacity from renewable sources, accounting for about 3 percent of total capacity.

Bangladesh has roadmap to implement ILO conventions

Commerce adviser says

STAR BUSINESS REPORT

Bangladesh respects the conventions of International Labour Organization and has a clear roadmap to implement conventions it has ratified, Commerce Adviser Sk Bashir Uddin said yesterday.

He made the comment when Michael Miller, ambassador and head of delegation of the European Union (EU), called on him at his Bangladesh Secretariat office in Dhaka.

The duo discussed ILO conventions, bilateral trade and how the EU could cooperate with Bangladesh for the repatriation of laundered money, the commerce ministry said in a statement.

Bashir Uddin also said the interim government has been trying to bring down commodity prices, and it has already reduced the import duty on some goods.

According to the statement, the EU ambassador assured the adviser of cooperation through logistics and human resources to help repatriate laundered money.

Chevron interested in new gas exploration

STAR BUSINESS REPORT

Energy giant Chevron is interested in investing in new gas exploration activities in Bangladesh, senior officials of the US based company said yesterday.

Chevron officials expressed satisfaction that the interim government had begun clearing hundreds of millions of dollars in arrears, which the previous government had not paid over the past two years. Chevron and Petrobangla reached a six-month repayment deal soon after the interim government took charge.

Led by Frank Cassulo, a vice president of the company, Chevron officials called on Chief Adviser Professor Muhammad Yunus at State Guest House Jamuna, according to a statement released by the Chief Adviser's Office.

The government is committed to clearing Chevron dues by April next year, said Lutefy Siddiqi, special envoy of the chief adviser, who was present in the meeting.

Increasing gas demand due to growing economic activities and a better business outlook have prompted Chevron to decide on investing in new drilling activities in the northeastern parts of the country, Cassulo said.

"We will invest in new onshore gas exploration," he said, adding that new gas reserves would boost the country's economic growth.

The chief adviser welcomed Chevron's move to explore for new gas reserves, saying the interim government has planned to increase gas supply to local companies amid an uptick in economic activities.

Over 3.2m DPS opened thru bKash app in 3 years

STAR BUSINESS DESK

Customers of bKash have opened over 3.2 million deposit pension schemes (DPS) with four commercial banks and a non-bank financial institution—IDLC Finance, Mutual Trust Bank, Dhaka Bank, City Bank and BRAC Bank—through the mobile financial service (MFS) provider's app in a span of just three years.

The MFS provider organised a views-exchange programme at a convention centre in the capital yesterday to celebrate the milestone with stakeholders, said a press release.

The invited guests at the programme discussed how to make financial inclusion sustainable through collaborations between MFS providers and the banking sector and utilising each other's expertise to reach financial services at everyone's doorsteps.

Addressing as the chief guest, Md Zakir Hossain Chowdhury, deputy governor of Bangladesh Bank, said, "Upon maturity, DPS money is deposited into the customers' bKash accounts without any hassle."

"On behalf of Bangladesh Bank and the people, I applaud bKash for this success," he said.

Speaking at the event, Kamal Quadir, founder and CEO of the bKash, said, "Prosperity begins with savings. The day someone saves one taka, the future plan starts. That's the beauty of savings on the bKash app."

Stocks rise for second day

STAR BUSINESS REPORT

The stock markets in Bangladesh rose for a second consecutive trading day yesterday as investors poured fresh funds for select shares to quickly gain short-term profits amidst price movements.

Shares of companies like Square Pharmaceuticals, Grameenphone, Robi Axiata, Saif Powertec, Renata, LafargeHolcim Bangladesh, Olympic Industries, National Bank and Eastern Bank drew interest.

The prime index of Dhaka Stock Exchange, DSEX, rose by 24.11 points, or 0.46 percent from that on the previous day, before closing at 5,226.

The DSES index, which represents Shariah-based shares, went up 6.11 points, or 0.52 percent, to 1,174. The DS30 index, which represents blue-chip stocks, edged up 7.65 points, or 0.40 percent, to 1,921.

At Chittagong Stock Exchange,

the CASPI, the CSE All Share Price Index of the port city bourse, grew by 43.50 points, or 0.30 percent, to settle the day at 14,602.

Of the issues that changed hands at the DSE, 203 witnessed a hike in prices, while those of 128 closed lower. The remaining 71 did not see any price fluctuations.

Turnover, which is the cumulative value of the shares that were traded, increased by 2.45 percent to stand at Tk 512 crore. The pharmaceuticals sector dominated the turnover chart, accounting for 14.45 percent of the total.

Block trades, which refers to high-volume transactions in securities that are privately negotiated and executed outside the open market, contributed another 2.8 percent.

Asiatic Laboratories Limited emerged as the most-traded share, with a turnover of Tk 168 crore.

In sector-wise transactions,

services and real estate, paper and printing and non-bank financial institutions (NBFIs) became the top three to close in the positive, according to the day's market update by UCB Stock Brokerage.

However, jute, tannery and information technology were the top three to close in the negative.

Most of the large-cap sectors, meaning those that account for large amounts in market capitalisation, which the total value of their shares at present, posted a positive performance.

The NBFIs booked the highest gain of 2.44 percent, followed by telecommunication (1.82 percent), fuel and power (0.53 percent), pharmaceuticals (0.42 percent), engineering (0.23 percent), and food and allied (0.13 percent).

Banking was the only sector to suffer a loss, which was of 0.12 percent.

Bangladesh 'sleepwalked'

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business confidence prevent investment from growing in the country.

Unemployment is also increasing, particularly among youth, as the economy fails to generate adequate quality employment opportunities.

These issues have pushed Bangladesh into the middle-income trap, according to industry insiders.

The World Bank defines the "middle-income trap" as a situation where middle-income countries face challenges to economic growth, innovation, and wage competition.

In the World Bank's 2024 World Development Report, the middle-income trap was described as a period of slow growth and a decline in productivity gains.

It is a situation where a country is unable to compete with low-wage countries and high-income countries, is prone to premature slowdowns in development, and relies on policies based on superficial measures of economic efficiency.

The multinational lender added that middle-income countries face geopolitical challenges, demographic challenges, environmental challenges, competition from low-

wage countries, and competition from high-income countries.

According to the white paper panel, the only way to break free of this shackle is to increase the total factor productivity, which measures how much output can be produced from a certain amount of inputs, particularly labour productivity.

"Education and skill of the labour force are the key to enhancing labour productivity and sustaining higher growth," it said.

Zahid Hussain, a former lead economist at the World Bank's Dhaka office, said the big concern now is finding a way out of the trap.

"I think there are three exits. One is macroeconomic stability, the second is policy reform and the third is institutional accountability. There are no other exits."

According to experts and economic analysts, if Bangladesh falls into the middle-income trap, it will be unlikely to achieve its goal of becoming a developed nation by 2041.

At the end of 2023, there were 108 countries, including China, Brazil, Türkiye and India, stuck in the "middle-income trap", according to the World Bank. The countries are home to 6 billion people.

Govt yet to decide

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Bangladesh has been having to import liquefied natural gas (LNG) as local supplies of natural gas can hardly meet the demand of industrial units.

There is no easy solution when it comes to gas prices and supplies may not improve in the short-term, but there are plans to import more LNG to meet industrial demand, said Khan.

Many suggest increasing supplies to industrial units by limiting that to refuelling stations and homes, but that will put transportation and cooking in difficulties, he said.

The LNG is imported at Tk 70 per unit and sold at Tk 30 to industries, for which Tk 30,000 crore has to be paid a year in power sector subsidies while Tk 20,000 crore in gas supply, he said.

Some bottlenecks within the government must be removed to attract more foreign direct investment (FDI), said Lutefy Siddiqi, the chief adviser's special envoy on international affairs.

He said they were working with various ministries and regulatory bodies to develop a culture that supports foreign investment, not as regulators, but as facilitators, according to a statement from AmCham.

The statement quoted both Khan and Siddiqi as saying that the business community would soon be able to avail a better One Stop Service (OSS) portal of Bangladesh Investment Development Authority, which would help resolve current grievances.

The duo encouraged business to continue to share their challenges and suggestions to foster a more conducive environment for FDI.

Eric Walker, vice-president of AmCham and president of Chevron, Peter D Haas, strategic adviser at Exceleerate Energy and former US ambassador to Bangladesh, and Md Habibur Rahman Bhuiyan, country manager of Exceleerate Bangladesh, also spoke.

IMF begins talks on fresh loans

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and compliance with structural reform conditions for the fourth tranche of the \$4.7 billion loan.

The finance adviser informed that the mission came to observe the country's condition in terms of revenue collection, its fiscal deficit, GDP growth, and inflation.

"They want to know what strategies the government has taken and will take. The mission also will meet with the central bank to see what steps were taken to reform the banking sector," he said.

Ahmed also informed that the government had argued that stability has returned to the banking sector in part.

"Already, the foreign exchange rate is not fluctuating heavily like in previous months," he said.

Besides, even a troubled lender like Islami Bank is starting to perform

well even though it initially needed liquidity support.

"So, all other the banks will also soon become financially stable," he hoped.

Regarding the economic situation, Ahmed said inward remittance was at a satisfactory level and export growth was not low either.

Furthermore, Ahmed said although imports are still low, they have been increasing lately, with the interim government working to raise the inadequate level of capital machinery imports.

"Whatever measure we take will be good for the country in the long run. Besides, we will not take any whimsical steps that the next government cannot follow," he said.

"The IMF will give some targets (for the new loan) and we will try to fulfil them," Ahmed added.

The IMF mission expressed

satisfaction about the reform activities of Bangladesh Bank but is concerned about the stubbornly high inflation rate, according to central bank officials present at the meeting.

The central bank officials told the IMF mission that the policy rate has been increased twice and inflation has not been tamed. Still, they expect it will at least relieve some of the inflationary pressure.

"The IMF mission said the policy rate could be increased further if inflation does not come under control," said a Bangladesh Bank official on condition of anonymity.

The multilateral lender approved the \$4.7 billion loan in January 2023. Bangladesh has already received \$2.3 billion of the total amount in three tranches.

Of the \$2.3 billion received so far, \$1.1 billion arrived as the third tranche in June this year.