

star BUSINESS



Businesses face trouble as EC cancels NID data deal with Computer Council

MAHMUDUL HASAN

Businesses ranging from banks to courier services and fintech companies are now facing trouble in onboarding new customers after the Election Commission (EC) recently cancelled access of the Bangladesh Computer Council (BCC) to the national identification card database.

Previously, the businesses used to avail the verification services from private firm Digicon Global Services, which has a data access agreement with the BCC.

But the BCC itself has now lost access due to the data-sharing deal with third-party company Digicon.

Wahidur Rahman Sharif, managing director of Digicon, reportedly had close ties to the former Awami League regime. Leveraging these political connections, he allegedly secured a deal with the BCC in 2022.

This deal allowed Digicon's identity verification API provider "Porichoy" to access EC data through the BCC.

Although EC data sharing with a third party by a government or statutory body, in this case the BCC, is a breach of law, a Cabinet Committee on Government Purchase even approved a tariff-sharing plan in 2022.

BUSINESSES CRY OUT

The EC's recent decision to bar the BCC from accessing its database due to these violations has brought this issue to the forefront.



Now, Digicon's clients, after facing a complete halt in onboarding new customers, are raising their voices against the legal violations that have led to this situation.

"While we welcome the decision to restrict third-party access to such sensitive data, it should have been implemented with advance notice and in a more coordinated manner to prevent any business disruptions," said Fahim Ahmed, CEO of Pathao, a user of Porichoy's services.

Companies claim that they were directed towards Porichoy by EC officials when they applied for direct NID verification services.

"After obtaining the Payment Service Provider (PSP) licence in April 2023, we applied to the EC for NID verification services in August 2023," Ahmed said. "However, the EC directed us to use the services of Porichoy instead."

An official of online truck hiring platform "Truck Lagbe", requesting anonymity, said that their requests for direct access to NID verification services were intentionally diverted towards Porichoy.

Anayet Rashid, co-founder and CEO of Truck Lagbe, said they are facing challenges due to the halt of Porichoy's services.

"This is a serious service interruption."

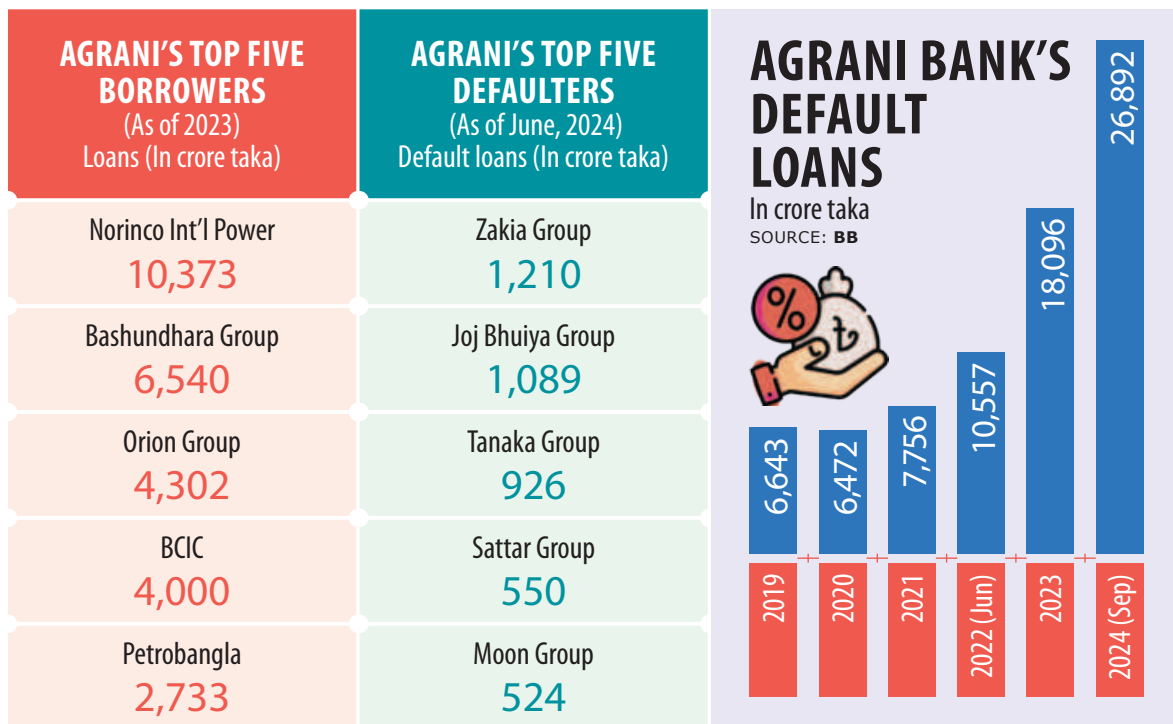
Digital financial service provider Nagad is also experiencing similar issues with onboarding new customers.

"Our operations are being severely impacted as we are struggling to onboard new clients," said an official of Nagad.

Green and Technologies Ltd, a licensed payment service provider, applied for a direct

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Agrani Bank's health deteriorated fast in last five years



MD MEHEDI HASAN

Once a reputable state-run commercial lender, Agrani Bank saw its financial health deteriorate fast over the past five years, mainly due to massive lending to politically backed businesses, mismanagement by the board and fallouts of Covid-19.

Excessive lending to a few large industrial groups, lacklustre recovery efforts from some old clients and frequent violations of the single borrower exposure limit have led the lender into a situation where all of its financial indicators are beeping red, according to industry insiders.

As of this September, Agrani Bank's bad loans stood at Tk 26,892 crore, which accounted for 39 percent of its total disbursed loans, showed data of the Bangladesh Bank.

A year earlier, the commercial lender's defaulted loans were Tk 16,874 crore. In 2019, bad loans were only Tk 6,643 crore, which was 14.26 percent of the bank's disbursed loans.

In 2019, the state-run lender had surplus capital and no provision shortfall. However, it now carries the burden of a Tk 7,591.40 crore provision shortfall. As of December last year, the bank faced a Tk 4,450 crore capital shortfall.

As of September this year, Agrani Bank's loans and advances stood at Tk 75,677 crore, up from Tk 46,583 crore in 2019.

As of December last year, Norinco International Power Ltd, Orion

Group, BD Chemical Industries Corporation (BCIC), Petrobangla, Bangladesh China Power Company Ltd (BCPCL), Thermax Group, Bangladesh Power Development Board (BPDB), Beximco Ltd, Beximco Pharmaceuticals Ltd, Bashundhara Group, Abul Khair Group, Zakia Group, Joj Bhuiya Group, Jamuna Group, BSRM Group, AA Knitspin Limited, Orion Pharma, Prime Group and Magpie Group were the top borrowers of the state-run lender.

In the last five years, funded and non-funded loan facilities have increased in several government institutions, power producers and

Of the 20 defaulters, Jakia Group's bad loans stand at Tk 1,210 crore; Joj Bhuiya Group at Tk 1,089 crore; Tanaka Group at Tk 926 crore; Sattar Group at Tk 550 crore; Moon Group at Tk 524 crore; Sonali Group at Tk 521 crore; Aerostock Group at Tk 462 crore; Dhaka Hyde at Tk 457 crore; Pacific Group at Tk 443 crore; and Saad Musa Group at Tk 410 crore, according to Agrani Bank data.

Wishing not to be named, a senior official of the bank told The Daily Star that the bank's defaulted loans are likely to increase in the coming days as loans of Awami League-affiliated business conglomerates may soon default due to non-payment.

From 2019 to mid-September 2024, Mohammad Shams-Ul Islam and Murshedul Kabir served as two managing directors of the bank.

Shams-Ul Islam joined the bank as managing director in 2016 and held the position until mid-2022. He was considered a pro-business managing director of state-run banks due to his lenient approach toward large business conglomerates.

During his tenure, loans to large businesses increased. When contacted, Islam told The Daily Star that the loans disbursed during his tenure were not renewed later, leading to the sickness of these industries and their inability to facilitate subsequent repayments.

He added that all the customers

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private industrial groups, according to bank officials.

As of last year, Agrani Bank had 55 large borrowers, with loans to 20 of them crossing the single borrower exposure limits.

Besides, some old defaulters, several customers have defaulted in the past few years, including Saad Musa Group, Navana Group, Dhaka Hyde, Pacific Group and Samitex Group.

The top 20 defaulters of the bank hold 42 percent of its total defaulted loans, amounting to Tk 21,324 crore till June this year.

Vietnam may surpass Bangladesh in garment export: report

STAR BUSINESS REPORT

Vietnam is set to generate \$44 billion this year through garment exports, surpassing Bangladesh, which is currently the world's second-largest garment exporter, according to a Vietnamese media report.

Bangladesh's export goal is \$4 billion lower than Vietnam's.

Vietnam's apparel and textile sector is set to earn an export revenue of \$44 billion this year, up 11 percent year on year, and will likely surpass Bangladesh to become the world's second-biggest exporter in the sector.

Meanwhile, Bangladesh set a target of \$40.48 billion for garments, out of a total of \$50 billion for overall exports, with an 11.99 percent growth for fiscal year 2024-25. Bangladesh does not set garment export targets on the basis of calendar year.



Workers are seen at a garment factory in Hung Yen province of Vietnam.

PHOTO: REUTERS/FILE

The export target for knitwear and woven items is \$21.7 billion and \$18.78 billion respectively.

At a press meeting on Wednesday, Cao Huu Hieu, CEO of Vietnam National Textile and Garment Group (Vinatex), the country's biggest garment maker, announced the \$44 billion export target.

He stressed that the sector's performance was weak in the first half of 2024 as the global economy underperformed, and the sector received few orders with strict conditions.

However, the sector recovered and thrived in the second half of this year, not thanks to the growing demand, but because of the political issues in Bangladesh promoting firms to make orders in Vietnam.

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STOCKS			
	DSEX ▲	CASPI ▼	
	0.29%	0.37%	
	5,184.45	14,435.45	
COMMODITIES			
	Gold ▲	Oil ▲	
	\$2,626.86	\$70.27	
	(per ounce)	(per barrel)	
ASIAN MARKETS			
	MUMBAI	TOKYO	SINGAPORE
	▼ 0.01%	▲ 1.12%	▼ 0.21%
	78,445.47	39,568.06	3,761.45
	SHANGHAI		
	▲ 0.14%		
	3,398.08		

REHAB fair gives realtors a reality check

JAGARAN CHAKMA

Real estate developers in Bangladesh participating in REHAB Fair-2024 were unsure of the event's potential outcome until yesterday, when the sparse presence of visitors, let alone potential buyers, gave a reality check of the persistent economic challenges.

However, they still wish to keep up their hopes, claiming that though the industry may not get to meet its expectations, there was a rise in participation at the five-day fair organised by the Real Estate and Housing Association of Bangladesh (REHAB) at Bangabandhu International Conference Centre since last Monday.

In essence, there was a good number of queries regarding midrange flats, but none for high and low-end units, they continued.

"Only the upper middle-class who badly need an apartment to escape from their monthly house rent are coming to search for affordable ones," said KM Shapnik Mahmud, assistant general manager and cluster head of sales at Rangs Properties Limited.

He said they had anticipated that



A stall attendant of a real estate developer briefs a visitor at REHAB Fair-2024 at Bangabandhu International Conference Centre in Dhaka yesterday.

PHOTO: STAR

there would be a low number of potential buyers prior to participating in the fair.

"It is true that we are yet to get any response," he said.

However, he hoped for a last moment miracle, saying they may get some on-the-spot bookings as a number of people inquired about flats.

Mahmud said clients of high-end flats rarely visit the fair, but this year none have arrived.

Talking to The Daily Star, Liakat Ali Bhuiyan, senior vice-president of REHAB, said the response of visitors gave them confidence about the business for the future.

"We were really apprehensive over the slowdown of the business as sales of apartments and assets declined substantially during the last five months," he said.

However, he said the fair gave them a bit of a relief as inquiries and bookings have given hope to the realtors.

According to him, the clients and realtors got a scope for networking among asset buyers, sellers, financiers and backward linkage industries through the fair.

But he could not provide any figure about the number of on-the-spot orders received from clients.

Mohammad Akhter, managing director of Akhter Properties Ltd, said there were a lot of queries for flats in Uttara as it has a metro rail station that helps in commuting through the capital Dhaka.

Some people were looking for flats in Mirpur due to their comparatively low prices, he said.

He said the housing sector would be able to make a turnaround through the fair if the Detailed Area Plan of Rajdhani Unnayan Kartripakkha (Rajuk) was amended.

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Falling prices frustrate onion farmers

AHMED HUMAYUN KABIR TOPU, Pabna

Farmers formed a human chain and demonstrated on the Pabna-Sujanagar road, protesting the falling prices of early-variety onions, as they fear they may not recover the production costs of the edible bulb this season.

The prices of Murikata, an early variety of onion, have gradually fallen, adding to the concerns of farmers already burdened by increased production costs in Pabna, which produces around 30 percent of the onions grown in Bangladesh each year.

"I sold each maund of onions for Tk 2,000 last week, but the price dropped to a 10-year low of Tk 1,400 this week," said Md Kamruzzaman, a prominent onion farmer from Durgapur village in Sujanagar upazila of Pabna.

"Every year, I cultivate onion on around 80 bighas of land. I used 8 bighas this year for the early variety," he said.

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PHOTO: STAR

Farmers form a human chain on the Pabna-Sujanagar road.