

Janata Bank puts up S Alam Refined Sugar's land for auction

STAR BUSINESS REPORT

State-owned Janata Bank has put up for auction a piece of land which has been mortgaged by S Alam Refined Sugar Industries, a concern of S Alam Group, against a loan.

The company owes Tk 1,777 crore to the bank, with the loan recorded at the Sadharan Bima Corporation Bhaban corporate branch in Chattogram. To recover the dues, the bank is auctioning 2,971 decimals of land.

Janata Bank announced the auction through a notification published in a newspaper yesterday.

According to banking laws, the land will first be auctioned and if it does not cover the dues, the bank will resort to other means for a full recovery

A source told The Daily Star that the majority of S Alam Group's Tk 10,000 crore loans with Janata Bank have soured. Consequently, the bank is auctioning land mortgaged against the loans one by one.

According to banking laws, the land will first be auctioned and if it does not cover the dues, the bank will resort to other means for a full recovery.

Janata Bank had previously auctioned other properties of S Alam Group to recover defaulted loans.

On November 20, the bank auctioned 1,860 decimals of land to recover Tk 1,850 crore in unpaid loans owed by the group's subsidiary, Global Trading Corporation.

This loan was also issued by the Sadharan Bima Corporation Bhaban corporate branch of Janata Bank in Chattogram, where the auction was held.



Container handling by Chattogram port saw negative growth in 2022 and 2023, when the country experienced a slowdown in foreign trade caused by global and domestic crises.

PHOTO: STAR/FILE

Ctg port handles record number of containers

DWAIPAYAN BARUA, Ctg



The Chattogram port handled a record number of containers and cargoes this year thanks to an increase in foreign trade.

As of December 29, the port handled 32.58 lakh TEUs (twenty-foot equivalent units) of containers, which is 6.8 percent higher than last year's 30.51 lakh TEUs and even higher than 2021's record of 32.15 lakh TEUs.

Out of the 32.58 lakh TEUs, around 17.62 lakh TEUs were import containers and 14.97 lakh export.

The port officials believe the port will be able to handle around 15,000 TEUs more in the last two days of 2024.

Container handling by the port saw negative growth in 2022 and 2023 when the country experienced a slowdown in foreign trade, caused by global crises such as the Russia-Ukraine war and conflicts in

the Middle East, as well as domestic challenges like US dollar scarcity and rising inflation.

This year, the Chittagong Port Authority (CPA) prepared the container handling data by tallying the number of import, export and empty containers that were loaded and unloaded

at the port's main jetties, the Pangaon Inland Container Terminal in Keraniganj and Kamalapur Inland Container Depot in Dhaka.

A significant number of empty containers – over 7 lakh TEUs – were also included in the total.

Every month, some 60,000 TEUs of empty containers on an average – generated after taking out the import cargo – are returned to the transhipment ports.

Meanwhile, the port handled a total of 12.31 crore tonnes of overall cargo, including the containerised ones, this year until December 29, topping last year's record of 12.02 crore tonnes.

The increase in container and cargo handling demonstrates the enhanced capacity and efficiency of the port, said CPA Secretary Md Omar Faruk.

He expressed hope that such growth in annual container throughput would contribute to the port securing a higher ranking among the world's 100 busiest container ports.

Faruk highlighted that the phased addition of various new types of equipment to the port's fleet played a significant role in enhancing its capacity.

The rise in container and cargo handling also indicates that the country's foreign trade is expanding and gradually recovering from recent economic challenges.

The acute container congestion, which hit the port during the political unrest in the July-August period, eased gradually with coordinated efforts of the port's officials and users, said Syed Md Arif, chairman of Bangladesh Shipping Agents Association.

India saw highest ever coal production in 2023-24

ANN/THE STATESMAN

India recorded its highest ever coal production of 997.826 million tonnes (MT) in the financial year 2023-24 which represents an 11.71 percent increase in comparison to the corresponding figure of 893.91 MT in the year 2022-23, according to the year-end review of the Coal Ministry.

During the calendar year 2024 (up to December 15, 2024), the country supplied about 963.11 MT of coal as compared to about 904.61 MT of coal during the same period of last year with a growth of about 6.47 percent.

This comprised a coal supply to the Power Sector of 792.958 MT as compared to 755.029 MT coal during the same period of last year with a growth of 5.02 percent.

The coal supply to the non-regulated sector during the calendar year was 171.236 MT as compared to 149.573 MT during the same period of last year with a growth of 14.48 percent.

The Ministry of Coal has launched 'Mission Coking Coal' to enhance domestic coking coal production to reduce the import of coking coal, keeping in view the demand projection of the steel sector. This mission aims to increase domestic raw coking coal production up to 140 MT by FY 2029-30.

The total domestic raw coking coal production during the financial year 2023-24 is 66.821 million tonnes (MT) while the domestic raw coking coal production target for the financial year 2024-25 is 77 MT.

The target to increase raw coking coal production by FY2029-30 from CII's subsidiaries is about 105 MT by FY2029-30 from 60.43 MT during FY 2023-24.

Modernization and renovation of existing ageing washeries of Bharat Coking Coal Limited (BCCCL) and Central Coalfields Limited (CCL), which have surpassed the designed lifespan, for its optimal utilization to make more high-quality coal available in the country.

Supply of coal to the steel sector through the Non-Regulated Sector (NRS) Linkage auction route to promote domestic coking coal for steel production and implementation of reforms in the auction process with the aim of substitution of coking coal import are also being undertaken.

BB plans to raise exchange rate

FROM PAGE B1
clients will be thoroughly investigated, he added.

"After appropriate engagement with the alleged bank(s), if non-compliance is found, punitive measures will be taken," the official said.

Naser Ezaz Bijoy, CEO of Standard Chartered Bangladesh, welcomed the central bank's initiatives, labelling it "a transition phase towards market-based exchange rate regime".

He told The Daily Star that while the ultimate intention of the central bank is to eventually move to a market-based exchange rate regime, in the interim, the central bank is planning to adopt some measures to ensure transparency and stability of the foreign exchange market.

"Additionally, the BB has floated the ideas of alternative initiatives to garner stability of the exchange

rate with participation of banks that have access to forex liquidity. This will contribute to developing a more active and deeper interbank market."

Sources at the meeting said that it was also discussed that many intermediaries and aggregators in overseas locations are responsible for the increase in exchange rates over the last few weeks.

Hence, the banks were asked to be more diligent and ensure the benefits of exchange rates for importers to contain inflation.

In a statement, Bangladesh Bank executive director and spokesperson Husne Ara Shikha yesterday said that the Bangladesh Bank has officially announced a maximum exchange rate of Tk 123 per US dollar for remittance collection in a bid to stabilise exchange rates.

The central bank attributed the ongoing US dollar market volatility to

several interconnected factors.

One of the reasons is the increased demand for US dollars at the end of the financial year, which sees a spike in loan repayments and other financial obligations, she said in the statement.

Robi gets

FROM PAGE B1
served as the CEO of Myanmar's leading mobile operator, Ooredoo.

He had also previously served Grameenphone as CEO.

As of November this year, Robi had 5.71 crore mobile subscribers in a market of 18.78 crore mobile phone users, according to data from Bangladesh Telecommunication Regulatory Commission.

It ranked behind market leader Grameenphone, which had 8.45 crore subscribers.

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Economic woes far from over

FROM PAGE B1

"Oligarchs and their businesses were prioritised at the expense of the private sector of Bangladesh."

Tanvir Ahmed, managing director of Sheltech and Envoy Legacy, said the political uncertainty has impacted consumer confidence on products and services offered by local industries.

"From construction and real estate to ceramics, steel, cement, rod, commodity industries and also the stock market, are all experiencing low demand for their products."

"While prices have driven the elasticity of demand in previous situations, this time it is more of socio-political issues that are keeping customers and consumers from spending their disposable income," he added.

LOOKING FORWARD TO 2025

Ashikur Rahman, principal economist at the Policy Research Institute of Bangladesh, said the outlook for FY25 is also cloudy primarily owing to the difficult law and order situation and political uncertainties.

"While there is an encouraging recovery in exports and remittances, import recovery is lukewarm and

assumptions are based on currency

both public and private investment are down. The ADB, the IMF and the World Bank have all revised their growth projections downwards for FY25," he added.

Deen Islam said global market trends suggest the prices of essential commodities like rice, wheat and edible oil are likely to rise further, driven by supply chain disruptions and climatic challenges.

To prevent a deepening crisis, the interim government must adopt proactive policies to safeguard the food supply and protect vulnerable populations.

Zaved Akhtar, also chairman and managing director of Unilever Bangladesh, said the global business environment will continue to be difficult given the geopolitical tensions and higher global energy and commodity costs in 2025.

He said in recent periods, businesses have seen challenges with the exchange rates of currencies.

While currencies tend to depreciate to adjust their values amid market forces, sudden and sharp depreciation creates an immediate impact on businesses and the economy as business plans and

assumptions are based on currency

forecasts.

"In addition, given our country's import dependency, inflation is now unlikely to be abated soon and the cost of operations will likely go up. Companies that have exposure to foreign currency will have increased cost exposure," Akhtar said.

Kanti Kumar Saha, chief executive officer of Alliance Finance PLC, said following the political changeover in August, there has been growing optimism for reform on the macroeconomy and business fronts.

However, he said much will depend on reforms in the financial and other sectors alongside timely utilisation of the annual development fund to bring back the country's growth momentum.

Also, the adoption of market-based exchange rates is needed to support international trade, which is a lifeline for the domestic economy.

Ease of doing business, bringing down inflation and non-performing loans, maintaining remittance and export growth, and improving revenue collection will be key challenges in 2025, Saha said while suggesting that the right reforms for the capital market can boost investor confidence in the new year.

Stock market lost steam

FROM PAGE B1

Saiful Islam, president of the DSE Brokers Association of Bangladesh (DBA), termed it a "very frustrating year".

The floor price was in place in the first quarter, meaning in the first three months of the year, which worked against the market and investors, he said.

Then, a highly controversial national parliamentary election was held, so the stock market did not get any benefit from the election, he added.

"After the uprising, the market gained a bit of momentum but unfortunately, that could not be sustained due to a lack of confidence," Islam said.

If the interim government wants investors to regain confidence, it

needs to ensure transparency and accountability and continuously bring in companies with good performance records.

"This is the main problem of the stock market, that it does not have enough investible equity."

Investors will not regain their confidence if they only witness some reforms brought to policies. Rather, good companies can give them the assurance of an upbeat market, Islam said.

The government's activities should be such that it brings about a change in people's perception towards the capital market, he added.

In 2024, daily average turnover in the SME market almost doubled to Tk

15 crore. In the same year, turnover in the alternative trading board also rose as people's demand for treasury bonds increased.

Turnover registered specifically through trading over mobile phones also increased, although the number of registered users in the associated mobile app dropped by around 7 percent to 30,433.

With the fall of the market, the market's price-earnings ratio, which measures current share prices relative to its per-share earnings, stood at 9.50 percent whereas in the previous year it was 13.12 percent.

This indicates that the market is now lucrative enough to invest in good stocks.

Dhaka trade fair starts tomorrow in Purbachal

STAR BUSINESS REPORT

The monthlong Dhaka International Trade Fair (DITF) is all set to begin tomorrow at the Bangladesh China Friendship Exhibition Center in the Purbachal area of Dhaka.

Chief Adviser Prof Muhammad Yunus will inaugurate the 29th edition of the DITF, jointly organised by the Export Promotion Bureau (EPB) and the commerce ministry.

The EPB and participating commercial institutions have nearly completed preparations for the event, with last-minute works underway to enhance its appearance.

EPB sources said this year's fair, which aims to facilitate exports, is being organised with the spirit of the student movement in July in mind.

The EPB has constructed three pavilions named after the July revolution. They believe this year's fair will attract more domestic and foreign visitors compared to previous editions.

The event will feature 361 stalls and pavilions with exhibitors from Bangladesh and seven other countries, with 11 foreign businesses set to showcase their goods and services.

This will be the fourth time that the fair will be held at the Purbachal venue.

Products such as local textiles, machinery, carpets, cosmetics and beauty products, electrical and electronic products, furniture, jute and jute products, home furnishings, leather, artificial leather and leather products will be exhibited at the fair.

These include shoes, sports goods, sanitaryware, toys, stationery, crockery, plastics, melamine polymers, herbal items, toiletries, imitation jewellery, processed foods, fast food, handicrafts, home decor, and more.

According to the EPB, to ensure the overall security of the fair and safety of visitors, a sufficient number of law enforcers will be deployed on the premises. Private security guards have also been appointed to maintain order at the service gate and VIP entrance.

Additionally, an adequate number of CCTVs have been installed in various areas of the fair premises, including entry gates and parking areas, the sources said.

