

star BUSINESS



Sk Bashir Uddin

Govt has no Aladin's lamp to lower prices: Bashir

STAR BUSINESS REPORT

The government does not have an Aladin's magic lamp in hand to bring back normalcy in the commodity prices immediately, Commerce Adviser Sk Bashir Uddin said yesterday.

There is "no switch to turn off" to bring down the prices all of a sudden," he said.

Bangladesh has enough rice in stock to meet its demand, and the food ministry has taken steps to import a few more lakh tonnes of rice from Myanmar, Pakistan and India, the adviser said.

The government has already reduced rice import duty to 3 percent from the earlier 63 percent

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Reserves drop to \$20b after ACU payment

STAR BUSINESS REPORT

Bangladesh's foreign exchange reserves fell to \$20 billion yesterday from \$21.67 billion after the country paid \$1.67 billion in regional import bills through the Asian Clearing Union (ACU).

The ACU, a Tehran-based organisation, facilitates payment settlements among nine member countries: India, Bangladesh, Bhutan, Iran, the Maldives, Myanmar, Nepal, Pakistan, and Sri Lanka.

Under the ACU mechanism, Bangladesh clears its import bills every two months, leading to a temporary decline in reserves after each payment.

As of January 8, the country's forex reserves stood at \$21.67 billion, calculated in accordance with the International Monetary Fund's (IMF) BPM6 manual.

The central bank has been able to mitigate the

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Major trade bodies miss election deadline as reforms take centre stage



We will proceed with the election schedule as soon as the ministry approves the amendments. As these amendments are vital for a genuine voter list, the 90-day poll timeframe does not matter a lot in this case.

Md Anwar Hossain
Administrator to BGMEA

ATAGLANCE

Holding timely election in major trade bodies uncertain	Tenure for administrators has already been extended	Number of nominated directors in the FBCCI was increased several times
Trade organisation rules will be sent to advisory council soon for approval	Election will take place after the amendment	FBCCI and BGMEA play vital roles in formulation of trade policies

WHAT ADMINISTRATORS SAY

Presidents should be elected directly	None should run for president more than twice in a row
Vital amendment needed in trade organisation rules	Fresh voter list is important for holding election

REFAYET ULLAH MIRDHA

Elections at major trade bodies have missed the 90-day deadline as new administrators of the business organisations seek amendments to the governing rules.

In this regard, they have sent letters to the commerce ministry wing responsible for overseeing trade and business chambers, requesting the amendments to ensure only genuine businesspeople can vote.

Following the political changeover in August last year, the interim government assumed office and appointed administrators to the trade bodies including the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The administrators were supposed to hold elections within 90 days of their appointments.

Now the administrators come up with the request for amendments to the electoral processes of the trade bodies.

For example, they propose that the president should be directly elected, that no president should serve more than two consecutive terms, and that the number of directors in the trade bodies should be reduced.

Under the current election rules in major trade bodies such as the FBCCI and BGMEA, the president is elected indirectly.

The winning panel in the election selects the president from among its directors.

Similarly, over the past several years, the number of directors in trade bodies like the FBCCI has been increased to secure positions for influential individuals.

The number of directors in the FBCCI has been increased several times.

The commerce ministry, through a statutory regulatory order, raised the number of nominated directors from 16 to 18 and elected directors from 28 to 30 for the 2012-14 term.

However, according to the FBCCI's articles of association, holding an extraordinary general meeting (EGM) is a must to increase the number of either elected or nominated directors.

Previously, the number of director positions was increased in 2010, when the



number of nominated directors was raised from 14 to 16.

In the FBCCI election, both the elected and nominated directors enjoy equal power in the selection of the president and vice-presidents.

Since the formation of the apex trade body of the country in 1973, the general voters used to elect the president and vice-presidents through a direct voting system.

But in 2002, the FBCCI introduced a system where the president and vice-presidents

are selected by the elected and nominated directors of the trade body.

The biennial FBCCI election held on 31 July 2023 was largely a formality, as a majority of the directors were nominated and elected unopposed.

Under the existing FBCCI rules, of the total 80 director positions, some 34 -- 17 from the chamber group and 17 from the association group -- are nominated, while the remaining 46 are elected, with 23 from each group.

In the last FBCCI election, 16 directors from the chamber group and the same number from the association group were nominated after two directors from each group were disqualified for various reasons.

Moreover, in the last FBCCI election, the chamber group election did not take place as four out of 27 valid candidates withdrew their candidacy for the 23 available positions, allowing the remaining contestants to be elected unopposed.

As a result, the election only took place in the association group to select 23 directors.

Consequently, the government-backed candidate panel won 55 of the 78 contested positions, and its candidate ultimately became president without major opposition.

The new administrators have also pointed out that the current voter lists of these trade bodies have many fictitious names, as many businesses have ceased operations, some business owners have left the country and others have retired from business altogether.

For instance, the total number of voters in the BGMEA surpassed 3,375, while the current number of active garment factories under this trade body is around 2,100, said Md

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Pran to invest Tk 600cr more in poultry portfolio by 2027

SUKANTA HALDER

Local agro-processing giant Pran plans to invest an additional Tk 600 crore in its poultry business within the next two years, responding to the country's growing demand for eggs and chicken.

Pran's existing poultry farm in Habiganj's Chunarughat area currently produces as many as 5 lakh pieces of eggs per day.

The company will allocate a large portion of the new investment to set up four advanced egg farms in Noakhali, Shariatpur, Chittagong and Mymensingh, with a combined daily production capacity of 20 lakh pieces of eggs.

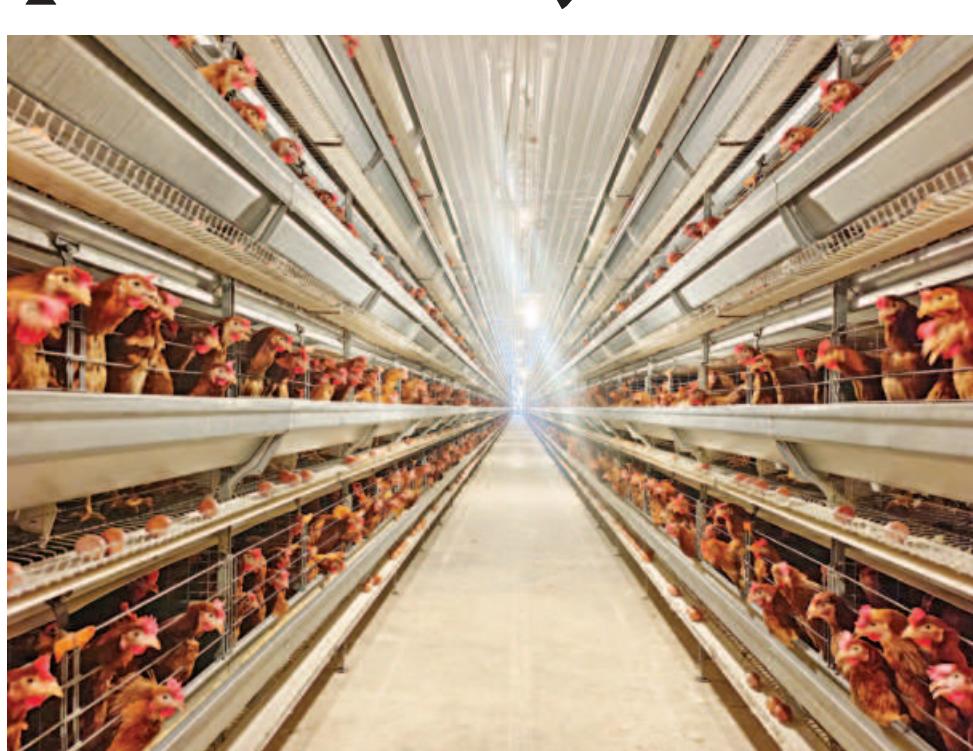
Besides, Pran will invest in poultry breeding and white meat production.

"We are now in the process of acquiring land in Noakhali, Shariatpur, Chittagong and Mymensingh to set up four advanced egg farms," said Kamruzzaman Kamal, director of marketing at the Pran-RFL Group.

Kamal said that roughly Tk 400 crore will be invested in these egg farms, while an additional Tk 200 crore will be allocated to breeder and broiler farms.

He said that the breeder farm is expected to begin chick production this year, and the broiler farm for meat production is scheduled to begin operations next year.

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Pran's existing poultry farm in Habiganj's Chunarughat area currently produces as many as five lakh pieces of eggs per day.

PHOTO: PRAN

Lack of good governance hinders market growth: DSE

STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) has identified a lack of good governance, efficiency and transparency as key issues hindering its ability to effectively contribute to the development of Bangladesh's stock market.

In addition, the new board of directors of the country's premier bourse has pledged to address these problems and provide periodic updates on their progress.

DSE Chairman Mominul Islam made this announcement at a press briefing yesterday, stating that a time-bound reform plan will be published by February.

"The main challenges in the capital market are the lack of good governance, efficiency, accountability, and transparency," he said. "These issues also persist within the DSE itself," Islam added.

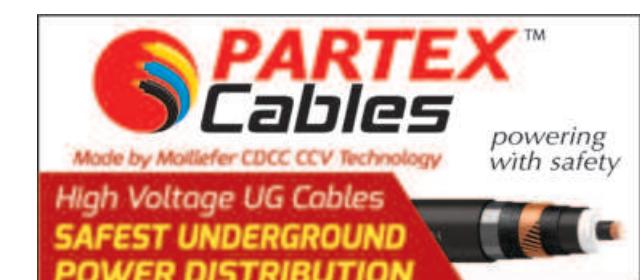
As a primary regulator, the DSE has failed to fulfill its proper role in most cases over the last 15 years. Now, the premier bourse is determined to lead a significant transformation of the domestic stock market.

Islam also criticized the Bangladesh Securities and Exchange Commission (BSEC) for not playing a supportive role in the market. Instead, he said, the regulator often acts like a market operator.

"The BSEC's most reckless decision was introducing the floor price mechanism, which adversely affected both local and foreign investors. Extending the tenure of closed-end mutual funds was another poor decision that eroded investor confidence," he said.

He pointed out that weaknesses in existing listing regulations allowed underperforming companies to go public, turning initial public offerings (IPOs) into tools for manipulation.

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STOCKS			
DSEX	CASPI		
0.18% 5,194.43	0.14% 14,459.97		
COMMODITIES			
Gold	Oil		
\$2,666.1 (per ounce)	\$76.13 (per barrel)		
ASIAN MARKETS			
MUMBAI 0.68% 77,620.21	TOKYO 0.94% 39,605.09	SINGAPORE 0.63% 3,862.60	SHANGHAI 0.58% 3,211.39

Banks see rising deposits for higher interest rates

STAR BUSINESS REPORT

Bank deposits grew in the third quarter of 2024 as many people were encouraged by rising interest rates to park their money at commercial lenders.

In the July-September period of the previous calendar year, bank deposits rose 7 percent year-on-year to Tk 18.25 lakh crore, with bank branches in rural areas registering higher deposit growth compared to their urban counterparts.

The significant hike in interest rates was a key driver behind the growth in bank deposits, said Sved Mahbubur Rahman, managing director and chief executive of Mutual Trust Bank PLC.

Besides, banks have carried out a lot of campaigns to attract depositors, he added while informing that they expect the upturn of deposits to continue.

The weighted average interest rates on deposits rose to 5.88 percent in the July-September quarter last year from 4.55 percent during the same period of the previous year, according to data of the Bangladesh Bank.

But when comparing the April-June quarter, bank deposits declined by 0.73 percent year-on-year due to widespread unrest centring a mass movement that ousted the Awami League government on August 5.

Overall bank deposits stood at Tk 18.38 lakh crore by the end of last June.

Private commercial banks, including Islamic banks, constitute 68 percent of the total deposits at present.

However, the central bank data shows their deposits shrank 0.33 percent to Tk 12.58 lakh crore by the end of last September from Tk 12.62 lakh crore three months prior.

In the July-September period of 2024, bank deposits rose 7 percent year-on-year to Tk 18.25 lakh crore

The crisis-ridden Islamic banks recorded the steepest decline in deposits during the July-September period. Meanwhile, state banks closely followed even though both public and private banks saw deposit growth for about one year since the end of September 2023.

On the other hand, loans and advances maintained an uptick for four quarters ending with the July-September period of 2024.

Loans and advances increased by 10 percent year-on-year to Tk 16.19 lakh crore by the end of September last year.

Between June and September of 2024, loans and advances to bank borrowers grew by 1.43 percent mainly in urban areas.