

star BUSINESS

ADP spending fell 19% in Jul-Dec

REJAUL KARIM BYRON

The implementation of the Annual Development Programme (ADP) in the first six months of fiscal year 2024-25 was down 19 percent year-on-year, due mainly to political unrest and delay caused by thorough scrutiny of previously approved projects.

Development spending in the July-December period amounted to Tk 50,002 crore, according to the Implementation Monitoring and Evaluation Division (IMED) under the planning ministry.

This means that in the first half of the current fiscal year, the interim government spent around 18 percent of the total development outlay for FY25.

In the same period of the last fiscal year, ADP implementation stood at Tk 61,739 crore, representing over 22 percent of the total allocation, the data showed.

Planning Adviser Wahiduddin Mahmud said that the pace of the ADP implementation slowed this year because the government needed to scrutinise and amend many projects in the first few months, which was time-consuming.

"Now, we have accelerated the scrutiny," he told journalists following a meeting of the Executive Committee of the National Economic Council (Ecnc) last week.

Mahmud, also a noted economist, expressed hope that the ADP implementation would pick up in the coming months as several new projects, which are fully aligned with the current administration's priorities, would require less verification.

With the absence of members of parliament and the fragile state of local governments, administrators are managing local governance, and their demand for new projects has been minimal.

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BSEC halts Tk 5cr fundraising by Doer Services

AHSAN HABIB

The Bangladesh Securities and Exchange Commission (BSEC) has halted the subscription for a qualified investors offer (QIO) by homegrown software firm Doer Services Ltd to raise Tk 5 crore, following several media reports about the company's problematic client agreements and profitability.

Besides, the regulator decided to form a committee comprising officials from the BSEC and the Dhaka Stock Exchange (DSE) to look into the issues.

The decision was made during a commission meeting yesterday.

The DSE Brokers Association of Bangladesh (DBA) welcomed the move and thanked the stock regulator.

The share subscription for the company was scheduled to begin on January 19 and run until January 23.

However, market analysts questioned Doer Services Ltd's

fundraising plan, as the company's revenue mainly comes from just two clients.

They said this heavy reliance risks the firm's survival if either client withdraws its business.

In the 2022-23 financial year, 81 percent of Doer's total revenue, which is Tk 58 crore, was generated

Market analysts questioned Doer Services' fundraising plan, as the company's revenue mainly comes from just two clients

from providing services to Agrani Bank, while 17 percent, or Tk 12 crore, came from the Insurance Development and Regulatory Authority (Idra), according to the DSE's prospectus.

Doer's services to insurance regulator Idra have already faced questions, as insurance companies are reluctant to share client data

with a third-party firm.

Besides, market insiders are also critical of the bidding process, the award of the project to Doer and the high price of its services.

Moreover, Doer services to Agrani Bank also came into the spotlight.

Previously, the Bangladesh Bank flagged the issue of Agrani Bank outsourcing its project to a third party, citing the risks associated with sharing sensitive data with an external entity.

Doer got both the projects of Idra and Agrani Bank under the previous government. If the contracts are not renewed by the current government, the company could land in hot water.

"Such a company is risky for the stock market," said a director of the DSE, who requested anonymity.

In the 2022-23 financial year, Doer reported retained earnings of Tk 36 crore and profits of Tk 22 crore.

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ATAGLANCE



Govt to manage jobs for 40,000 laid-off Beximco workers



Factories inside Beza, Bepzawill recruit them



Govt also trying to sell 16 textile, garment units of the group



Bida is trying to find foreign customers



Independent BSEC board to oversee the sale, operations



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FINANCIAL HARSHIP

- Beximco owes Tk 50,000 crore to banks, over half of it defaulted
- The cash-strapped conglomerate cannot pay its workers
- Work orders dry up after Aug 5 political changeover

Govt to find jobs for 40,000 workers laid off by Beximco

REFAYET ULLAH MIRDHA

The government is trying to find jobs for 40,000 laid-off workers of Beximco Group in factories within the Bangladesh Export Processing Zone Authority (Bepzawill) and the Bangladesh Export Zones Authority (Beza), a senior labour ministry official said.

The group in December last year laid off more than 40,000 workers across its 16 textile and garment units, citing a decline in work orders from international clothing retailers and brands.

In addition to finding jobs for the laid-off workers, the government is also looking for foreign buyers for the textile and garment factories, said AHM Shafiquzzaman, secretary of the Ministry of Labour and Employment.

Finding jobs for the laid-off workers is a decision of the government's advisory council, the labour secretary said, adding that laid-off workers will receive partial

salaries from Janata Bank until March this year.

Shafiquzzaman also said that an independent board has recently been formed by the Bangladesh Securities and Exchange Commission (BSEC) to oversee the sale and operation of the group's factory units.

The independent BSEC board reported that the group's pharmaceuticals and ceramics divisions are performing well and are profitable.

These units will continue to operate while the Bangladesh Investment Development Authority (Bida) looks for foreign buyers for the group's 16 textile and garment units, the labour secretary told The Daily Star over the phone.

Following the ouster of the Awami League government in early August last year, the conglomerate landed in hot water.

Its Vice-chairman Salman F Rahman,

who is now behind bars, was an influential adviser to deposed prime minister Sheikh Hasina.

Rahman is accused of weaponising his political influence for personal business gain.

After the fall of Awami League, a series of financial irregularities involving Rahman and his business empire came to light.

Recent Bangladesh Bank data showed that Beximco Group owed nearly Tk 50,000 crore in bank loans as of November 2024, with more than half of the amount becoming non-performing.

The amount of defaulted loans owed to the state-owned Janata Bank is more than Tk 23,500 crore, and the bank can sell the group's properties following legal procedures, said the labour secretary.

"We will follow the legal procedures in the sale of Beximco properties," Shafiquzzaman added.

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