

Plot allocation in Patuakhali EPZ will begin in early 2026

SOHRAB HOSSAIN, Patuakhali

Plot allocation at the Patuakhali Export Processing Zone (EPZ) will start in early 2026 as the project's construction is scheduled to be completed by June 2025, said Md Saifullah Panna, secretary to the Chief Adviser's Office.

He also highlighted the necessary initiatives, including road development, to make the EPZ more investment-friendly.

Panna made the comments during a visit to the special zone yesterday to inspect the progress of the construction work on the project approved on August 29, 2023.

The Patuakhali EPZ, which is being constructed at a cost of Tk 1,443 crore, is set to feature 306 industrial plots, said Md Ashraf Kabir, project director.

Of the project cost, the government extended Tk 1,105 crore and Bangladesh Export Processing Zones Authority (Bepza) Tk 338 crore, he said.

The EPZ, which spans 410.78 acres of land in Pachakorolia village of Auliapur union under Patuakhali sadar upazila, is expected to create employment opportunities for around one lakh people, Kabir added.

The EPZ, for which an 'Investors' Club' is being constructed on 2.25 acres of land in Kuakata under the same project, is expected to significantly improve the socio-economic condition of the local population, project officials said.

The infrastructures being developed under the Patuakhali EPZ project include 3.15 lakh metres of roads, around 30,000 metres of drainage, four six-storey factory buildings, three 10-storey office buildings, four six-storey and three 10-storey residential buildings, zone office, customs office, and security office, a helipad and 54 rehabilitation houses for landowners affected by the project.

The project will also have substations inside its boundary to ensure uninterrupted power supply, the officials said.

The proximity of the Patuakhali EPZ to Payra seaport is positioned as a key player in the region's industrial growth, said Mohammad Mosharraf Hossain, managing director of Liberty Group, one of the leading industrial firms of the country.

However, he emphasised the need to widen the connecting roads, improve connectivity and ensure a reliable gas supply to the EPZ to attract more investors, he said.

Currently, Bangladesh has eight operational EPZs.

DSE working to bring good companies to market

Its Chairman Mominul Islam says

STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) is currently focusing on four key tasks, one of which is to bring reputable companies to the capital market to restore investor confidence, DSE Chairman Mominul Islam said yesterday.

Additionally, the premier bourse is working to ensure tax benefits for investors and prevent insider trading, he added.

"We have zero tolerance for insider trading," Islam said at the 'CMJF Talk' organised by the Capital Market Journalists' Forum (CMJF).

"Everything will be futile if we cannot ensure confidence among investors. For this reason, we are working with some short-term plans," he noted.

Islam expressed hope that dynamism would return to the capital market by next June.

The chairman's remarks come at a time when the stock market is experiencing a bearish trend because of limited participation from institutional and retail investors.

The DSEX, the benchmark index of the DSE, fell by 1,026.43 points, or 16.44 percent, to 5,216.44 on December 30, the last trading day of 2024, compared to 6,242.87 on the first trading day of the same year, according to DSE data.

Islam mentioned that the government's taskforce for capital market reforms is identifying past irregularities.

"Reforms have already begun, and some measures will be completed by June. These steps will help restore investor confidence," he said.

Elected to his post in early October last year, the DSE chairman stated that the exchange has also devised long-term plans to transform the capital market into a vibrant one.



DSE Chairman Mominul Islam speaks at a press conference in Dhaka yesterday.

PHOTO: COLLECTED

"However, it will take some time to see the results," he said.

Bangladesh's stock market has not advanced as much over the past 15 years under the Hasina-led Awami League government, but during the same period, global markets have made significant strides, he said.

"The stock market has failed to play its due role in the economy. We are far behind expectations. The bourses have faced numerous challenges, including undue regulatory interference," he said.

Previously, the Bangladesh Securities and Exchange Commission's (BSEC) prior approval was mandatory for the DSE to take any initiative, making it difficult to monitor listed companies effectively.

"Such incidents will reduce significantly once standard protocols are established," he said.

The DSE is also engaging with multilateral lenders, including the International Monetary Fund (IMF), to develop the market, Islam said.

Additionally, the Dhaka bourse will seek cooperation from various agencies, including Bangladesh Bank.

CMJF President Golam Samdani chaired the event, which was moderated by General Secretary Abu Ali.

"It is challenging to oversee all these weak companies simultaneously," he said.

He added that steps are being taken to delist companies that should not have been allowed to float shares to the public.

Despite having an electronic trading platform that meets global standards, the DSE faces technical challenges due to process-related limitations, Islam pointed out.

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India's economy set for rebound Central bank says

REUTERS, Mumbai

India's economic growth is poised to rebound as domestic demand regains strength, but "stickiness" in food inflation warrants careful monitoring, the central bank said in its monthly bulletin released on Friday.

In India, there is a "conducive quickening" of high-frequency economic activity indicators in the second half of 2024-25, signalling implicit pick up in real gross domestic product growth for this period, the Reserve Bank of India said in an article titled 'State of the Economy' in the bulletin.

Rural demand continues to gain momentum, reflecting resilience in consumption, supported by brighter agricultural prospects, the RBI said.

A revival in public capex on infrastructure is also likely to stimulate growth in key sectors, it added. The RBI's now-cast model forecasts India's economy to grow at 6.2 percent in the October-December quarter, per the bulletin.

India's economy grew by 5.4 percent in the July-September quarter from a year earlier, compared with 6.7 percent growth in the previous three months.

Growth is projected to slow to a four-year low of 6.4 percent in the financial year ending March 31.

Although headline inflation eased for the second consecutive month in December, sticky food inflation warrants careful monitoring of second-order effects, the RBI said in the bulletin.

India's annual retail inflation eased to a four-month low of 5.22 percent in December, lower than economists' estimate of 5.3 percent.



'Most difficult time in 34 years' Bangladesh sees window of opportunity

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down because they need affordable financing. Without an optimal balance in these three areas, businesses will not survive," said Manzur.

He criticised the government for repeatedly increasing tax rates, as it is perceived as an easy way to raise revenue.

Some compliant businesses are paying higher taxes and interest to cover the gaps left by those who evade taxes and repay loans, he said.

He called for reforms to expand the tax net, emphasising the need for political will to consolidate all business promotion services under a single entity.

Consumers are under immense pressure due to high inflation, while investor confidence remains extremely low, said Zaved Akhtar, president of the Foreign Investors' Chamber of Commerce and Industry.

The government was discussing ways to boost investor confidence, but then it suddenly raised VAT without any consultation, he said. "This provides very little confidence, and the credibility of the country is now in question," he said.

He warned that without the restoration of credibility, foreign direct investment would not

come. "Why isn't the government expanding the tax net to increase revenue? Instead, it puts pressure on existing taxpayers while nearly half of government expenditures go toward overhead costs," said Akhtar.

"I pay taxes and request the government to provide a clear roadmap on how it plans to reduce overhead costs in the next budget," he said.

He questioned the government's commitment to tackling corruption, noting that corruption increases business costs. "The country is in a very different and difficult economic situation, so the same playbook won't work anymore," he said.

Michal Krejza, head of development cooperation of the European Union delegation to Bangladesh, stressed the need to strengthen the competition commission to ensure market functionality.

"The commission should play a vital role in investigations and its core activities," he said.

He also emphasised the importance of developing the capital market to attract foreign investments.

Regarding statistics, Krejza called for the Bangladesh Bureau of Statistics to operate independently of the

Ministry of Planning to ensure timely, transparent, and accurate data publication.

Bangladesh's exports have grown tenfold over the past decade. To sustain this momentum post-LDC graduation, the country must improve labour protections, he said.

This includes aligning the Bangladesh Labour Act and the Export Processing Zones Act with international standards, he added.

Chowdhury Ashik Mahmud Bin Harun, chairman of the Bangladesh Investment Development Authority, stated that the interim government plans to focus on developing five special economic zones instead of 100.

This would be done by ensuring essential resources such as gas, electricity, water, roads, and other infrastructure, he said.

Ashik noted that the government was working to merge all facilities and services under a single platform to streamline operations.

Kazi Iqbal, research director of the Bangladesh Institute of Development Studies, suggested increasing the budget for technical and vocational training.

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Trump's speeches have indicated that he will impose a higher tariff on goods from China and Mexico, which may open a new window of opportunity for Bangladesh."

"If the Trump administration imposes higher tariffs on goods from China and Mexico, either the work orders or investment will shift to Bangladesh from these two countries," he said.

LOCAL EXPORTERS BOAST BRIGHT PROSPECTS

Following the Rana Plaza garment factory collapse in 2013 and subsequent Generalized System of Preferences (GSP) withdrawal by the

Exporters said that punishing tariffs as high as 60 percent on Chinese goods will drive more international clothing retailers and brands to Bangladesh

US, Bangladesh has made remarkable improvements in workplace safety to meet international standards.

This has already somewhat satisfied American retailers and brands.

As a result, international clothing retailers and brands can no longer question the country's

compliance standards and improved variety of clothing items.

Moreover, the longstanding issue of double fumigation of US cotton in Bangladesh has been lifted at the request of the Biden administration, improving trade relations between the US and Bangladesh.

Double fumigation of US cotton had been a requirement in Bangladesh for almost 50 years. Lifting this requirement simplifies

"If Bangladesh can improve the investment climate, like improving energy supply, the country may further benefit from the shifted investment from China and Mexico due to the imposition of high tariffs and the sustained tariff war between the USA and China," Reaz added.

Local exporters believe their strong performance record will help the Trump administration view Bangladesh as a reliable source of clothing items.

Masur Reaz, chairman of Policy Exchange Bangladesh, said, "Garment export may increase as Bangladesh does not have any other competitive products to be exported to the USA."

Republican president-elect Donald Trump will be sworn in at the White House tomorrow for a four-year term.

Over half of spices

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to open outlets for over a month last year due to political unrest.

Shah Muhammad Asheque Rahman, head of finance and commercial at Bangladeshi Honda Private Limited (BHL), stated that Honda's satisfactory sales performance in 2024, despite a declining market, highlights the brand's commitment to innovation and customer centric designs.

"Our models, inspired by Honda's racing DNA, deliver thrill, precision, and reliability while continuously improving to meet customer needs," Rahman said.

He emphasised that BHL's strategy focuses

on high performance motorcycles, which resonate with a growing segment of discerning buyers.

BHL operates as a joint venture between Japan's Honda Motor Co and the state-owned Bangladesh Steel Engineering Corporation.

Rahman expressed optimism about maintaining steady growth in the challenging market by leveraging Honda's legacy of innovation and reliability.

The brand's resilience in navigating economic challenges reflects its strong position and ability to adapt to evolving market demands in Bangladesh, he stated.

Similarly, dry fruits like raisins, almonds, pistachios, and prunes are also subject to high tax rates, according to the tariff commission's report.

The report stated that the high customs duties and taxes on these spices and dry fruits are leading to increased prices and encouraging smuggling.

As a result, the government is not receiving the amount of revenue it should.

To address this, the report proposed reducing the duty rate on four spices—cinnamon, cloves, cardamom, and cumin—as well as raisins and prunes to 27 percent. It also suggested fixing the duty rate for cashew nuts and almonds at around 46 percent.

According to the NBR, the government collected Tk 1,430 crore in revenue from these nine products, including spices, last fiscal year.

The report estimated that if the duty rates are reduced and smuggling is curtailed, the government could collect Tk 1,716 crore in revenue.

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Date: 13/01/2025

e-Tender Notice

Tender ID No	Pakage No And Description	Publishing date and time	Closing date and time
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