Star BUSINESS



# Khulna Printing shares triple in a month despite factory closure

AHSAN HABIB

Stocks of Khulna Printing & Packaging Ltd (KPPL) tripled in the past month despite the facts that it is languishing as a junk stock in the "Z" category, its operations have been shut for years, and there have been no positive developments about the company in recent times.

Regarding the recent surge in its stock price, KPPL responded to a Dhaka Stock Exchange (DSE) notice yesterday saying it had no undisclosed price-sensitive information.

Nonetheless, the printing company's shares surged by around 10 percent to Tk 20.6 yesterday, marking a threefold increase from their starting point of Tk 7.2 last month, according to DSE data.

In August last year, the DSE said one of their teams had visited KPPL's factory and head office in February 2023 to assess its operational status, only to find the facilities closed.

The company's operations remain suspended mainly due to the freezing of its bank accounts in 2021.

That year, KPPL disclosed that a court had ordered all bank accounts belonging to chairman SM Amzad Hossain and associated entities to be frozen.

In recent times, rumours have been circulating that the company's bank accounts may be reopened, meaning production may subsequently resume.

However, the company has not confirmed any such development, according to a top official at a leading brokerage firm who requested anonymity.

Md Sajedul Islam, a former vice president of the DSE Brokers Association, said: "If the company regains access to its bank accounts, it would suggest the stock price has been rising due to insider trading."

Insider trading is the illegal practice of trading on the stock exchange to one's own advantage by accessing confidential information.

He commented that while institutional investors are maintaining a cautious stance, general investors are now chasing rumours, creating an

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### STOCKS

| DSEX ▲ | CASPI ▲ |
|---|---|
| 0.99% | 0.59% |
| 5,195.83 | 14,449.95 |

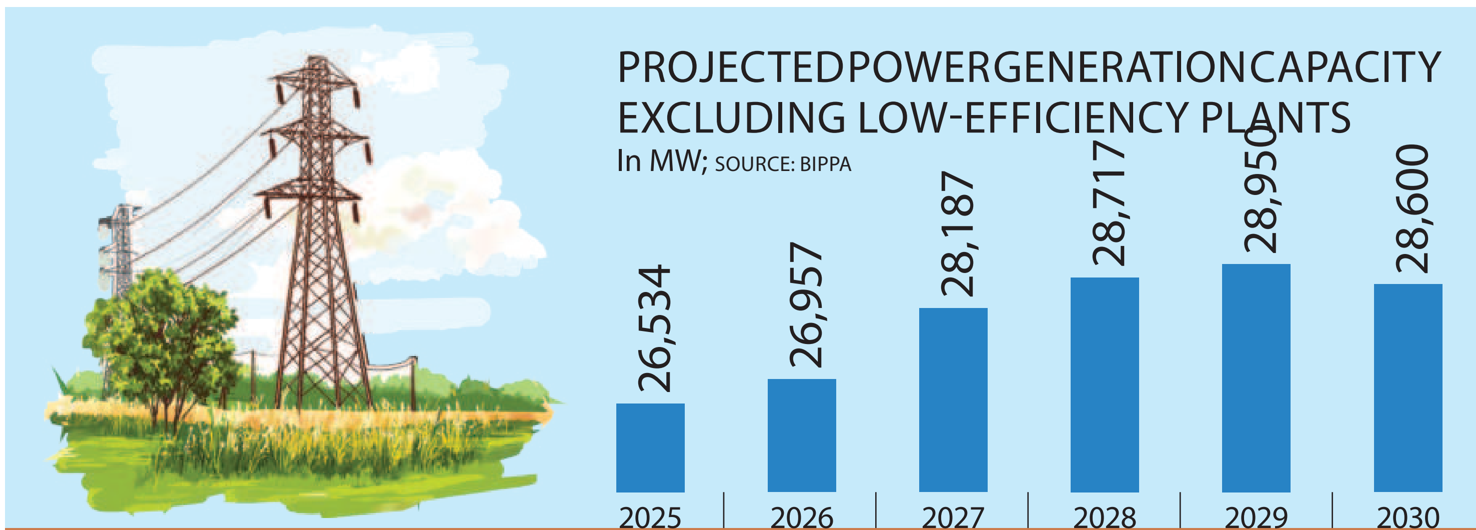
### COMMODITIES

| Gold ▲ | Oil ▼ |
|---|---|
| $2,705.14 | $77.08 |
| (per ounce) | (per barrel) |

### ASIAN MARKETS

| MUMBAI | TOKYO | SINGAPORE | SHANGHAI |
|---|---|---|---|
| ▼ 0.55% | ▼ 0.31% | ▼ 0.07% | ▲ 0.08% |
| 77,166.96 | 38,902.50 | 3,807.97 | 3,244.38 |

# Bangladesh's power subsidies highest among neighbours despite low use




COUNTRY-WISE PER CAPITA POWER CONSUMPTION AND SUBSIDIES

| | Bangladesh* | Vietnam** | India* | Sri Lanka** | Pakistan* |
|---|---|---|---|---|---|
| Consumption (kWh/person) | 553.09 | 2,778.56 | 1,395.00 | 642 | 467.48 |
| Subsidies (USD/person) | 18.53 | 0.0431 | 14.29 | No | 8.71 |

*FY24
**2023
SOURCE: BIPPA

ASIFUR RAHMAN

Bangladesh has the highest per capita power subsidies among its four neighbouring countries, including India and Pakistan, despite having the second-lowest per capita consumption, according to an analysis by the Bangladesh Independent Power Producers Association (BIPPA).

BIPPA presented its findings to senior government officials yesterday at Rail Bhaban, near the Bangladesh Secretariat.

The presentation showed that Bangladesh paid $18.53 in per capita power subsidies in fiscal year 2023-24, which is higher than India's $14.29, Pakistan's $8.74, and Vietnam's $0.0431.

Island nation Sri Lanka discontinued such subsidies in 2023.

According to the BIPPA analysis, per capita power consumption in Bangladesh is 553 kilowatt-hours (kWh), with only Pakistan consuming less.

Besides, BIPPA said that Bangladesh is the only country among its neighbours where domestic customers consume the highest proportion of electricity, around 56 percent.

Industries and commercial customers consume around 39 percent of the total power generated, which is also the second-lowest after Pakistan, according to the analysis.

According to economists and energy experts, higher power generation costs, rapid expansion of power infrastructure and excessive capacity charges have contributed to the subsidy burden.

More than one-third of the government's subsidy allocations in the current budget for fiscal year 2025 have been earmarked solely for the power sector.



The government allocated nearly Tk 40,000 crore in the current national budget to bridge the gap between the power purchase from power plants by the Bangladesh Power Development Board (PDB) and its sale to distributors.

Economist Prof A K Enamul Haque, deputy vice-chancellor at the UCSI University's Bangladesh campus, said the increase in power subsidies is due mainly to corruption.

He said that during the previous Awami League government, many agreements were signed without transparency.

Besides, the authorities used the indemnity act to deal with the power sector and awarded quick rental power plants with excessive capacity payments. This eventually increased power generation costs, he said.

Enamul, also a member of the White Paper Committee on the State of Bangladesh Economy, said the power sector was a major source of black money and the government made many wrong decisions, which altogether impacted the economy.

"The sector should be reviewed strategically on how to overcome this situation. We may not get out of some deals due to legal aspects, but we can make a long-term plan to reduce the inflated costs," he said.

Previously, Khondaker Golam Moazzem, research director at the Centre for Policy Dialogue (CPD), told The Daily Star that capacity payments and higher energy prices in the international market made it necessary to allocate higher subsidies for power in FY25.

Even with several hikes in power prices, he

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# BB rejects NRBC Bank's plea to appoint Rabiul as MD

STAR BUSINESS REPORT

The Bangladesh Bank has rejected NRBC Bank's application to appoint Md Rabiul Islam as its managing director (MD) due to his alleged involvement in irregularities.

In a letter sent to NRBC Bank's chairman on Sunday, the central bank stated: "The appointment of Md Rabiul Islam as the managing director of your bank cannot be reconsidered."

The private bank applied to the central bank on December 2, 2024, seeking approval for Islam's appointment as the new MD.

According to central bank officials, Islam's name was included in a chargesheet filed by the Anti-Corruption Commission (ACC), leading to the rejection of the application.

The central bank has instructed NRBC Bank to immediately nominate a suitable candidate for the MD position and submit an application for approval.

Islam, currently the bank's deputy managing director, has been serving as the acting managing director for an extended period.

Islam joined NRBC Bank in 2020 after previously working at NCC Bank, Mercantile Bank, and Prime Bank.

# Advisory council undecided on Beximco factory sale

## To hold meeting on Jan 27 with banks

REFAYET ULLAH MIRDHA

A state advisory council yesterday remained undecided on whether to sell 16 textile and garment factories of Beximco Group, citing that further scrutiny of bank statements was required.

The sale is aimed at repaying nearly Tk 50,000 crore in bank loans owed by the group, more than half of which has become non-performing, according to Bangladesh Bank's data from last November.

There are discrepancies in loan and default amounts in financial statements provided by the group's state-appointed administrator and banks, said M Sakhawat Hussain, adviser to the Ministry of Labour and Employment.

So, the council has called a meeting with senior officials of five to six banks on January 27

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# Cement sector struggles amid political, economic challenges

JAGARAN CHAKMA

Cement sales in Bangladesh plunged in 2024 due to political instability, rising production costs, and the deferment of the implementation of government infrastructure projects, leaving the industry operating at less than half its capacity.

"The cement sales in 2024 declined due to political instability, macroeconomic challenges, inflation, and the suspension of government infrastructure projects," said Mohammad Iqbal Chowdhury, chief executive officer (CEO) of LafargeHolcim Bangladesh PLC.

Industry experts echoed similar concerns, emphasising that these factors have led to significant disruptions in the construction sector.

Mohammed Amirul Haque, managing director and CEO of Premier Cement Mills Limited, highlighted that the suspension of major infrastructure projects, a key customer of the cement industry, has exacerbated the downturn.

Despite these hurdles, Haque expressed optimism, emphasising that political stability and economic recovery could enable a rebound.


"The cement sector has weathered crises before and stands resilient," he said, underscoring the industry's potential for recovery in the coming years.

Haque further said the cement industry in Bangladesh, a critical driver of the construction sector, is grappling with declining demand and rising production costs.

"Traditionally, around 60 percent of the country's cement consumption is through individual initiatives," said Md Moshiur Rahman Dalim, head of business at Akij Cement Company Limited.

"...the remaining 40 percent is used in government development projects and infrastructure of other organisations," he said.

However, the dynamics have shifted drastically, painting a bleak picture for the sector.

He said cement consumption at the individual level has dropped by over 90 percent.

According to him, this decline can be largely attributed to delays in

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