




## SMEs lose credit appetite in economic turbulence

SUKANTA HALDER

How have local private sector businesses fared in recent years?

To gain a micro-level understanding, ask the question to houseyard workshops, rural handicraft units, tiny grocery stores and small leather and footwear ventures.

These businesses have been struggling for over three years, gasping for air amid a challenging economic climate.

This is because high prices have eroded consumer demand, while increased power and utility bills have increased operating costs.

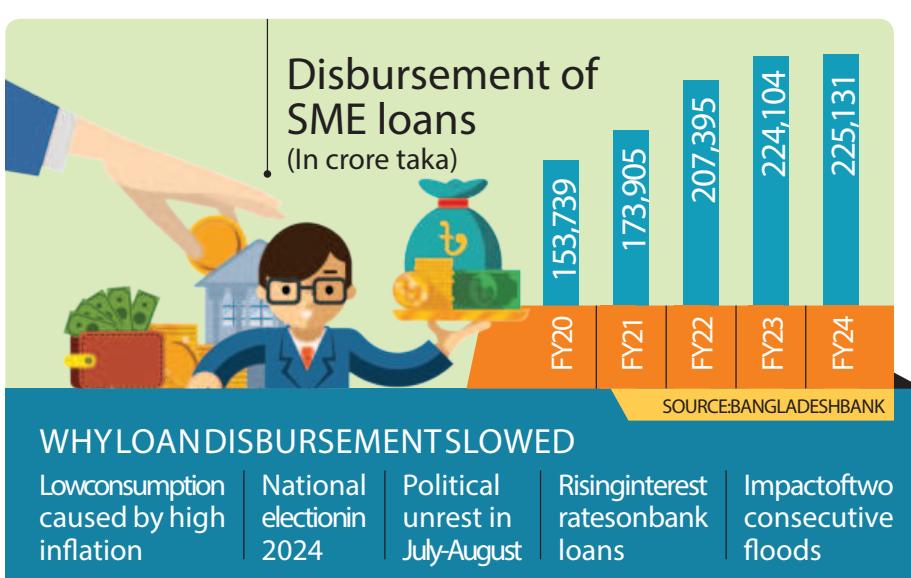
Access to bank loans has also become increasingly difficult for these small ventures, officially categorised as cottage, small, and medium enterprises (CMSMEs).

Instead of easing, the situation for around 78 lakh CMSMEs across the country, which contribute one-fourth of the gross domestic product (GDP) and employ 40 percent of the total workforce, has worsened in late 2024.

On top of the stubbornly high inflation, nationwide protests, violence, curfews, recurrent flooding and punishingly high interest rates on bank loans have brought the CMSMEs to their knees.

Credit data from the central bank also shows the economic disaster facing the CMSMEs.

During the April-June period of fiscal



### WHY LOAN DISBURSEMENT SLOWED

Low consumption caused by high inflation | National election in 2024 | Political unrest in July-August | Rising interest rates on bank loans | Impact of two consecutive floods

year 2023-24, small businesses received Tk 54,526 crore in bank loans. This figure plummeted to Tk 42,950 crore in the subsequent quarter, according to Bangladesh Bank (BB) data.

Compared to the same period in FY23, loan disbursement in April-June of FY24 witnessed a 13.10 percent decline.

BB data also shows that CMSMEs borrowed Tk 2.25 lakh crore in FY24, a mere 0.46 percent increase compared to the previous year's Tk 2.24 lakh crore.

Meanwhile, private sector credit growth in November of last year reached a three-year low due to weakened credit demand, a dearth of new investment, and a surge in government T-bills and bonds.

According to Syed Abdul Momen, deputy managing director and head of SME Banking at BRAC Bank, businesses mainly seek loans for

two purposes: managing operations and expanding their businesses.

"Given the current economic situation, there is little to no demand for loans aimed at business expansion," said the banker.

"Entrepreneurs are now focused on securing the minimal financial support required to meet their working capital needs," he added.

Similar to Momen, Sanjib Kumar Dey, the head of the SME and Agri-banking division at Mutual Trust Bank, said that high inflation and costly loans have compelled small businesses to shelve their expansion plans over the past three years.

"Business owners have been primarily focused on survival rather than growth," Dey said. "Banks, too, are exercising caution in lending amid the prevailing economic uncertainties."

### 'SITUATION IMPROVING SLOWLY'

Compared to July or August of last year, when a nationwide protest culminated in a government ouster, the current

READ MORE ON B3

## BTRC initiates telecom licensing reforms for better services

STAR BUSINESS REPORT

The Bangladesh Telecommunication Regulatory Commission (BTRC) has launched efforts to reform the country's telecom licensing regime to align with contemporary demands.

A committee, led by BTRC Commissioner Brig Gen (retd) Iqbal Ahmed, has already held three meetings to restructure the network and licensing roadmap.

BTRC Chairman Maj Gen (retd) Md Emdad Ul Bari shared this information at a press conference at the commission's office in Dhaka yesterday.

"Currently, we observe that many licences are functioning as intermediaries, increasing costs instead of promoting cost efficiency. We intend to review this and strive for a licensing framework that is streamlined, effective, and efficient," he said.

Bari said that the reforms aim to safeguard consumer interests rather than protect

READ MORE ON B3



## VAT hike to minimally impact goods prices

Salehuddin says

STAR BUSINESS REPORT

The recent hike in value added tax (VAT) and supplementary duty (SD) rates will not have any significant effect on the prices of goods, said Finance Adviser Salehuddin Ahmed yesterday.

"What is the worst that could happen?" he told journalists after a meeting of the Advisers' Council Committee on Government Purchase at the Bangladesh Secretariat.

The National Board of Revenue (NBR) increased VAT and SD on nearly 100 goods and services on January 9, leading to apprehensions that it would stoke inflation, put further strain on consumers' wallets, and slow down businesses.

The NBR raised the indirect taxes at a time when overall revenue collection fell by 2.62 percent in the July–November period, increasing pressure on the government to borrow from domestic and foreign sources.

The VAT increase also aligns with the recommendations of the International Monetary Fund (IMF) as part of a \$4.7 billion loan it approved for Bangladesh in January 2023.

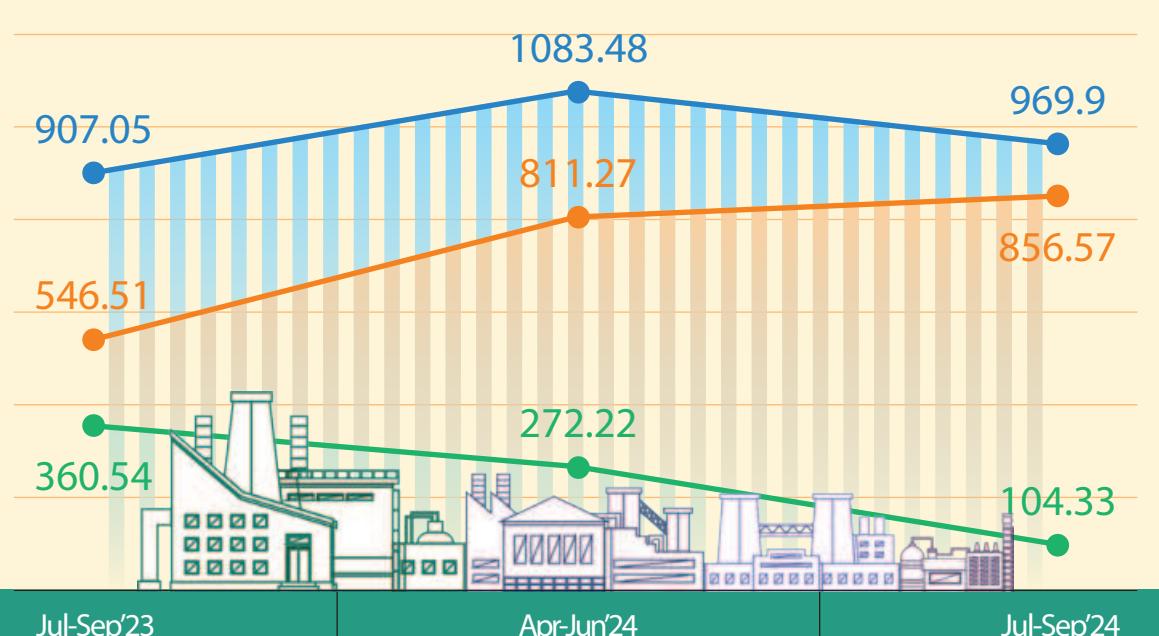
Regarding the criticisms of

READ MORE ON B3



## Overall situation of foreign direct investment

In million \$; SOURCE: BB • Inflow • Outflow • Net



## Net FDI hits six-year low

JAGARAN CHAKMA and MD MEHEDI HASAN

The flow of foreign direct investment (FDI) in Bangladesh fell to \$104.33 million in the July–September quarter of fiscal year 2024–25, the lowest in at least six years, as foreign investors stayed away from Bangladesh amid deadly political unrest, labour agitation, and a persistent economic crisis.

The South Asian country received 71 percent less foreign investment year-on-year, down from \$360.5 million in the July–September period of FY24, as both the flow of net equity and reinvested earnings declined, according to data released by the Bangladesh Bank (BB) yesterday.

In July–September FY25, only \$76.79 million came as net equity, registering a 46 percent slump year-on-year.

During the period, reinvested earnings by the companies operating in the country dipped 73 percent year-on-year to \$72.9 million.

The first quarter FDI data was the lowest since the July–September quarter of FY20.

The new data on foreign investment inflow comes at a time when businesses have been suffering from a slowdown owing

to a host of reasons: high inflation, import restrictions, dollar shortages, political uncertainty, and volatile law and order.

The uprising in July, which toppled the Awami League in early August, led to an unstable law and order situation. This took a serious toll on investment inflow during the quarter.

**On the dwindling foreign investments, Zaved Akhtar, president of FICCI, said investors prioritise predictability and stability in policy and the economy before making significant investments**

Regarding the dwindling foreign investments, Zaved Akhtar, president of the Foreign Investors' Chamber of Commerce & Industry (FICCI), said investors prioritise predictability and stability in policy and the economy before making significant capital investments.

"Over the last two to three years, Bangladesh has experienced significant economic mismanagement, which has

eroded investor confidence and discouraged them from committing to investments in the country," he said.

"To make things worse, the July–September period was one of the critical moments of the year when the country faced significant destabilisation, and investor confidence was further dented. They opted to rein in any decisions for investments and adopted a 'wait-and-see' approach."

In the July–September period of FY25, the highest investment came from the United Kingdom, followed by South Korea and China, according to BB.

M Masrur Reaz, chairman and chief executive officer of Policy Exchange Bangladesh, said the decline in FDI inflow is unsurprising, given the country's ongoing macroeconomic challenges, including inflation and an unstable currency exchange rate.

He noted that a period of massive political unrest during that time also impacted foreign investment.

"Investor confidence was shaken, both among existing and prospective investors, which is evident in the declining FDI inflow. They are closely monitoring the situation," he said.

READ FULL STORY ONLINE



## EBL CLIMATE CHANGE ACTION AWARDS 2025

The EBL Climate Change Action Awards 2025, initiated in partnership with the US, German, French, and Danish embassies, aims to recognize and celebrate outstanding contributions towards tackling the most pressing challenges of climate change and promoting sustainability in Bangladesh. The awards will honor individuals, businesses, and organizations excelling in five different categories, thereby fostering innovation and leadership in addressing climate challenges.

Log on to our website [www.ebl.com.bd](http://www.ebl.com.bd) for detailed submission guidelines.

Any queries related to submission, please contact us at [submission@ebl-bd.com](mailto:submission@ebl-bd.com) or 09666777325

Submission closing: January 31, 2025

### Strategic Partners



Embassy of the Federal Republic of Germany Dhaka



EMBASSY OF DENMARK

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The Daily Star



### Hospitality Partner

INTERCONTINENTAL DHAKA



# Haier Bangladesh holds 'Partner Meet-2025'

## STAR BUSINESS DESK

Haier, a leading home appliances brand in the world, organised its "Partner Meet-2025" in Bangladesh yesterday.

The event brought together key stakeholders, distributors, and business partners from across the country.

Wang Xiangjing, deputy managing director of Haier Bangladesh Ltd, inaugurated the event, said a press release.

"We wanted this year's 'Partner Meet' to go beyond a traditional business gathering and create a space where our partners could see, touch, and experience the innovation that makes Haier the global leader in home appliances," said Xiangjing.

The programme featured an impressive exhibition of Haier's cutting-edge product range, including the 1st air purifying AC

in Bangladesh, T3 Inverter, biggest drum washing machines, cutting edge QD mini LED TV, 30-degree real freezer, premium refrigerator, and smart appliances that are transforming modern living.

Attendees explored interactive demonstrations and participated in experiments that highlighted the superior performance, advanced features, and sustainability of Haier's products.

The event's interactive elements were met with enthusiasm and praise from Haier's partners.

The programme also looked towards the future, highlighting the brand's focus on sustainability, digital transformation, and user-centric solutions.

Haier Bangladesh will be dedicated to creating smarter, more connected, and eco-friendly appliances to improve the daily lives of Bangladeshis.



Wang Xiangjing, deputy managing director of Haier Bangladesh Limited, poses for photographs with participants of the "Partner Meet-2025" in Dhaka yesterday.

PHOTO: HAIER BANGLADESH

# EBL workshop focuses on NBFI financial disclosures

## STAR BUSINESS DESK

A workshop on "Sustainability and Climate-Related Financial Disclosures" for senior executives of non-banking financial institutions (NBFIs) was held at Eastern Bank's head office in Dhaka recently.

It was the second day of the two-day workshop organised by the Joint Impact Model (JIM) Foundation with the support of Bangladesh Bank, UK International Development, British International Investment, and Eastern Bank PLC (EBL).

The workshop focused on fostering sustainable financial practices in Bangladesh and ensuring long-term economic and environmental resilience, according to a press release.

Participants from the NBFIs took part in the workshop.

# EV sales dropped in Europe in 2024

AFP, Paris

Sales of electric cars slid last year in Europe in an otherwise stable market, data from carmakers showed Tuesday.

A total of 1.99 million battery electric vehicles were sold in Europe last year, a drop of 1.3 percent from 2023, according to data from the European Automobile Manufacturers Association (ACEA).

The figures represent a stall after several years of strong growth for electric vehicles (EVs) in Europe, and raise questions about the transition away from internal combustion engine (ICE) vehicles.

According to data published last week by the Rho Motion consultancy, EV sales rose 25 percent globally last year thanks to a surge in China.

According to ACEA data, overall car sales edged 0.9 percent higher in Europe – including Britain, Iceland, Norway and Switzerland, to just shy of 13 million.

"Battery electric cars remained the third-most-popular choice for buyers in 2024," the ACEA said in its monthly report on sales figures.

Cars with petrol engines accounted for one in three new cars sold last year, followed closely by simple hybrids with 30.9 percent market share. Plug-in hybrids accounted for another 7.1 percent of sales.

Fully battery-electric vehicles accounted for 13.6 percent of total sales in 2024, a drop from 14.6 percent market share in 2023.

Sales of EVs, which are more expensive than ICE vehicles, are still highly dependent upon incentives.

# Southeast Bank, AUST to strengthen ties for education and development

## STAR BUSINESS DESK

A delegation led by Prof Golam Rahman, president of Dhaka Ahsania Mission and chairman of the trustee board of the Ahsanullah University of Science and Technology (AUST), recently made a courtesy call on MA Kashem, chairman of Southeast Bank, at the bank's head office in Dhaka.

The primary aim of the meeting was to enhance mutual trust and banking relations between the two institutions, as well as to explore new opportunities to link the bank's financial services with the academic environment of the university.

During the visit, the delegation commended Southeast Bank for its contributions to education, health, and poverty alleviation, and praised the quality of the bank's financial services.

Southeast Bank Chairman Kashem emphasised the bank's commitment



MA Kashem, chairman of Southeast Bank, poses for photographs with a visiting delegation led by Prof Golam Rahman, president of Dhaka Ahsania Mission and chairman of the trustee board of Ahsanullah University of Science and Technology, at the bank's head office in Dhaka recently.

PHOTO: SOUTHEAST BANK

to supporting the socio-economic development of the country, stating: "Education and human resource development are crucial for long-term

national progress, and we will continue to extend our support to achieve this goal."

Prof Rahman expressed his appreciation for Southeast Bank's support, saying: "Dhaka Ahsania Mission and Ahsanullah University of Science and Technology are dedicated to advancing education in the country, with the help of institutions like Southeast Bank."

Nuruddin Md Sadeque Hossain, managing director of the bank, Abidur Rahman Chowdhury and Masum Uddin Khan, deputy managing directors, AFM Golam Sharuddin, general secretary of Dhaka Ahsania Mission and member of the Trustee Board of AUST, Mohammad Mohiuddin, member of the Trustee Board of AUST, and Prof Md Ashraful Haque, vice-chancellor of AUST, along with other senior officials from all the institutions, were also present.

# Midland Bank organises agent banking conference



Md Ahsan-uz Zaman, managing director and CEO of Midland Bank, poses for group photographs with participants of the "Annual Agent Banking Conference 2025" at the Lakeshore Hotel in the capital's Gulshan recently.

PHOTO: MIDLAND BANK

## STAR BUSINESS DESK

Midland Bank PLC recently organised the "Annual Agent Banking Conference 2025" at the Lakeshore Hotel in the capital's Gulshan.

Md Ahsan-uz Zaman, managing director and CEO of the bank, presided over the conference, the bank said in a press release.

Agent owners and representatives from all 140 Agent Banking Centres of the bank participated in the daylong conference.

Ahsan Khan Chowdhury, sponsor and director of the bank and chairman of Pran-RFL Group, attended the event.

The bank awarded top performers for their outstanding performances in different categories.

The lender launched its first Agent Banking Centre in Tarabo, Rupganj, Narayanganj, on January 23, 2017, to bring modern banking services to the unbanked masses.

Currently, the bank operates 140 Agent Banking Centres in 29 districts and 71 upazilas across the country.

Among others, Md Zahid Hossain, deputy managing director of the bank, and Javed Tarek Khan, head of the institutional banking division, were also present.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JAN 21, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 70-Tk 84	4.05 ↑	12.41 ↑
Coarse rice (kg)	Tk 54-Tk 58	6.67 ↑	9.80 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-10.53 ↓
Lentil (kg)	Tk 105-Tk 110	0	0
Soybean (litre)	Tk 170-Tk 172	4.27 ↑	8.57 ↑
Potato (kg)	Tk 25-Tk 40	-53.57 ↓	-27.78 ↓
Onion (kg)	Tk 50-Tk 70	-40.00 ↓	-14.29 ↓
Egg (4 pcs)	Tk 44-Tk 48	-3.16 ↓	5.75 ↑

SOURCE: TCB

Fax: 88-02-55167810

E-mail: [vcoffice@du.ac.bd](mailto:vcoffice@du.ac.bd)

[registrar@du.ac.bd](mailto:registrar@du.ac.bd)

Dated: 21/01/2025

## Office of the Chief Engineer University of Dhaka

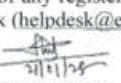
### Invitation for e-GP Tender Notice (OTM)

Memo No. 4068(2)/Engg.

e-GP Tender is invited in the National e-GP System ([www.eprocure.gov.bd](http://www.eprocure.gov.bd)) for the procurement of works mentioned below under University of Dhaka.

SL No	Tender ID	Package No.	Name of work	e-Tender last selling date & time	e-Tender closing date & time
1	104677	prokou/civil/D U/ 2024-25/02	Construction for RCC Road between Arts Building and Lecture Theater Building up to Maduhur Canteen area University of Dhaka	05-02-2025 17.00	06-02-2025 13.00

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no office/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-Tender documents from the National e-GP System Portal have to be deposited online branches of any registered bank branches. Further information and guidance are available in the National e-GP System Portal and from e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

  
Md. Ibrahim  
Executive Engineer, Zone-3  
University of Dhaka

North-West Power Generation Company Ltd ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 Certified (An Enterprise of Bangladesh Power Development Board)					
Office of the Plant Manager (Superintending Engineer) Sirajganj 225 MW Combined Cycle Power Plant (Unit-2) Soydabad, Sirajganj.					
Ref: 27.28.8878.201.07.001.21.30					Date: 21/01/2025
<b>e-Tender Notice</b>					
The following e-Tender is invited in the National e-GP System Portal ( <a href="http://www.eprocure.gov.bd">www.eprocure.gov.bd</a> ):					

Sl. No.	Tender ID	Brief Description of Tender	Publication Date	Last Selling Date & Time	Opening Date
1	1059507	Supply of Miscellaneous Valves, Expansion joints, Fittings and Spares for Firefighting system	13-Jan-2025	11-Feb-2025 15:00 PM	12-Feb-2025

This is an online tender where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal ([www.eprocure.gov.bd](http://www.eprocure.gov.bd)) is required. Further information and guidelines are available in the National e-GP System Portal and e-GP Help Desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

  
Engr. Md. Asad Halim  
Plant Manager (Superintending Engineer)  
Sirajganj 225 MW CCPP (Unit-2)  
NWPGL, Soydabad, Sirajganj.

GD-222

Wanted					
<b>UNIVERSITY OF DHAKA:</b> Applications in prescribed form, obtainable from the office of the Registrar, are invited from the Bangladeshi nationals for filling up 1 (One) permanent post of Associate Professor in the Department of International Relations, University of Dhaka in the pay scale of Tk. 50,000-71,200/- (National Pay Scale-2015).					
<b>Qualifications for Associate Professor:</b> Candidates must have high academic qualifications along with a Ph.D. in International Relations from a reputed university. They must have at least 07 (seven) years of teaching experience at a university or at least 14 (fourteen) years research experience as a research/scientific officer or an equivalent position in reputed research organizations. Candidates shall require at least 07 (seven) research publications in the indexed/quality journal with DOI (Digital Object Identifier). Articles published in predatory journals will not be accepted. Relevant notes and conditions apply. (For details, see the Dhaka University Website).					

Eleven copies of application together with attested copies of certificates, testimonials, mark-sheets/grade sheets and proof of experience along with a Pay Order/Bank Draft of the value of Tk. 1000/- (One thousand) only, payable to the **Registrar**, should reach him on or before 20.02.2025. Candidates already in service must apply through proper channel.

GD-219

## EU launches WTO case against China patent rules

AFP, Brussels

The European Union launched a new challenge at the World Trade Organization (WTO) on Monday against China's rules on royalty rates for high-tech patents, amid escalating trade tensions between Beijing and Brussels.

The European Commission accused China of pressuring innovative European high-tech companies into lowering their fees by allowing its courts to set binding worldwide royalty rates.

"The EU's vibrant high-tech industries must be allowed to compete fairly and on a level playing field," said Maros Sefcovic, the EU's trade commissioner.

"Where this is not the case, the Commission takes decisive action to protect their rights."

The action comes as trade tensions are soaring worldwide, with tariff-loving Donald Trump set to be inaugurated as US President.

It adds to a longer-running spat between Beijing and Brussels, which has seen the pair accuse each other of unfair practices and take a series of tit-for-tat measures.

The EU slapped hefty tariffs on electric cars made in China last year. In turn, Beijing targeted European brands and launched probes into EU subsidies of some dairy and pork products.

The latest challenge revolves around "standard essential patents" protecting technologies enabling the manufacturing of goods to meet a certain standard.



PHOTO: MD QUAMRUL ISLAM RUBAIYAT

Potato growers say they will suffer severely if the government continues to allow imports as the country saw massive production this year.

## Govt eases potato import despite massive price fall

MD ASADUZ ZAMAN and KONGKON KARMAKER

The National Board of Revenue (NBR) has allowed the use of nine more customs stations for the import of potatoes, specifically from Nepal and Bhutan, aiming to diversify supply sources and reduce dependency on India.

The nine stations include Rohnpur in Chapainawabganj, Sonahat in Kurigram, Dhanua Kamalpur in Jamalpur, Nakugaon in Sherpur, Gobrakura and Karaitoli in Mymensingh, and Tamabil, Zakiganj, and Sheola in Sylhet.

Earlier, potato imports were allowed through four customs stations, including Benapole and Bhomra.

This facility will remain in effect till March, according to a

gazette issued on Monday. Traders had sought the initiative last December, when prices of the tuber reached a record high of Tk 80 per kilogramme amidst a usual drop in stocks ahead of the harvest season between February and April.

Now the facility will have little effect as prices have fallen by a massive margin across the country, and farmers fear massive losses amid bumper harvests.

Azizul Islam, who heads a farmers' association in Dinajpur, expressed his frustration at the NBR's move.

"Why is the government still allowing imports now, when potatoes are available at cheap rates in Bangladesh?" he asked.

Islam, who hails from Gopalganj village in Dinajpur sadar upazila, highlighted the

plight of local farmers. "There has been massive production this year, and there aren't enough buyers... If the government continues to allow imports, farmers will suffer severely," he warned.

Potatoes in Dinajpur are currently being sold at Tk 13 per kilogramme (kg) at the fields and around Tk 15 per kg at retail markets. "If farmers are forced to accept such low rates, they won't recover even the money spent on potato seeds, let alone make a profit amidst rising labour and land costs," he said.

Islam urged the government to immediately halt potato imports and support farmers through state purchases.

"The government must prioritise farmers and take the necessary steps to safeguard their

livelihoods," he stressed.

Regarding the time taken for the facility to come about, Kazi Mostafizur Rahman, an NBR member of international trade (currently in charge), said, "The NBR took the move based on businesses' demand when the prices were high."

"But we received the official request to extend new routes from businesses at the end of December. We needed 20-22 more days for processing as we had to conduct vetting on this issue," he said.

This year, acreage increased to a record high of 5.21 lakh hectares of land.

Annual demand stands at 85 lakh tonnes to 90 lakh tonnes, whereas harvests amount to around 106 lakh tonnes.

In fiscal year 2023-24, 1.5 lakh tonnes were imported from India.

## World economy to improve in next 12 months

Global CEOs say in a survey by PwC

STAR BUSINESS REPORT

Global economic growth is on course to improve over the next 12 months, according to nearly 60 percent of CEOs surveyed under the PricewaterhouseCoopers' (PwC) 28th Annual Global CEO Survey.

The survey was launched at the World Economic Forum Annual Meeting in Davos, which gathered responses from 4,701 CEOs across 109 countries.

It revealed that 42 percent plan to increase headcounts by 5 percent or more this year, with only 17 percent expecting reductions.

Optimism about emerging technologies like generative AI (GenAI) is driving this outlook as more than half of the CEOs reported employee efficiency gains from AI adoption, and 32 percent saw revenue growth in 2024.

However, trust remains an issue, with only a third of CEOs expressing high confidence in embedding AI into key processes, according to a press release.

Despite challenges, 49 percent anticipate profitability gains from AI within the next year.

The survey also highlighted a growing urgency for business reinvention.

Four in 10 CEOs believe their companies will not be viable in a decade without significant change.

While 63 percent have taken steps to transform value creation, slow resource reallocation hampers agility, with two-thirds moving less than 20 percent of financial and human resources annually.

## Dollar pares losses

REUTERS, Sydney

The dollar pared some overnight losses on Tuesday after US President Donald Trump suggested the United States could impose tariffs on Canada and Mexico in the near future, challenging suggestions his policies would be more gradual.

Trump told reporters his team was thinking of tariffs around 25 percent that could be announced on Feb. 1, but offered no other specifics. He also floated the idea of universal tariffs, but said the United States was not ready for that yet.

The dollar had fallen sharply on Monday after Trump's first day included no specific plans on tariffs and officials signalled any new taxes would be imposed in a "measured" way, a major relief for trade exposed currencies.

A following trade memo merely directed agencies to investigate and remedy persistent trade deficits.

### ARMY HEADQUARTERS E IN C'S BRANCH, WORKS DIRECTORATE DHAKA CANTONMENT

#### INVITATION FOR TENDER

Notice no. 600/15/19/2024-2025/E-6

Dated : 16 January 2025.

#### MILITARY ENGINEER SERVICES

1. Ministry/Division	Ministry of Defence
2. Agency	Military Engineer Services
3. Procuring Entity Name	E in C
4. Procuring Entity District	Dhaka
5. Procurement Method	Open Tendering Method (OTM)
6. Budget and source of Funds	GOB, Development Budget
7. Development Partners (if applicable)	None
8. Project / Programme Name (if applicable)	Establishment of BNS SHER-E-BANGLA Patuakhali-2 <sup>nd</sup> Revised.
9. Selling of Tender will commence from	23 January 2025 (from 1200 hours to 1400 hours in Office Time).
10. Selling of Tender will close on	13 February 2025 (from 1200 hours to 1400 hours in Office Time).
11. Last date and time of submission of Tender	16 February 2025 upto 1200 hours.
12. Date and time of opening of Tender	16 February 2025 at 1230 hours.
13. Name & Address of the Office(s)	
- Selling Tender Document	Tender Selling & Information Centre of Works Directorate at GE (Army) Central Dhaka and AHQ, E in C's Branch, Works Directorate, Dhaka Cantt.
- Receiving Tender Document	Tender Selling & Information Centre of Works Directorate at GE (Army) Central Dhaka.
- Opening Tender Document	-Do-
14. Eligibility of Tenderer	<p>a. MES enlisted contractors Class - 'C'</p> <p>b. Contractors enlisted in other Govt, Semi Government &amp; Autonomous Organization of similar capacity may also participate in tenders having security clearance from DGFI.</p>
15. Brief Description of Works	
Lot No	Identification of Lot
	Location
	Price of Tender Document (Taka)
	Tender Security Amount in the form of Bank Draft/Pay Order/Bank Guarantee in favour of AHQ, E in C's Br, Wks Dte, Dhaka Cantt (Taka)
	Completion Time in weeks/ months
a.	Remaining works for Construction of 1 x Petty Officers' Family Quarter (keeping ground floor open 10 storey building, 36 nos Flat with 10 storied foundation, 4 nos unit in each floor) including ancillary works at BNS SHER-E-BANGLA Patuakhali (Petty Officers' Family Quarter No. 01) (Group-II).
16. FName of Official Inviting Tender	Director of Works
17. Designation of Official Inviting Tender	Director of Works
18. Address of Official Inviting Tender	AHQ, E in C's Branch, Works Directorate, Dhaka Cantonment Web address : <a href="http://www.army.mil.bd">www.army.mil.bd</a>
19. Contact details of Official Inviting Tender	Army Headquarters, E in C's Branch, Works Directorate, Dhaka Cantonment Tel No. : 9832870 Fax No : 9832906
20.	The procuring entity reserves the right to accept or reject any or all tenders.

SE  
For Director of Works  
Army Headquarters  
Engineer in Chief's Branch  
Works Directorate  
Dhaka Cantonment  
Tele : 8711111 Ext 2874  
Civil: 9832874

আই এস পি আর/সেনা/৩৮  
২০/০১/২৫

GD-220

## BTRC initiates

FROM PAGE B1  
business entities. The initiative seeks to foster healthy competition and collaboration among stakeholders, including consumers, businesses, and the government.

Addressing challenges such as transitioning from existing licences, establishing sustainable investment policies, and creating effective regulations, the BTRC plans to submit its reform proposals to the government by March.

The chairman

acknowledged the need for consumer-centric policies to ensure sustainability and facilitate, rather than regulate, telecom companies.

He said the committee would streamline complex network structures, reduce pressure on spectrum usage, and enhance fixed broadband services.

The commission also aims to adopt green technologies and promote active sharing to support digital service expansion.

READ FULL STORY ONLINE

## VAT hike

FROM PAGE B1  
economists, Ahmed said, "Let critics say what they want. There's no reason to stop them. The rationale behind this VAT hike will be explained in due time."

Tax and VAT adjustments are typically made during the formulation of the national budget, and various measures will be adopted in the budget this year to ensure conformity with the hikes, he said.

While the VAT rates have been raised, certain customs duties have been reduced to achieve a

balance, he said.

The Advisers' Council Committee on Government Purchase yesterday gave retrospective approval to an Open Market Sale (OMS) initiative run by the Department of Agricultural Marketing last December.

Under the initiative, 10 agricultural products such as potatoes, eggs, onions, raw papaya, and various green vegetables were sold at subsidised prices through trucks around the capital.

READ FULL STORY ONLINE

## SMEs lose

FROM PAGE B1  
business climate and credit outlooks have improved, according to Mohammad Salekeen Ibrahim, head of asset at Eastern Bank.

"Banking activities were almost shut in July and August of last year. During that period, curfews and general holidays were frequent," recalled the banker.

"Banks were unable to reach customers, and customers were likewise unable to access bank services," he added. "While the overall situation in the country has shown signs of recovery since August, it has not fully stabilised."

Ibrahim said they are looking for potential clients. However, the current business climate

and high interest rates remain major obstacles.

"The loan disbursement rate may remain sluggish until the client confidence stabilises," he commented.

The high-interest rate environment is a direct consequence of the central bank's prolonged battle against stubbornly high inflation, which has been dragging on for more than two years.

In the first half of FY25, inflation averaged 10.87 percent, according to the Bangladesh Bureau of Statistics.

To curb spiralling prices, the BB has been steadily increasing the policy rate, the rate at which it lends to banks, since May 2022.

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### Army Headquarters E in C's Branch, Works Directorate Dhaka Cantonment

#### Invitation for Tender

Notice No. 600/15/28/2024-2025/E-6

Dated: 16 January 2025

#### Military Engineer Services

1	Ministry/Division	Ministry of Defence
2	Agency	Military Engineer Services
3	Procuring entity name	E in C
4	Procuring entity district	Dhaka
5	Procurement method	Open Tendering Method (OTM)
6	Budget and source of funds	GOB, Development Budget
7	Development partners (if applicable)	None
8	Project/programme name (if applicable)	Establishment of BNS Sher-e-Bangla Patuakhali-2nd Revised.
9	Selling of tender will commence from	23 January 2025 (from 1200 hours to 1400 hours in Office Time).
10	Selling of tender will close on	20 February 2025 (from 1200 hours to 1400 hours in Office Time).
11	Last date and time of submission of tender	23 February 2025 upto 1200 hours.
12	Date and time of opening of tender	23 February 2025 at 1230 hours.
13	Name & address of the office(s)	<p>- Selling tender document</p> <p>- Receiving tender document</p> <p>- Opening tender document</p>
		<p>Tender Selling &amp; Information Centre of Works Directorate at GE (Army) Central Dhaka and AHQ, E in C's Branch, Works Directorate, Dhaka Cantt.</p> <p>Tender Selling &amp; Information Centre of Works Directorate at GE (Army) Central Dhaka.</p> <p>Tender Selling &amp; Information Centre of Works Directorate at GE (Army) Central Dhaka.</p>
14	Eligibility of tenderer	<p>a. MES enlisted contractors Class 'B' &amp; 'C'</p> <p>b. Contractors enlisted in other govt, semi government &amp; autonomous organization of similar capacity may also participate in tenders having security clearance from DGFI.</p>
15	Brief description of works	
Lot No.	Identification of lot	
	Location	
	Price of tender document (Taka)	
	Tender security amount in the form of Bank Draft/Pay Order/Bank Guarantee in favour of AHQ, E in C's Br, Wks Dte, Dhaka Cantt (Taka)	
	Completion time in weeks/ months	
a.	Construction of Remaining Boundary wall including ancillary works at BNS Sher-e-Bangla Patuakhali.	<p>Kalapara, Patuakhali</p> <p>7,000.00</p>

Profit of CVO  
Petrochemical  
surges 45%  
in Q2

STAR BUSINESS REPORT

CVO Petrochemical Refinery's profit increased in the second quarter of fiscal 2024-25 thanks to a strong growth in turnover. The company posted a 45 percent year-on-year profit growth in Q2, reaching Tk 2.66 crore.

Shares of the company gained 2.80 percent as of mid-day trading yesterday on the Dhaka Stock Exchange (DSE), reaching Tk 12.2. The earnings per share (EPS) for October-December rose to Tk 0.96, up from Tk 0.66 during the same period in 2023, according to a disclosure on the DSE.

The company attributed the EPS growth to a rise in turnover during the quarter. The positive result in the latest quarter helped CVO to record EPS of Tk 1.88 during the July-December period, compared to Tk 1.76 a year earlier.

Additionally, net operating cash flow per share (NOCFPS) surged to Tk 2, up from Tk 0.78 during the corresponding period in 2023.

The company mentioned higher customer collections outpacing payments to suppliers, employees, and operating expenses for the NOCFPS growth, as per the disclosure.

Founded in 1984 as Chittagong Vegetable Oil Industries, CVO transitioned into petroleum production in 2010.

Its condensate fractionation plant has been producing motor spirit, high-speed diesel, and mineral turpentine since April 2014.

## Gold climbs to 10-week peak

REUTERS

Gold prices climbed to their highest level in over ten weeks on Tuesday as the US dollar slumped following President Donald Trump's inauguration and investors sought the safe haven metal to hedge against uncertainty sparked by his tariff plans.

Spot gold climbed 0.7 percent to \$2,727.19 per ounce by 0625 GMT and hit its highest since Nov. 6, not far from an all-time high of \$2,790.15 hit in October.

US gold futures were 0.2 percent lower at \$2,744.40, narrowing the premium over spot rates, after Trump did not immediately impose tariffs on Monday as was expected.

CURRENT STATE  
of mobile manufacturing

Production increased by 17.17% in 2024

It's still lower than all-time high in 2022

Industry witnessed first downturn in 2023

Local production dropped by 27% in 2023

Sales in 2024 increased about 10%

VAT at sales stage raised prices

Costly dollar contributed to price hike

Countries like India and Pakistan are advancing in component manufacturing, with policies favouring relocation and investment from China

Rizwanul Haque  
Vice-president of  
Mobile Phone Industry  
Owners' Association of  
Bangladesh



# HANDSET PRODUCTION rose 17% in 2024 but challenges persist

MAHMUDUL HASAN

Handset production in Bangladesh increased by 17.17 percent year-on-year in 2024, but local assemblers faced significant challenges due to sluggish sales and the rapid expansion of the grey market.

The local plants produced 2.73 crore units in 2024, up from 2.33 crore in 2023.

However, the production volume has dropped compared to the preceding years as it had reached an all-time high of 3.16 crore in 2022 and 2.95 crore in 2021.

The latest increase in production did little to raise hopes for local assemblers as an increase in taxes, alongside the rise in the exchange rate of the US dollar against the taka, upended capacity expansion and profits.

Bangladesh's journey in handset manufacturing began in 2017, when the

government offered substantial tax benefits to encourage local production.

This policy spurred a meteoric rise in output, from only 40,000 handsets produced by Walton in 2017 to an impressive 3.16 crore units in 2022.

Global brands like Samsung, Oppo, Vivo, and Tecno established manufacturing plants in the country to capitalise on the growing market.

However, the sector experienced a sharp downturn in 2023, with production declining by 26.35 percent year-on-year.

This downturn was driven by several factors, including the high currency exchange rate, an increase in taxes, and a decrease in consumer purchasing power.

Consumers significantly tightened their spending owing to inflation remaining persistently high for the past two years.

The price of handsets has increased by about 40 percent in some cases due to the US dollar price hike.

Despite modest growth of 7 percent to 8 percent in overall sales, the sector struggled under the weight of these challenges, said Rizwanul Haque, vice-president of the Mobile Phone Industry Owners' Association of Bangladesh.

According to him, local assemblers now face a complex tax structure, including VAT of up to 7.5 percent at the factory level, customs duties of 8 percent to 10 percent on components, and an additional 5 percent VAT at each stage of sale.

In contrast, neighbouring countries like India benefit from lower tax rates, making their products more competitive.

The dominance of distributors and retailers further squeezed local producers' profitability.

Meanwhile, the grey market, offering cheaper, often smuggled phones, continues to expand unchecked, undermining legitimate sales, Haque said.

According to the association, the grey market now accounts for 35 percent of the total handset demand in Bangladesh.

Bangladesh's potential to become a regional manufacturing hub faces significant hurdles. Countries like India and Pakistan are advancing in component manufacturing, with policies favouring relocation and investment from China, added Haque.

Local assemblers add only about 20 percent value as critical components like chips, displays, cameras, RAM, and batteries are imported.

To compete, Bangladesh must address its high tax regime, strengthen local supply chains, and focus on political stability to attract investment and bring stability to the industry, he said.



## At Davos, EU vows pragmatism with Trump

AFP, Davos

EU chief Ursula von der Leyen declared Tuesday that Europe was ready to negotiate with US President Donald Trump but the bloc will also seek to improve ties with China and other nations as global competition heats up.

Von der Leyen insisted that the United States remains an important partner, taking a conciliatory tone in a speech to the annual meeting of global elites in Davos, Switzerland.

The EU's "first priority will be to engage early, discuss common interests, and be ready to negotiate" with Trump

**The EU's "first priority will be to engage early, discuss common interests, and be ready to negotiate" with Trump**

withdrawal from the Paris climate accord, which the European Commission president defended as the "best hope for all humanity" and vowed "Europe will stay the course".

China's Vice Premier Ding Xuexiang -- also a member of the Chinese Communist Party's apex of power that rules the country -- will speak immediately after von der Leyen.

The EU chief reiterated her commitment to free trade during her speech, pointing to recent deals with Switzerland, the Latin American bloc Mercosur and Mexico.

Von der Leyen also said she and Indian Prime Minister Narendra Modi wanted to "upgrade" their partnership.

She stressed that Europe "must engage constructively with China -- to find solutions in our mutual interest" despite escalating trade tensions between the two.

"2025 marks 50 years of our Union's diplomatic relations with China, I see it as an opportunity to engage and deepen our relationship with China, and where possible, even to expand our trade and investment ties," she said.

Trump returned to the White House on Monday, bringing with him fears he will deliver on promises to slap heavy tariffs on China and US allies including Canada and the European Union.

After his inauguration, Trump said he may impose 25 percent tariffs on Canada and Mexico as early as February 1.

He also announced the United States'

## Asian markets swing as Trump revives tariff fears on taking office

AFP, Hong Kong

Asian markets saw big fluctuations Tuesday as Donald Trump took office warning he could impose stiff tariffs on Canada and Mexico next month but appeared to delay any action against China for now.

The new US president's announcement that the country's closest neighbours could be hit with 25 percent levies as soon as February 1 also jolted currency markets, with the Mexican peso and Canadian dollar tumbling.

His comments came as he signed a slew of executive orders that indicated he could resume his hardball approach to global diplomacy and trade, including pulling out of the Paris climate accord and the World Health Organization.

He also gave social media app TikTok 75 days to find a buyer for its US business, after it missed a deadline Saturday ordering its Chinese owners ByteDance to sell its US subsidiary to non-Chinese buyers or be banned.

"We're thinking in terms of 25



People walk past a sign showing the numbers for the Hang Seng Index in Hong Kong.

PHOTO: AFP/FILE

percent on Mexico and Canada, because they're allowing vast numbers of people -- Canada's a very bad abuser also -- vast numbers of people to come in, and fentanyl to come in," he said in the Oval Office.

He had earlier said he would "immediately begin the overhaul of our trade system to protect

record -- on hopes Trump would take a more gradual approach to trade policy, after news of positive talks with Chinese President Xi Jinping added to the optimism.

That lack of mention of China fanned hopes the economic superpowers will not embark on another trade war.

And Beijing said Tuesday it hoped the two sides could cooperate on the issue, with foreign ministry spokesman Guo Jiajun saying it is "willing to strengthen dialogue and communication with the United States (and) properly manage differences".

However, Trump's warning to Ottawa and Mexico City caused some nervousness on trading floors. Shanghai, Singapore, Seoul, Wellington, Manila and Mumbai fell while Tokyo, Sydney, Taipei, Bangkok and Jakarta rose.

Hong Kong advanced, with embattled Chinese developer Country Garden soaring as much as 30 percent at one point as trading in the firm resumed after a nine-month suspension. It ended 17.5 percent higher.