

Bangladesh must switch to hollow blocks to reduce pollution

Says Concord Group Managing Director Shahriar Kamal

JAGARAN CHAKMA

Clay bricks cost Tk 12 per piece. A hollow block, which is four times larger than a clay brick, is priced at Tk 50.

This price difference suggests a competitive edge for clay bricks in the construction market.

But the true cost of traditional bricks extends far beyond their purchase price.

Overlooked factors include Dhaka's frequent ranking as one of the world's most polluted cities. This severe air pollution, largely caused by brick kilns, is responsible for a tragically shortened lifespan for many people.

"This cannot continue," said Shahriar



the burning of vast amounts of coal and wood, releasing harmful particulates and greenhouse gases into the atmosphere.

"The process is unsustainable," said Kamal. "As construction demand increases each year, the environmental toll intensifies."

In contrast, hollow blocks are manufactured using a more sustainable approach. They are produced with materials such as fly ash, cement, and other industrial by-products. This process does not require burning, as the blocks are simply dried.

According to Kamal, hollow blocks are lighter but have superior strength. Therefore, they are suitable for construction in earthquake-prone regions like Bangladesh.

"Buildings constructed with hollow blocks are much lighter than those built with traditional bricks," he explained. "This reduced weight offers an advantage during earthquakes, minimising the risk

"Many workers are not familiar with how to work with these blocks," said Kamal. "For example, traditional bricks require soaking before use, whereas hollow blocks are installed dry."

"We arranged training for the workers several times," he said, "but this effort needs to be scaled up with government support to ensure nationwide adoption."

Kamal acknowledged that cost is another barrier to the widespread adoption of eco-friendly bricks.

"While eco-friendly bricks may have a slightly higher initial cost compared to traditional bricks, they offer long-term savings," he commented. "Proper planning and mindful design can reduce overall construction costs by about 15 percent."

In 2020, the government announced a policy to replace traditional bricks with eco-friendly blocks in all public projects. This policy aimed to achieve a 10 percent adoption rate in fiscal year (FY) 2019-20.

private sector construction projects."

He pointed to successful examples from countries like China and India, where the adoption of eco-friendly bricks has been accelerated through a combination of financial incentives, strict enforcement of environmental regulations, and comprehensive public awareness campaigns.

Kamal said their facilities have the capacity to manufacture 200,000 eco-friendly bricks, blocks, and tiles every eight hours. But, without enough demand, they cannot operate at full capacity.

He called for a range of policy measures to stimulate demand, including financial incentives for manufacturers of eco-friendly building materials and penalties on polluting industries to ensure accountability.

"The polluters must pay," he commented.

"This isn't just about bricks," he said. "It's about rethinking how we build our cities and protect our people. Change is difficult, but it is necessary — and it begins with each of us."

Currently, the size of the traditional brick industry is around Tk 9,000 crore, while the concrete block market is only at Tk 200 crore.

Bangladesh produces an estimated 2,300 crore bricks annually. Concrete blocks currently account for a relatively small share of this market, constituting roughly 6-7 percent of the total.

There are 164 registered factories producing concrete blocks, with an annual production capacity of 214 crore blocks. However, considering the unregistered factories, the total number is more than 250.

Kamal said the concrete block market is projected to capture up to 50 percent of the market share by 2030, due mainly to government policies and a steadily increasing demand for sustainable building materials.

He said large-scale factories have heavily invested in automated production units, often imported from China, with typical investments ranging from Tk 30-Tk 50 crore. Mid-sized factories have also invested in modernising their production lines, with typical investments ranging from Tk 5-Tk 6 crore.

Major industry players, including Concord, Mir Group, BTI, and Meghna, currently collectively control nearly 20 percent of the hollow block market.



of collapse and subsequent casualties."

According to the Managing Director of Concord Group, although hollow blocks offer many advantages, the adoption rate of eco-friendly bricks remains low. Only 5-8 percent of bricks currently in use are eco-friendly.

For the slow shift, he said a lack of awareness among builders, insufficient training for construction workers in the use of these blocks, and a strong entrenched preference for traditional bricks are responsible.

with a gradual phasing out of clay bricks by FY25.

However, slack monitoring and enforcement have hindered progress towards these ambitious goals.

"Implementation is key," Kamal stressed. "We need strong inter-ministerial coordination, led by the Ministry of Environment, to oversee the implementation of these policies. Regulatory bodies like Rajdhani Unnayan Kartripakka (Rajuk) must also play a crucial role by enforcing these targets in

the market."

US pulls out of global corporate tax deal

AFP, Washington

US President Donald Trump's decision to withdraw from a global minimum tax agreement on his first day in office has unnerved EU officials, who expressed "regret" over the move.

Trump signed a flurry of executive orders within hours of taking the oath of office on Monday, pulling the United States out of the Paris Climate Accords and the World Health Organisation (WHO), and undoing many of his predecessor's policies.

Among them was a measure pulling the United States out of the Organization for Economic Cooperation and Development's (OECD) global tax deal, signed by close to 140 countries, which levied a 15 percent minimum tax on corporate profits.

The executive order also requires officials to "investigate" whether countries had or planned to implement rules "that are extraterritorial or disproportionately affect American companies," and

to draw up recommendations for retaliatory measures within 60 days.

EU economy commissioner Valdis Dombrovskis expressed "regret" over the move during a press conference in Brussels on Tuesday, adding that the EU remained "committed" to its international obligations.

"We trust that it's worth taking the time to discuss these matters with the new US tax administration in order to better understand their asks and explain also our position," he said.

The Tax Justice Network said Trump's executive order effectively "requires countries to cede their tax sovereignty over multinationals operating within their own borders -- or face serious countermeasures."

"Trump hasn't just killed the OECD's weak tax reforms, he's effectively threatening to scrap everything built over the last century and to take the world back to 'robber baron' era tax policies," Alex Cobham, the organization's chief executive, said in a statement.

As Trump takes aim at EVs, how far will rollback go?

AFP, New York

As part of his flurry of first day actions, US President Donald Trump took aim at electric vehicles, a cornerstone of the Biden administration's climate change agenda.

Trump's executive order on "Unleashing American Energy" on Monday included steps to ensure a "level" playing field for gasoline-powered motors and halt federal funding to build new EV charging stations.

The executive order also appeared to presage other reversals, referencing the possible elimination of a federal tax credit for EV purchases and the renunciation of a US waiver that allows California to set stricter requirements on cars.

During his inaugural address, Trump said the moves would "end" the "Green New Deal," ridiculing Biden-backed incentives for EV sales.

While Trump harshly criticized EVs during the presidential campaign, policy experts have been skeptical. Trump will junk all the Biden-era EV programs, in part because significant federal funding has gone toward projects in Republican congressional districts, where thousands of jobs are expected to be created.

Shares of EV makers like Rivian and EV charging companies such as EVgo fell sharply Tuesday. Tesla, which is led by



Visitors watch a BYD Sealion 7 electric vehicle (EV) by Chinese car manufacturer BYD on display at Singapore Motorshow in Singapore on January 9. While Trump harshly criticised EVs during the presidential campaign, policy experts have been sceptical he will junk all the Biden-era EV programmes.

car regulations in a statement that did not address other elements in Trump's executive order.

"The country should have a single, national standard to reduce carbon in transportation," said the group's president, John Bozzella. "We can't have regulations that push the industry too far ahead of the customer."

The new policy comes as automakers pause some EV investments due to slowing growth, even as sales of emission-free vehicles climb to new levels in the United States.

In 2024, EV sales in the country reached 1.3 million, up 7.3 percent from the prior year, according to Cox Automotive's Kelley Blue Book, which pointed to a meaningful rise in EVs at different price levels.

But GM, Ford and other automakers have scaled back some EV investments in recent months, pointing to slowing demand growth. A Ford executive warned in November that a glut of EVs across showrooms will lead to "incredible pressure" on prices in 2025.

The broadside against EVs followed Trump's targeting of the vehicles during the presidential campaign, when he claimed Democrat Kamala Harris wanted to force EVs on consumers.

Harris said that she favored consumer choice.

Garment exports to EU rose 3% in Jan-Nov

STAR BUSINESS REPORT

Bangladesh's garment exports to the European Union grew by 2.99 percent year-on-year to \$18.15 billion in the January-November period of 2024.

In terms of volume, apparel shipments to the EU increased by 8.22 percent.

However, the unit price of garments experienced a 4.83 percent year-on-year decline during the 11-month period, offsetting the gains and highlighting the challenges of maintaining profitability amid a downward price trend.

Overall EU imports, amounting to \$85.36 billion during this period, saw a modest 0.86 percent rise in volume but a substantial 8.04 percent increase in value, according to data from Eurostat.

In this context, Bangladesh outpaced the EU's overall import growth.

Meanwhile, Eurostat data revealed a significant 6.65 percent drop in the average unit prices of garments shipped to the EU.

This downward price pressure significantly impacted major sourcing countries, including Bangladesh.

One key competitor, Cambodia, outshone Bangladesh by posting an exceptional 20.66 percent growth in exports to the EU, although the total volume remained lower at \$3.88 billion.

INDUSTRIAL RAW MATERIALS BSTI to issue clearance certificates for import

STAR BUSINESS REPORT

The Bangladesh Standards and Testing Institution (BSTI) has decided to issue temporary clearance certificates for imported industrial raw materials under certain conditions, focusing on service simplification and the issue of port demurrage for businesses.

In a notice issued by BSTI on Tuesday, it was stated that the government brought 299 products under the purview of mandatory quality certification through the issuance of statutory regulatory orders in view of public interest.

Among these products, 79 items fall under the mandatory quality certification requirements as per the import policy order.

When these products are imported, businesses are required to obtain pre-clearance from BSTI based on the standards before final customs assessment and to submit a copy of the clearance to the customs authorities.

Dutch-Bangla Bank's Tk 1,200cr bond gets nod

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission has approved Dutch-Bangla Bank's plan to raise Tk 1,200 crore through subordinated bonds, according to a stock exchange disclosure.

The bonds will be fully redeemable, non-convertible, unsecured, and floating rate subordinated bonds.

The private bank plans to issue 1,200 bonds, each with a face value of Tk 1 crore, to bolster its Tier 2 capital under Basel III regulations and enhance its regulatory capital base.

A fully redeemable, non-convertible, unsecured, floating rate subordinated bond is a debt instrument that must be repaid in full upon maturity and cannot be converted into equity. It is not backed by collateral and carries a variable interest rate.

Sri Lanka's inflation dropped to minus 2% in December

REUTERS

Sri Lanka's consumer price inflation dropped to minus 2 percent year-on-year in December after easing to minus 1.7 percent in November, official data showed on Tuesday, as the country posted a strong rebound from its worst financial crisis in decades.

The National Consumer Price Index captures broad retail price inflation and is released with a lag of 21 days every month.

Prices in the food category moved to minus 1 percent after posting 0.0 percent in November. In the non-food category, prices changed to minus 2.9 percent on the month from minus 3.1 percent in November.

Inflation is likely to remain low in the next six months after Sri Lanka reduced its household power tariffs by 20 percent earlier this month.

Under the latest revision, industries will get a reduction of 30 percent while businesses in the tourism sector, a key foreign exchange earner for the island nation, will see their power prices slump by 31 percent.

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The executive order also appeared to presage other reversals, referencing the possible elimination of a federal tax credit for EV purchases and the renunciation of a US waiver that allows California to set stricter requirements on cars.

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Shares of EV makers like Rivian and EV charging companies such as EVgo fell sharply Tuesday. Tesla, which is led by

close Trump ally Elon Musk, also fell.

Kathy Harris, director for clean vehicles of the Natural Resources Defense Council, called Trump's policy a sop for "fat-cat oil executives," noting that EVs are better for the environment and can save consumers money on gasoline.

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possible outcome for the EV measures.

"This is not the end of this story," Harris said. "If the administration tries to cut corners or ignore the law, they will end up in court."

The Alliance for Automotive Innovation, which has previously endorsed the need for stable auto rules, reiterated its criticism of California's

car regulations in a statement that did not address other elements in Trump's executive order.

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