

Star

BUSINESS



# Big firms close to govt controlled commodity market for 15 years

Say student leaders, trade representatives

STAR BUSINESS REPORT

Economists, student leaders, and trade representatives have accused local big businesses with close ties to the previous government of engaging in price gouging of essential items over the past 15 years.

At a discussion in Dhaka yesterday, they said that some of these conglomerates, during the deposed Awami League regime, were so influential that they set higher prices for imported goods on their own after releasing shipments at Chittagong Port.

The event, titled "Fair Pricing of Food Commodities: Searching Market Supervision Strategies," was organised by The Daily Bonik Barta at the Pan Pacific Sonargaon Dhaka.

Commerce Adviser Sk Bashir Uddin was among the participants.

The speakers argued that because the highest levels of the previous government were complicit in manipulating commodity prices, big businesses faced no consequences. Instead, they received gas connections for their new factories, which pushed small and medium enterprises out of the market.

"The big businesses were so powerful that they divided the whole country like their territories of the kingdom," said Sarjis Alam, chief coordinator of the Jatiya Nagorik Committee.

"For their convenience, they did not compete in trade; rather, they helped each other to become more powerful," the student leader added.

Now, after the political changeover in August last year, several speakers, including Sarjis, called for improving law and order to prevent extortion at various stages of the supply chain.

Sarjis admitted that the law-and-order situation has not improved to the expected level so far.

He said that people want to see the government fulfil its commitments and hoped the two dozen advisers of the interim government would deliver at least 24 significant achievements that would be remembered by the people.

He also hoped that market monitoring would no longer be a superficial exercise but would instead produce meaningful results.

Anu Muhammad, an economist and prominent rights activist, said the government must take concrete steps to revive the economy, improve law and order, and establish a commission for the agricultural sector.

Bonik Barta Editor Dewan Mahmud moderated the discussion.

Apart from extortions, the event addressed the higher exchange rate of the US dollar and complex price-fixing mechanisms, which have also impacted commodity prices.

A trader from Naogaon said, "In my district, there were more than 60 rice husking mills, but now 11 big companies are controlling the market as small enterprises can no longer compete."

Abdur Rahim Khan, additional secretary to the commerce ministry, said the government has been trying to introduce an Import Development Fund so that importers can take loans at low-interest rates for importing goods.

Abdur Rahman Khan, chairman of the National Board of Revenue (NBR), said, "Until now, poor

## REASONS BEHIND RED-HOT COMMODITY MARKET

Top firms dominated domestic commodity market in last 15 years

Big businesses got gas lines, smaller ones were neglected

Top level of govt was involved in price gouging of essential items

Extortions riddled commodity supply chain at numerous stages

Graft marred the process of selecting beneficiaries for subsidised food



## OTHER FACTORS

Steep depreciation of taka

A hike in VAT to meet revenue target

Higher freight charges for imports



people have been contributing more to the government coffers, as the majority of revenue comes from customs duties rather than income tax, despite there being 1.60 crore tax identification number holders in the country."

"Of this number, some 60 percent of people submit tax returns."

He added, "Many people say that Bangladesh's tax-to-debt ratio is still better, allowing it to take

pesticides to stabilise the market."

Commerce Adviser Sk Bashir Uddin said, "The Hasina government distributed smart cards to 1 crore families, but there were many anomalies, as some families even received three cards despite not needing them."

"After scrutiny, currently 57 lakh smart cards are valid for selling TCB goods at lower prices. Nearly 25 lakh smart cards may show anomalies if further investigation is conducted," he added.

"The government has been working to give 1 crore cards to one crore genuine beneficiary families, even in rural areas," he said.

He also said that the prices of essential commodities are lower in international markets, but in Bangladesh, the prices are still high.

The adviser also said that they buy Tk 12,000 crore worth of commodities from both local and international markets through floating tenders in a year to sell to consumers at a lower price.

Md Hasan, managing director of CityGroup, said local importers face a lot of losses because of the Tk 2 difference in the dollar exchange rate, which the government should also notice.

The higher freight charge is another cause for price hikes in domestic markets, as Bangladesh does not have the logistics, like mother vessels.

AHM Ahsan, chairman of the Bangladesh Competition Commission, said the commission has settled 52 out of 102 anti-competition cases so far. But almost all the cases are now pending with the High Court for a verdict.

READ MORE ON B3

# Remittance crosses \$2b for sixth month

STAR BUSINESS REPORT

Bangladesh received over \$2 billion in remittances in January for the sixth consecutive month, thanks to a disruption in the flow of money through informal channels following the fall of the Sheikh Hasina-led government last August amidst a student uprising.

In January, Bangladeshis working and living abroad sent \$2.18 billion in remittances, a building block of Bangladesh's economy and a major enabler of reducing imbalances in the external accounts.

The amount was up 3.4 percent year-on-year.

However, the increase was lower than that in the previous month, as Bangladesh Bank had imposed restrictions on banks from offering high exchange rates to collect foreign currencies.

In December, remittance inflows surged 33 percent year-on-year, according to data from Bangladesh Bank (BB).

Banks were allowed to offer high rates to collect foreign exchange through remittances until December.

Since January, banks have been asked to offer a maximum of Tk 122 per dollar to collect remittances, said a treasury head of a private commercial bank.

For this reason, the growth of remittances slightly slowed, he said, adding that banks now have to maintain uniform rates to collect forex from remitters and exporters.

However, Mati Ul Hasan, managing director of Mercantile Bank PLC, said the remittance inflow in January had followed the usual trend.

Bangladeshi expatriates will send more remittances in the coming months ahead of the holy month of Ramadan and the Eid-ul-Fitr festival, he said.

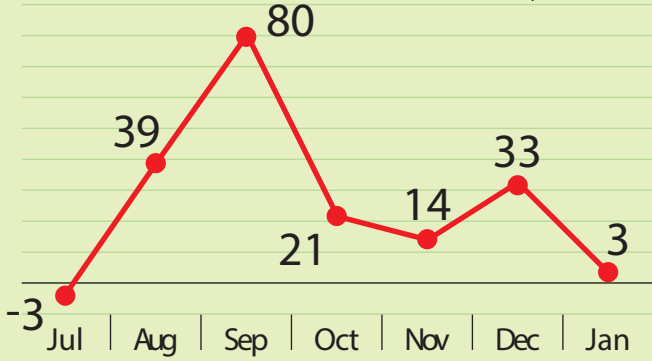
The country's forex market is now liquid due to the growing trend of remittance inflows in recent months, he said.

Including the January inflow, a total of \$15.96 billion had flowed in as remittances since July of fiscal year 2024-25, registering a 24 percent year-on-year growth, according to BB data.

READ MORE ON B3

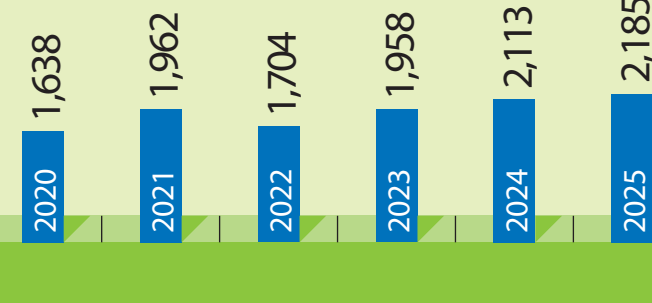
## MONTH-WISE GROWTH OF REMITTANCE IN FY25

In %; SOURCE: BB



## REMITTANCE IN JANUARY

In million \$; SOURCE: BB



# ACI ventures into herbal medicine market

STAR BUSINESS REPORT

ACI Ltd is expanding its footprint in the pharmaceutical industry, as it announced the opening of a new subsidiary yesterday to capitalise on the growing demand for high-quality herbal medicine in Bangladesh.

The conglomerate disclosed the launch of the new subsidiary, ACI Herbal and Nutraceuticals Ltd, through a notification on the Dhaka Stock Exchange (DSE) website.

The new entity will have an authorised capital of Tk 100 crore and a paid-up capital of Tk 10 crore. ACI Ltd will hold an 85 percent stake in this new subsidiary.

The company aims to begin production by the end of this year, M Mohibuz Zaman, managing director and chief executive officer of ACI HealthCare Ltd, a subsidiary of ACI Ltd, told The Daily Star.

The sale of the non-chemical remedies will begin early next year, he added.

"We will manufacture tablets, ointments, syrups, and more at this new facility, which will be exclusively dedicated to scientific herbal medicine," said Zaman.

"Over time, we plan to expand our product range to cater to growing consumer demand," he said.

The decision to establish the new subsidiary was made at a meeting of the company's board of directors on January 30.

However, the formation of the new company is subject to approval from the relevant authorities, according to the company's disclosure.

The move comes as demand for herbal medicine has surged in Bangladesh, with consumers increasingly seeking natural remedies backed by scientific research.

Industry insiders estimate that the herbal medicine market in the country generates

READ MORE ON B3

# Ha-Meem Group installs 4.4MWp rooftop solar power plant

AHSAN HABIB

Ha-Meem Group has installed a second rooftop solar power plant capable of producing 4.4-megawatt peak (MWp) of electricity, raising its total renewable power generating capacity to 12.2MWp.

MWp measures the maximum power output of a solar photovoltaic (PV) system under ideal conditions. The group says this is the largest PV system among those at Bangladeshi-owned garment and textile factories.

The country's largest industrial rooftop solar power system was installed at the Korean Export Processing Zone in Chattogram in 2020.

This plant, operated by Youngone Corporation, currently generates 40MWp of electricity and is scheduled to produce 50MWp by the end of this year.

The latest PV system in Ha-Meem Group Industrial Park at Gazipur's Kaliganj upazila was installed by FloSolar Solutions, a local company, while the previous one was installed by Solaric, a subsidiary of a Singapore-based company.

The 12.2MWp system cost around Tk 54 crore, with approximately Tk 7 crore coming as a grant from the "Program to



Ha-Meem Group says this is the largest solar PV system among those at Bangladeshi-owned garment and textile factories.

PHOTO: COLLECTED

Support Safety Retrofits and Environmental Upgrades in the Bangladeshi Ready-Made Garments Sector."

"The company is committed to global sustainability forums and buyer compliance requirements for renewable energy," said Tanul Chokroborty, in

charge of the energy department at Ha-Meem Group.

Ha-Meem Group aims to reach net zero by 2050, meaning balancing the amount of greenhouse gases it produces with the amount it removes from the atmosphere.

READ MORE ON B3

# Olympic to buy land worth Tk 17cr for expansion

STAR BUSINESS REPORT

Olympic Industries Ltd, a leading biscuit manufacturer, announced yesterday that it has decided to purchase land worth Tk 17.03 crore in various locations in Sonargaon, Narayanganj, for future expansion.

The total amount of land to be acquired is 273 decimals, the company said in a filing with the Dhaka Stock Exchange (DSE) yesterday.

Olympic stated that it would acquire 84 decimals of land behind its Lolati factory for Tk 3.36 crore from five sellers at a rate of Tk 4 lakh per decimal.

Additionally, it will purchase 118.71 decimals of land near the same factory for Tk 11 crore.

Olympic will also buy another 35 decimals for Tk 1.4 crore from four sellers. Moreover, it will acquire 18.17 decimals for Tk 72.68 lakh from six sellers. Both acquisitions are priced at Tk 4 lakh per decimal.

Furthermore, the company will purchase 7.75 decimals for Tk 20 lakh from three sellers and 10.18 decimals for Tk 35.63 lakh. The latter purchase, under Changain Mouza, is priced at Tk 3.5 lakh per decimal.

The biscuit maker also stated that it would bear all registration costs, including VAT, tax, and other charges.

READ MORE ON B3