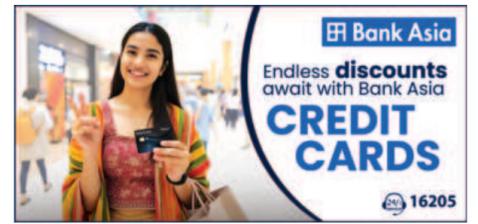


# Star BUSINESS



## Investor jitters grow over Beximco sukuk amid layoffs

STAR BUSINESS REPORT

Investors in the Beximco Green Sukuk al-Istisna are increasingly worried about recovering their principal amount after the conglomerate ran into a series of troubles following the political changeover in August last year.

With the latest layoffs across 15 apparel units of Beximco — one of the three assets where the sukuk proceeds were invested — investor concerns have intensified.

The other two assets are Korotoa Solar and Teesta Solar.

**With the latest layoffs across 15 apparel units of Beximco — one of the three assets where the sukuk proceeds were invested — investor concerns have intensified**

Of these, Teesta Solar is supplying electricity to the Bangladesh Power Development Board (BPDB), and the payments made by the board are now being used for investor interest payments.

Korotoa Solar is under construction and will take another 10 months to complete.

The Investment Corporation of Bangladesh (ICB) is the trustee of the country's largest private sukuk.

ICB Chairman Prof Abu Ahmed said he is well aware of investor concerns. He added that income streams to investors would continue and that general investors would not be affected.

However, the assurance seemed to have fallen short of restoring investor confidence, as Beximco Green Sukuk al-Istisna closed at Tk 46 per unit on the bourses yesterday — a 54 percent discount on the face value of Tk 100 each.

In 2021, Beximco Ltd issued asset-backed sukuk bonds worth Tk 3,000 crore to finance the solar power plants as well as the expansion of its textile division.

The ousting of Sheikh Hasina in a mass uprising in August last

READ MORE ON B3

## Shrimp processing units close as exports halve in 7 years

DIPANKAR ROY, *Khulna*

The once-thriving shrimp processing industry is now facing a severe downturn, with processing units shutting down as exports have halved in seven years.

Formerly a major contributor to the country's export earnings and rural employment, the industry is struggling due to a combination of factors, including a shortage of raw materials, declining global demand, environmental changes, financial mismanagement and failure to adapt to changing market conditions.

Cashing in on export subsidies and rising global demand, many shrimp processing units sprang up in the southwestern, southern and southeastern regions in the 1990s, backed by low-cost bank financing.

The industry boom lasted for around a decade, but as global demand for shrimp subsided and incentives fizzled out, production began to falter. Shrinking local supply and the emergence of a domestic prawn market further contributed to the decline.

Currently, out of 109 registered shrimp

processing factories, only 30 in Khulna and 18 in Chattogram remain operational, according to the Bangladesh Frozen Foods Exporters Association (BFFEA).

The primary raw materials for shrimp processors are black tiger shrimp (Bagda) and freshwater shrimp (Golda).

According to the BFFEA, these factories have an annual production capacity of around 4 lakh tonnes but are receiving only 7 percent

factory closures, affecting the livelihoods of around 60 lakh people who directly or indirectly depend on the industry.

Stakeholders in the shrimp processing and export industry cite high bank loan interest rates as a major challenge. Currently, companies in this sector must take loans at 13-14 percent interest rates, much higher than what the rates were in the 90s.

"Between 1995 and 2004, many shrimp processing factory owners invested in the



### WHY SHRIMP PROCESSING UNITS SHUTTING DOWN

Shortage of raw shrimp (Bagda & Golda) | Declining global demand | Environmental changes | Mismanagement of bank loans by processors

### INDUSTRY AT A GLANCE

Registered factories 109  
Now operational 48  
In Khulna: 30  
In Chattogram: 18

SHRIMP EXPORTS  
FY17 \$446m  
FY24 \$248m

Production capacity: 4 lakh tonnes per year  
But receiving only 7% of processing demand

of their required shrimp input.

"This scarcity has already forced many factories to shut down," said Shyamal Das, director of the frozen food association and managing director of MU Sea Food Limited.

"My own company is getting only 25-30 percent of the shrimp it needs, making it impossible to run operations throughout the year," he added.

This supply shortage has led to declining production and

sector. However, they failed to assess the actual availability of shrimp in the market," wrote researcher Gouranga Nandy in his book "Shrimp Profit for Whom".

"Instead, the sector expanded rapidly due to a lack of integrity among entrepreneurs and short-sightedness within the banking sector. Many investors secured large loans by showcasing processing factories but later defaulted on their payments," he added.

While shrimp farming is now categorised as an agricultural activity, processing and export are treated as commercial ventures.

READ MORE ON B2

## NBR lifts VAT on locally produced edible oils

STAR BUSINESS REPORT

Amid high prices and a shortage of bottled soybean oil, the National Board of Revenue (NBR) yesterday exempted traders from value-added tax (VAT) on locally produced edible oils, including mustard, sunflower, rapeseed, canola, and rice bran oils, in a bid to stabilise the domestic market.

The NBR said it had removed VAT at the production stage of rapeseed oil, colza seed oil, and canola oil until June 30 this year. In the case of mustard oil, VAT on the production of the main oilseed crop in Bangladesh has also been eliminated. The NBR did not mention any expiry date for this benefit.

The move by the revenue authority comes at a time when the edible oil market is volatile, and bottled soybean oil became scarce in many stores and markets just before Ramadan, when demand for edible oil rises.

Shopkeepers and distributors had earlier said oil refineries were delivering less than the demand for the month, which caused a supply shortage.

After visiting Mohammadpur Town Hall kitchen market in Dhaka yesterday, Commerce Adviser Sk Bashir Uddin

READ MORE ON B3

## Deep cut to dev spending

Allocation trimmed by 19% to Tk 2.26 lakh crore

STAR BUSINESS REPORT

The interim government yesterday approved a Tk 226,125 crore revised Annual Development Programme (ADP), while the health sector saw more than a 50 percent reduction in its original allocation despite being a priority sector.

The decision was made at a National Economic Council (NEC) meeting at its premises in the capital, with NEC Chairperson and Chief Adviser Prof Muhammad Yunus presiding.

The size of the revised ADP was reduced by 19 percent, from the original Tk 278,289 crore.

Although the health sector was among the top ten highest recipients in the original allocation, it has now faced a 59 percent cut, with its allocation slashed to Tk 8,463 crore.

Acknowledging the lower allocation in the revised ADP for health, Planning Adviser Wahiduddin Mahmud said the implementation rate of the sector was not satisfactory.

"In many areas, infrastructure and equipment remain abandoned due to a shortage of doctors, nurses and technicians," said the adviser.

"Doctors and nurses should be appointed in the health sector on a priority basis, rather than focusing solely on building infrastructure," he said.

"There are many vacant posts, and usually, doctors are reluctant to work in rural areas. This is a matter of governance," he said.

Like the health sector, the education sector saw a 34 percent cut, bringing its allocation down to Tk 20,349 crore.

Regarding this sector, Prof Mahmud noted that the performance of secondary and higher education had also remained poor.

He pointed out that several universities had set up campuses in various districts, but the number of staff recruited were more than of students and teachers.

Many of these staff members were hired based on political affiliations, he further said.

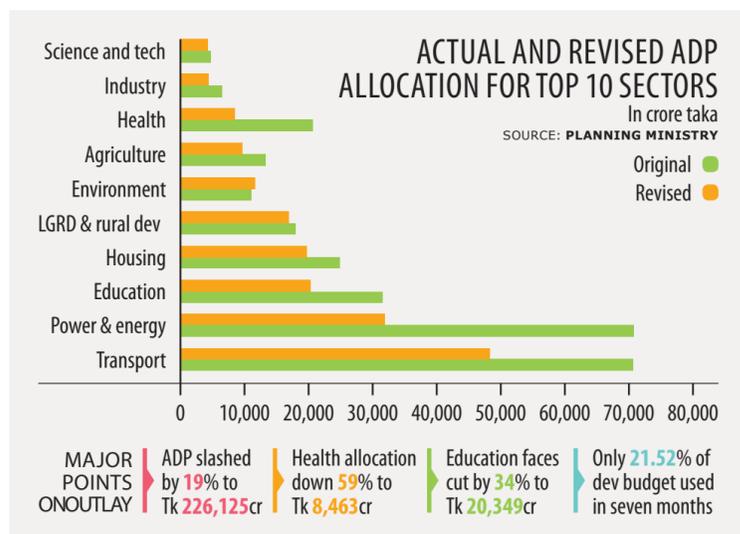
"Before increasing allocations, we must sort out these kinds of anomalies," he added.

In the revised ADP, the number of projects with allocations increased to 1,434 from 1,326 in the original ADP.

The interim government took office in August last year after a student-led mass uprising ousted the Awami League government, which formulated the FY25 budget in June.

However, this time, the ministries demanded less than Tk 200,000 crore in total, lower than the original ADP.

According to the planning ministry official, of the 57 ministries and divisions, eight saw an increase of 0.81 percent in their revised ADP allocations, while the allocation for 48 ministries and divisions decreased by



A planning ministry official said the pace of project implementation had been slow this fiscal year because of the political turmoil.

In the first seven months of the ongoing fiscal year, only 21.52 percent of the ADP was spent, 5.59 percent less than the expenditures made during the same period last fiscal year, said the official.

Usually, when the finance and planning ministries seek demands from various ministries, they tend to request higher allocations than granted.

26 percent. The rest remained unchanged. The revised ADP allocated around 47 percent of total funds to the transport and communications, power and energy, and education sectors.

In the revised ADP, the government budget was reduced by Tk 49,000 crore to Tk 216,000 crore.

Of this, government funds were reduced by 18.18 percent to Tk 135,000 crore, while foreign funds fell by 19 percent to Tk 81,000 crore.

READ MORE ON B3

## Govt moves to encourage cancer drugs making

STAR BUSINESS REPORT

The tax authority has reduced the tax at source on the import of raw materials for the manufacture of cancer-related drugs, a development that is expected to reduce production costs and prices.

In a notification issued on Sunday, the National Board of Revenue (NBR) said it would collect 2 percent tax at source on the import of the ingredients of oncology medicines, down from 5 percent.

A senior official of the tax administration said they slashed the tax based on recommendations from the health ministry.

"This will be helpful for oncology product manufacturers and end users, as production costs will decrease, making the products more affordable," said Aminul Islam Khan, chairman and managing director of Ziska Pharmaceuticals Ltd.

**This will be helpful for oncology product manufacturers and end users, as production costs will decrease, said sector people**

The NBR's move comes at a time when the prevalence of cancer is growing in Bangladesh, and a number of pharmaceutical companies are manufacturing oncology products for both domestic and export markets.

At present, the cancer prevalence in the country is 106 cases per 100,000 population, with the prevalence being higher among males.

In Bangladesh, cancer is responsible for 11.9 percent of all deaths annually, according to a new study by the Bangabandhu Sheikh Mujib Medical University last month.

The study revealed that 52.9 new cases are reported per 100,000 people every year.

Khan said the price of oncology products in Bangladesh is lower than in any other country because the nation can produce generic versions of medicines without patent restrictions.

For this reason, cancer patients from different countries seek Bangladeshi oncology products at a lower cost, he added.

Oncology products made in Bangladesh are exported to advanced countries, including Europe and Australia, due to competitive prices and high quality, he said.



# RAMADAN MUBARAK





## Humayun Kabir appointed MD of Union Bank

STAR BUSINESS DESK

Mohd Humayun Kabir, former executive director of Bangladesh Bank, has been appointed as the managing director (MD) and CEO of the Sharia-based Union Bank PLC.

Prior to assuming this new role at Union Bank, Kabir was serving at NRBC Bank PLC as a deputy managing director, head of the human resources division, and chief anti-money laundering compliance officer, said a press release.

Over his 37-year career, he has served with great efficiency as the secretary to the board of directors of Bangladesh Bank, where he worked in various capacities, including the banking regulation and policy department, foreign exchange policy department, foreign exchange investment department, human resource department, agriculture credit department, and banking inspection department.

He also worked at the Bangladesh Bank Training Academy and as head of the Bangladesh Bank Chittagong office.

# Eastern Bank signs payroll banking deal with SQ Group



PHOTO: EASTERN BANK

**AZM Monjurul Quader, chairman of SQ Electricals Limited, and M Khorshed Anowar, deputy managing director and head of retail and SME banking at Eastern Bank, pose for photographs after signing the agreement at the bank's head office in Dhaka recently.**

STAR BUSINESS DESK

Eastern Bank PLC (EBL) recently signed a payroll banking agreement with SQ Group, a leading manufacturer of electrical products in Bangladesh.

M Khorshed Anowar, deputy managing director and head of retail and SME banking at the bank, and AZM Monjurul Quader, chairman of SQ Electricals Limited, a concern of SQ Group, signed the agreement at the

bank's head office in Dhaka, according to a press release.

Under the agreement, employees of SQ Group will enjoy a range of EBL-exclusive banking services, including the privilege of accessing dual-currency debit cards, which offer greater convenience for international transactions.

They will also benefit from a variety of loan options tailored to meet their financial needs, along with a comprehensive selection of other banking

perks designed to enhance their financial well-being.

Syed Zulkar Nayan, head of business at the bank, and Trisha Taklim, head of payroll banking, were present.

Abdullah Al Masum, director of sales and marketing at SQ Group, Golam Samdani, director of trading and planning, and Mohammad Mamunur Rashid Chowdhury, chief finance officer, along with other senior officials from both organisations, were also present.

## ECB to cut rates again

AFP, Frankfurt

The European Central Bank is expected to cut interest rates again this week in a bid to boost the floundering eurozone economy, even as debate heats up about when to hit pause.

It will mark the central bank's sixth reduction since June last year, with its focus having shifted from tackling inflation to relieving pressure on the 20 nations that use the euro.

With "growth stuttering", a quarter-point cut at Thursday's meeting "is a near certainty", HSBC bank analysts said.

A reduction by a quarter percentage point would bring the bank's benchmark deposit rate to 2.50 percent.

The rate reached a record of four percent in late 2023 after the ECB launched an unprecedented hiking cycle to tame energy and food costs that surged after Russia's invasion of Ukraine.

**It will mark the central bank's sixth reduction since June last year, with its focus having shifted from tackling inflation to relieving pressure**

But investors will be keeping an eye out for signals from ECB President Christine Lagarde that a pause might be on the horizon, after some officials said it was time to start discussing the matter.

Markets have indicated they expect the ECB to bring the deposit rate steadily down to two percent by the end of the year to support a eurozone economy that has showed increasing signs of weakness.

Some policymakers are starting to ask how the central bank should continue on the path downward.

Isabel Schnabel, an influential member of the ECB's board, told The Financial Times last month that policymakers were getting "closer to the point where we may have to pause or halt our rate cuts".

"We can no longer say with confidence that our monetary policy is still restrictive," she said.

Meanwhile Pierre Wunsch, a member of the ECB's rate-setting governing council and Belgium's central bank chief, also warned against "sleepwalking" into making too many reductions.

## Mastercard declares winners of 'Spend and Win' campaign

STAR BUSINESS DESK

Mastercard has announced the winners of its winter "Spend and Win" campaign 2025, titled "Sail Beyond," in the capital recently.

Shanzida Nishat, a Mastercard cardholder from Mutual Trust Bank PLC, was announced as the recipient of the grand prize—a six-day vacation for two, including a luxury cruise covering Singapore, Penang Port, and Port Klang in Malaysia, with airfare and accommodation provided, said a press release.

Commenting on the campaign, Syed Mohammad Kamal, country manager for Bangladesh at Mastercard, said, "The overwhelming response to the "Sail Beyond" campaign reflects consumers' growing preference for highly convenient and secure digital transactions."

"Mastercard is thankful to its partner banks and financial institutions for their support with this campaign and extends congratulations to all the winners," he added.

Other winners received a couple's trip package to international and domestic destinations, along with electronics, gadgets, lifestyle, and grocery vouchers.

The campaign saw enthusiastic participation from Mastercard debit, credit, and prepaid cardholders across Bangladesh.

Running from 1 January to 9 February 2025, the campaign was designed to encourage digital payments by enabling cardholders to win exciting rewards on transactions, including a memorable cruise vacation.



PHOTO: MASTERCARD

**Syed Mohammad Kamal, country manager for Bangladesh at Mastercard, poses for photographs with winners of the "Spend and Win" campaign 2025, titled "Sail Beyond," in the capital recently.**

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (MAR 3, 2025)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 72-Tk 85	1.29 ↑	14.60 ↑
Coarse rice (kg)	Tk 50-Tk 55	-2.78 ↓	7.14 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-10.53 ↓
Lentil (kg)	Tk 105-Tk 110	0	0
Soybean (litre)	Tk 185-Tk 190	6.84 ↑	22.95 ↑
Potato (kg)	Tk 20-Tk 30	0	-9.09 ↓
Onion (kg)	Tk 40-Tk 50	-10.00 ↓	-60.87 ↓
Egg (4 pcs)	Tk 40-Tk 45	-7.61 ↓	-2.30 ↓

SOURCE: TCB



**Maj Gen Md Masudur Rahman, adjutant general of the Bangladesh Army and vice-chairman of Trust Bank, attends the "Managers' Conference 2025" at the Hotel Baywatch, Inani in Cox's Bazar recently.**

PHOTO: TRUST BANK

## Trust Bank organises managers' conference

STAR BUSINESS DESK

Trust Bank PLC recently organised a "Managers' Conference 2025" at the Hotel Baywatch, Inani in Cox's Bazar.

Maj Gen Md Masudur Rahman, adjutant general of the Bangladesh Army and vice chairman of the bank, attended the conference as the chief guest, the bank said in a press release.

Ahsan Zaman Chowdhury, managing director of the bank, was also present.

Among others, the directors of the bank, along with senior officials and all the branch managers, were also present.

## Upay partners with Zaytoon Business Solutions to enhance digital financial services

STAR BUSINESS DESK

Mobile financial service provider "Upay," a subsidiary of United Commercial Bank PLC, recently signed an agreement with Zaytoon Business Solutions, aiming to transform digital financial accessibility, particularly in underserved rural areas across the nation.

Md Abdullah Al Mamoon, a member of the board of directors of UCB Fintech Company Ltd-upay, and Akber Hossain, managing director of Zaytoon Business Solutions, signed the agreement in Dhaka, according to a press release.

Mamoon said, "This partnership with Zaytoon Business Solutions will empower millions with the convenience of secure and efficient digital financial services."

Mohammad Mamdudur Rashid, managing director and CEO of United Commercial Bank, and Md Arfan Ali, chairman of Zaytoon Business Solutions, attended the

signing ceremony. The collaboration will leverage Zaytoon's extensive network of village digital booths (VDBs) as authorised upay digital agents.

These VDBs will facilitate a wide range of financial transactions and services, including mobile banking, bill payments, remittance

services, and digital lending, bringing essential financial solutions to the doorsteps of rural communities.

The initiative will initially launch in Rajshahi, Chapai Nawabganj, Munshiganj, Sirajganj, and Chittagong, with a comprehensive nationwide expansion planned.

Among others, Md Khademul Islam, head of business at Zaytoon Business Solutions; Zeeshan Kingshuk Huq, chief communications officer of the bank; Md Mahub Sobhan, chief business officer of upay; and Sajjad Alam, head of corporate sales, were also present.



**Akber Hossain, managing director of Zaytoon Business Solutions, and Md Abdullah Al Mamoon, member of the board of directors of UCB Fintech Company Ltd-upay, exchange signed documents of the agreement in Dhaka recently.**

PHOTO: UNITED COMMERCIAL BANK

## Shrimp processing

FROM PAGE B1

As a result, export-oriented companies face higher interest rates, making it difficult for them to remain competitive in the global market.

**DECLINING PRODUCTION**

Experts have identified several key factors disrupting the local shrimp production. Those include rising temperatures, fluctuations in water salinity, decreasing depth of shrimp enclosures, poor quality shrimp larvae, inadequate water supply and drainage, and declining soil and water fertility.

Each of these issues is closely linked to environmental imbalances.

Natural disasters such as Cyclones Aila, Amphan and Yaas have devastated shrimp farms, causing massive stock losses and forcing many farmers to abandon their operations.

Climate change, declining shrimp fry availability and financial mismanagement have left the industry in crisis. Outdated farming methods have also hindered the industry's ability to adapt.

Despite 50 to 60 years of shrimp cultivation, scientific advancements in farming techniques have been minimal. Farmers in Khulna, Satkhira, Bagerhat and Cox's Bazar struggle with water shortages and increased disease outbreaks in shrimp enclosures.

Besides, shrimp farmers face difficulties accessing bank loans, as financial institutions rarely provide credit for shrimp farming. Consequently, many farmers rely on personal savings or high-interest private loans, further increasing their financial burden.

As a result, some farmers have quit shrimp farming altogether, while in certain areas, local movements have emerged against shrimp cultivation.

**IS VANNAMEI SHRIMP THE SOLUTION?**

In the global market, black tiger and freshwater shrimp are more expensive than vannamei, or king prawn. Due to its lower cost, higher yield, and compatibility with modern farming techniques, top prawn-exporting countries like India, China and Vietnam cultivate vannamei on a large scale for export.

However, Bangladesh has yet to

approve commercial cultivation of vannamei shrimp, although processors and farmers have been pushing for permission for years.

"Traditional Bagda shrimp farming yields 400-500 kilogrammes per hectare, while vannamei shrimp can produce 9,000-10,000 kgs per hectare," said farmer Sutonu Kabiraj, arguing for vannamei farming.

According to the BFFEA, the Department of Fisheries has been reluctant to grant permission for cultivating non-native shrimp due to concerns about its potential impact on biodiversity and the environment.

**THE RISE AND FALL OF SHRIMP INVESTORS**

In the last decade, around 25 shrimp processing factories have shut down, with closures accelerating after the early 2000s, said S Humayun Kabir, former vice-president of the BFFEA.

He recalled that many investors entered the shrimp processing business suddenly but exited just as quickly due to unsustainable operations.

A walk through the Rupsha area of Khulna bears testimony to the industry's decline. Once home to over 35 shrimp factories, only half remain operational.

Factories including Sobi Sea Food Ltd, Star Sea Food Ltd, Jahanara, Modern, LEPCF, South Field, Cosmos, Shampa, Oriental, Bangladesh Sea Food, Asia Sea Food, Malek Hazi Sea Food, Unique ICE and Food Ltd, Apollo Sea Food Ltd, Shahnewaz Sea Food, and Beximco have ceased production.

Professor Anwarul Kadir, a member of Transparency International Bangladesh (TIB) in Khulna, said that while environmental factors have played a role, mismanagement and corruption among shrimp exporters have worsened the crisis.

"Some factory owners misused bank loans meant for shrimp production, diverting them to other business ventures and failing to repay them," he said.

"Two-thirds of the factory owners transferred bank loans to other sectors and are now unwilling to repay them. This has significantly contributed to the closure of factories," he added.

# Remittances through agent banking outlets rose 21% in Dec

Loan disbursement jumped 56%

KHONDOKER MD SHOYEB

Disbursement of inward remittances through agent banking outlets rose 21 percent year-on-year in December last year, an increase the central bank attributes to the government's 2.5 percent cash incentive.

The rural population received the lion's share of the inward remittances of Tk 173,390 crore, which were disbursed through agent banking outlets during the month.

In December 2023, the figure was Tk 143,113 crore, which increased to Tk 165,659 crore in September 2024 but was still 4.67 percent lower than that of December 2024, according to the quarterly report on agent banking published by the Bangladesh Bank.

The banking watchdog also believes banks' financial literacy campaigns on the use of legal channels might have had a positive impact on the rising remittance inflow.

Agent banking accounts opened in rural areas have always been the major recipients of remittances disbursed, as they received 90.12 percent of December 2024's total.

Of the total, only around 10 percent, or Tk 7,731 crore, was received by those with agent banking accounts in urban areas.

Other than remittances, agent

banking outlets experienced a massive jump in the amount of loans disbursed, both quarterly and year-on-year.

The outlets of agent banking - introduced in 2013 to serve the underserved population - disbursed Tk 15,407 crore in loans in the 12th month of 2023, which rose 56 percent year-on-year to Tk 24,028 crore in the same month of 2024.

The latest figure was also around 14 percent higher than that of the September quarter's Tk 21,089 crore. Rural customers also outnumbered their urban peers by receiving 64 percent of the loans disbursed through agent banking.

Gender-wise, male borrowers took over four-fifths of the loans. Of the total, Tk 19,879 crore went to male account holders and a little over Tk 3,000 crore to females.

Twenty-three banks are currently engaged in lending through agent banking, and the banking regulator expects access to loans for female customers to widen when more banks begin extending the service.

"Nevertheless, there remains huge potential to reach more female entrepreneurs in rural areas who can access finance from banks through agents," the central bank said in the report. "Bangladesh Bank is paying attention to this matter

and constantly encouraging banks to facilitate female customers in obtaining loans."

Deposits accumulated through agent banking also rose year-on-year and quarterly, though at a slower pace than both inward remittances and loan disbursement.

In December 2024, deposits through agent banking increased 15.4 percent year-on-year to Tk 41,955 crore, which was also 6.14 percent higher than September 2024's Tk 39,529 crore.

Again, the major share of deposits, 80.45 percent, was collected from rural areas. Like borrowers, deposits in male customers' accounts outnumbered those in female accounts, holding 57 percent and 37.23 percent of the total, respectively.

Savings accounts comprised 41.93 percent of the deposits, while other categories, including institutional and term deposits, made up half of the total.

The remaining 7.13 percent belonged to current account holders, according to the BB report.

The report highlighted that the loan-to-deposit ratio in agent banking stood at only 57.27 percent in the December 2024 quarter, compared to 53.35 percent in the previous quarter.

READ FULL STORY ONLINE

## NBR lifts VAT

FROM PAGE B1

said the supply of soybean oil at the retail level would normalise within the next two days.

"There is no shortage of daily essentials now. However, the supply of soybean oil is slightly less, which cannot be denied, but I hope the situation will improve from today (yesterday)," he told reporters.

He said that while soybean oil was selling at a higher rate, palm oil was being sold at Tk 25 below the government-fixed price per litre.

"Palm oil accounts for 60 percent of our total consumption. The price of edible oil in the market has both decreased and increased at the same time. I hope the price of soybean oil will also decline," he added.

Over the last month, the price of loose soybean oil rose by 6.84 percent to Tk 185-Tk 190 per litre in Dhaka, according to market price data compiled by the Trading Corporation of Bangladesh.

The NBR, in a statement yesterday, said the government had prioritised this matter in the public interest and had removed VAT at the production and trading stages of mustard, rice bran oil, sunflower, and other edible oils in response to requests from various groups.

"We have taken this initiative in order to stabilise the edible oil market and promote locally produced alternatives to soybean oil during the month of Ramadan," said Md Bodruzzaman Munshi, second secretary of the VAT Policy at the NBR.

"Through these steps, consumers will be able to purchase edible oils at lower prices," he said. "We cannot force anyone, but our aim is to encourage the use of domestically produced edible oils."

In addition, the NBR lifted VAT at the trading stage on a range of domestically produced essentials, including biscuits, salt, flour, semolina, chilli powder, both solid and powdered forms of coriander, turmeric, ginger, and pulse-based food grains.

The NBR also removed VAT on liquefied petroleum gas (LPG) and natural gas at the trading stage. However, it said importers who sell LPG directly to consumers will not qualify for the exemption.

## Investor jitters grow

FROM PAGE B1

year led to the arrest of Salman F Rahman, an influential adviser to the deposed premier and vice-chairman of Beximco Group.

Rahman, accused of murder and corruption charges, is now behind bars. He is also accused of using his political influence for personal business gains.

After the fall of the Awami League, a series of financial irregularities involving Rahman and his business empire came to light.

Recent Bangladesh Bank data showed that Beximco Group owed nearly Tk 50,000 crore in bank loans as of November 2024, with more than half of the amount classified as non-performing.

Facing a persistent shortage of work orders in its export-oriented garment and textile factories in Gazipur, the cash-strapped group began laying off workers across 15 of its apparel units in February this year.

"As the issuer of the sukuk is in such distress that it is laying off workers, investor concerns about whether they will get back their principal amount are understandable," said a top official of a bank, who preferred to remain unnamed.

"If the completion of Korotoa Solar is delayed, it will impact the repayment of the sukuk principal," he commented.

From the sukuk proceeds, Tk 805.90 crore was used for the textile division expansion project.

The remaining funds were allocated to Teesta Solar Limited's 200 MW power plant in Sundarganj,

Gaibandha, which began commercial operations on 8 January 2023.

Korotoa Solar Limited, with a capacity of 30 MW in Tetulia, Panchagarh, has yet to start production.

ICB Chairman Prof Ahmed said they are only disbursing funds necessary to maintain operations, while the rest of the revenue from power bills is being directed to the sinking fund to ensure investors receive their returns.

Ahmed also said that ICB is working to ensure the completion of Korotoa Solar.

According to an agreement, the BPDB will purchase electricity from Teesta Solar for 20 years at \$0.15 per kilowatt-hour.

Prof Ahmed said that the mob attack on Beximco Textile did not result in the loss of assets acquired with sukuk proceeds. "Investor payments will continue," he said, adding that general investors would not be affected.

The debt-based securities will mature in December next year.

The sukuk allows the annual conversion of 20 percent of investors' holdings into shares of Beximco Ltd.

However, investors have shown little interest in conversion, as they do not see potential in the company's shares.

As a result, the issuer will have to repay the principal amount at maturity.

Several institutional investors have urged ICB to take the matter seriously to prevent the country's largest sukuk from defaulting.

## Deep cut to dev spending

FROM PAGE B1

Besides, the ADP for state-owned enterprises was reduced by Tk 10,125 crore, from the original Tk 13,288 crore.

Among the top recipients in terms of allocation, transport and communications will receive Tk 48,253 crore (22.34 percent), power and energy Tk 31,898 crore (14.77 percent), housing and community services Tk 19,653 crore (9 percent), and local government and rural development Tk 16,909 crore (7.82 percent), according to a planning ministry official.

In terms of allocation for ministries and divisions, the Local Government and Rural Development Ministry will

receive the highest allocation of Tk 36,159 crore (17 percent).

Of the total 1,434 projects with allocations in the revised ADP, 1,326 have been carried over from the original ADP as ongoing projects.

Additionally, 97 new projects have been included in the revised ADP, which were listed as unapproved in the original ADP.

Moreover, the interim government included 11 new projects in the revised ADP, which were not listed in the original ADP.

Also, in the revised ADP, 770 projects have been listed as unapproved projects without allocation.

Government of the People's Republic of Bangladesh  
District Primary Education Office  
Habiganj.  
website: dpe.habiganj.gov.bd

Memo No. dpeo/hobi/nngps/424 Date: 03/03/2025

**e-Tender Notice No.1/2024-25**

e-Tender is invited in the national e-GP system portal (<http://www.eprocure.gov.bd>) for the Procurement of following works:

SL NO.	Name of Scheme	Tender ID NO	Package No	Tender/Proposal Document Last selling/downloading Date & Time	Tender/Proposal Closing Date & Time	Remarks
1	Furniture Supply for 10 Nos. Class Room of Selected 2 Nos of Newly Nationalized Govt. Primary School at different location of Habiganj District Under NBIDNNGPSP1	1062896	NBIDNNGPSP1/HAB/2024-25 G1-27	18-Mar-2025 12:00	18-Mar-2025 15:00	OTM

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 (<http://www.eprocure.gov.bd>) is required. The fees for Tender/Proposal document to be deposited online through any registered Banks branches. Further information and guidelines 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. Shah Alam)  
District Primary Education Officer  
Habiganj.  
Phone : 02996605294  
e-mail: dpeohobig@gmail.com

GD-554

Government of the People's Republic of Bangladesh  
Office of the Principal  
Sylhet MAG Osmani Medical College, Sylhet

No. 59.14.0000.129.07.029.24-1107 Date: 02.03.2025

**e-Tender Notice**

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the procurement of the following goods.

SL No.	Tender/Proposal ID, Reference No.	Description of the tender	Tender document last selling date & time	Tender closing & opening date & time
1.	1079539, 59.14.0000.129.07.028.24-1012 Date: 24.02.2025	Supply of Medical Machinery (Fully Automated Hematology Analyzer, Brand: SYSMEX, Model: XN-550, Lot-02) for the financial year of 2024-2025	02-Mar-2025 15:00:00	17-Mar-2025 12:00:00
2.	1079538, 59.14.0000.129.07.028.24-1013 Date: 24.02.2025	Supply of Computer & Accessories for the financial year of 2024-2025	02-Mar-2025 15:00:00	17-Mar-2025 12:00:00
3.	1079537, 59.14.0000.129.07.028.24-1014 Date: 24.02.2025	Supply of Uniforms for the financial year of 2024-2025	02-Mar-2025 15:00:00	17-Mar-2025 12:00:00
4.	1079536, 59.14.0000.129.07.028.24-1015 Date: 24.02.2025	Supply of Medical and Surgical Supplies (Chemical Reagent, Lot-04) for the financial year of 2024-2025	02-Mar-2025 15:00:00	17-Mar-2025 12:00:00
5.	1079535, 59.14.0000.129.07.028.24-1016 Date: 24.02.2025	Supply of Medical and Surgical Supplies (Chemical Reagent, Lot-03, Advia Centaur CP Reagent) for the financial year of 2024-2025	02-Mar-2025 15:00:00	17-Mar-2025 12:00:00
6.	1079534, 59.14.0000.129.07.028.24-1017 Date: 24.02.2025	Supply of Medical and Surgical Supplies (Chemical Reagent, Lot-02, Auto Biochemistry Analyzer: Vitros Machine -350 Reagent) for the financial year of 2024-2025	02-Mar-2025 15:00:00	17-Mar-2025 12:00:00
7.	1079533, 59.14.0000.129.07.028.24-1018 Date: 24.02.2025	Supply of Medical and Surgical Supplies (Chemical Reagent, Lot-01) for the financial year of 2024-2025	02-Mar-2025 15:00:00	17-Mar-2025 12:00:00
8.	1079531, 59.14.0000.129.07.028.24-1019 Date: 24.02.2025	Supply of Medical Machinery (Lot-01) for the financial year of 2024-2025	02-Mar-2025 15:00:00	17-Mar-2025 12:00:00
9.	1079529, 59.14.0000.129.07.028.24-1020 Date: 28.01.2025	Supply of Books for the financial year of 2024-2025	02-Mar-2025 15:00:00	17-Mar-2025 12:00:00
10.	1079528, 59.14.0000.129.07.028.24-1021 Date: 28.01.2025	Supply of Sports Goods for the financial year of 2024-2025	02-Mar-2025 15:00:00	17-Mar-2025 12:00:00
11.	1079527, 59.14.0000.129.07.028.24-1022 Date: 28.01.2025	Supply of Others Stationery for the financial year of 2024-2025	02-Mar-2025 15:00:00	17-Mar-2025 12:00:00
12.	1079524, 59.14.0000.129.07.028.24-1023 Date: 28.01.2025	Supply of Cleaning Materials for the financial year of 2024-2025	02-Mar-2025 15:00:00	17-Mar-2025 12:00:00

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 (<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 through any registered banks branches. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

Professor Dr. Md. Ziaur Rahman Chowdhury  
Principal (In-Charge)  
Sylhet MAG Osmani Medical College, Sylhet

GD-545

## LAND WITH BUILDING SALE IN GULSHAN

- **Gulshan-2 (Road No. 35)-** A newly built 9-story building with a total floor area of 29,565 sq.ft., including 1 basement, on 7 Katha 2 Chatak 10 sq.ft. of land for sale; also-
- **Gulshan-2 (Madani Avenue)- Fully Commercial** Ground Floor 2,276.74 sq.ft., 2nd & 3rd Floors each 3,840.71 sq.ft. with 6 car parking spaces in a 14-story building, available for sale together or separately; and
- **Nikunja-1 R/A.-** A 6 Katha (Twin 3 Katha Plots) in a prime location next to **Army Golf Club**, offering a picturesque and highly attractive setting for sale.

**Only Buyers (No Brokers) Are Requested To Contact**

**(9.00 A.M. to 5.00 P.M.)**

**01700-704455, 01709-631429**

## Fixed freight rate withdrawn for vessels on Ctg-Pangaon route

DWAIPAYAN BARUA, Ctg

The shipping ministry has withdrawn the fixed freight rate for vessels on the Chattogram-Pangaon route in a bid to revive cargo transport via river, which has seen a drastic decline over the past year.

Imposed by the ministry in 2022, the fixed rate faced strong opposition from businesses, which cited high costs and irregular vessel movement as key deterrents.

The Chittagong Port Authority (CPA), in a recent circular, announced that freight charges will now be determined through agreements between vessel owners and mainline operators without government interference.

The authority has also introduced a fixed vessel schedule from January, requiring at least five vessels to sail on the route each month.

Previously, only one or two ships operated per month, leading to uncertainty among businesses.

Pangaon Inland Container Terminal (ICT), jointly developed by CPA and the Bangladesh Inland Water Transport Authority (BIWTA) for Tk 154 crore in 2013, was meant to ease cargo pressure on highways and rail.

**The fixed rate faced strong opposition from businesses, who cited high costs and irregular vessel movement as key deterrents**

It was expected to offer a cost-effective alternative for import and export container transport.

However, high freight charges and slow clearance times have left the terminal largely underutilised.

According to CPA data, container transport between Chattogram port and Pangaon dropped by 90 percent in 2024, handling only 2,911 TEUs (twenty-foot equivalent units) compared to 29,932 TEUs in 2023. Only 21 ships sailed on the route last year.

In the last two months, 459 TEUs were transported, with seven vessels operating, showing some signs of revival.

Businesses and stakeholders have long demanded the liberalisation of freight rates and a regular vessel schedule to ensure the full-scale operation of the ICT. CPA Secretary Md Omar Faruk confirmed the changes, expressing hope that they would boost cargo transport on the route.

A senior CPA traffic department official added that vessel operators now have the flexibility to negotiate freight charges, which could make the route more attractive.

Sea Glory Shipping, which operates six vessels on the route, welcomed the decision but noted that success depends on ensuring sufficient cargo availability.

"Operating vessels isn't viable without a minimum load," said Sea Glory Manager Mainul Hossain.

Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) President Mohammad Hatem praised the move, saying Pangaon ICT is vital for Narayanganj's knitwear exporters, who contribute 40 percent of the country's \$25 billion knitwear exports.

He emphasised that regular schedules and economic freight rates would encourage businesses to use the river route.



PHOTO: AHMED HUMAYUN KABIR TOPU

Farmers say they prefer growing maize over other crops due to its consistent demand in the feed industry.

# Maize continues to win farmers' hearts

SOHEL PARVEZ and S. DILIP ROY

Maize, a little-known crop three decades ago, continues its triumph over wheat, paddy and other crops due to its higher yield and profitability.

In the current fiscal year (FY) 2024-25 ending in June, maize acreage has reached 6.72 lakh hectares, setting a new record.

The acreage was 6.42 lakh hectares in fiscal 2023-24, according to the Department of Agricultural Extension (DAE).

Two and a half decades ago, maize was grown on only around 5,000 hectares, official data shows.

This shift occurred as many growers switched from wheat to maize during the last winter, the main season for maize cultivation, according to estimates by the DAE.

Farmers say they prefer growing maize over other crops due to its consistent demand in the feed industry, which caters to poultry, fish, and livestock farmers. Besides, maize can be cultivated alongside potatoes and other vegetables.

Bangladesh's feed industry requires over 60 lakh tonnes of maize annually, with domestically produced grains meeting 85 percent of the demand, according to an estimate by the US Department of Agriculture (USDA).

Farmers report increasing demand from local feed mills, it added. "We have never had trouble selling maize. We can sell the grain at a satisfactory price," said Bidhan Chandra Sen, a farmer from Baura in Patgram upazila of Lalmonirhat, a northwestern border district.

A USDA report earlier stated that farmers have been profiting from maize as demand for local production has risen in the feed industry since 2021.

Moksed Ali, a maize trader in Lalmonirhat's Baura area, said feed companies have opened purchasing centres in his area.

"We buy maize from farmers and supply it to feed companies," he said.

Nazar Mahmud, a farmer from the Char Gaddimari area of the Teesta River

in Lalmonirhat's Hatibandha upazila, said they always have buyers for maize.

"Some maize traders have given me advance payments to buy maize this year," he said, expecting to sell the grain for over Tk 1,300 per maund.

The 65-year-old farmer expanded his maize cultivation to 15 bighas this year, up from 10 bighas the previous year, aiming for higher profits.

Md Mahfuzul Hoque, principal scientific officer of the plant breeding division at the Bangladesh Wheat and Maize Research Institute (BWMRI), said maize is now cultivated across the country, except in hilly regions.

Md Obaidur Rahman Mondol, director of the Field Service Wing of the DAE, said maize can tolerate a lot of stress.

"Besides, it not only offers good prices but can also be stored easily," he said.

Dilbar Hossain, a 60-year-old farmer from Char Shoulmari on the Teesta River bed in Kaliganj upazila of Lalmonirhat, said maize cultivation has helped alleviate poverty in the char area.

"We have become self-reliant by cultivating maize. Maize traders and feed company representatives buy directly from us."

Lalmonirhat farmer Sen said he has increased his cultivation area this year and expects a favourable yield to bring him a good harvest.

For the current FY, the DAE has set a production target of 69.78 lakh tonnes of maize.

Mondol said the production target will be achieved this year. "As of now, the crop condition has been good. There are no reports of pest attacks," he said.

The Bangladesh Bureau of Statistics (BBS) recorded maize production at 45.6 lakh tonnes in FY23.

In January this year, the Food and Agriculture Organization (FAO), in a report on Bangladesh, estimated that maize production would reach a record 52 lakh tonnes, largely due to increased sowing driven by strong domestic demand and high prices during the 2024 planting season.

"Favourable weather conditions and widespread use of high yielding seed varieties have supported above average yields," the report stated.

Most maize seeds are imported, as locally developed varieties by the Maize Research Institute have yet to reach farmers on a large scale.

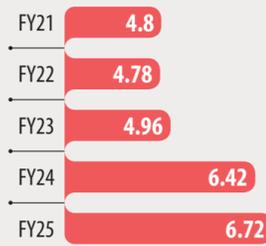
Principal Scientific Officer of the Maize Research Institute Hoque said the institute has developed 20 maize varieties, one of which—BWMRI-2—has received a positive response from farmers.

"The yield of the variety we have developed is comparable to imported maize seeds," he said. "However, due to a lack of adequate land, we cannot produce enough seeds."

### AREA OF MAIZE IN BANGLADESH

In lakh hectares

SOURCE: BBS & DAE



"It is more profitable than wheat. In many cases, traders buy directly from fields. So, many farmers have shifted from wheat. Another benefit is that maize can be grown using intercropping methods," he said.

The acreage of wheat, once Bangladesh's second-largest cereal crop, has hit a record low in FY25 as many producers opted to grow potatoes, maize, and other high-value crops, according to DAE data.

Maize is now the second-largest cereal after rice produced in Bangladesh.

## Closure of weak banks: to be or not to be?

SALEKEEN IBRAHIM

Years of corruption, mismanagement, fragile governance and bank looting have left several banks in distress in Bangladesh. To support these struggling banks, the Bangladesh Bank has taken numerous measures over the last six months, including printing money. However, many of these banks continue to struggle. Recently, Bangladesh Bank Governor Ahsan H Mansur indicated that closing some of these weak banks might be necessary.

From an optimistic perspective, closing weak banks would certainly enhance overall stability in the banking sector. Banks plagued by poor governance and high non-performing loans (NPLs) have become a burden, and shutting them down would prevent further financial damage to the economy. Instead of allocating more time and resources to these failing institutions, funds should be redirected to well-managed banks that can create a more efficient and sustainable banking system. Besides, closing weak banks would send a strong message about accountability and governance, compelling the remaining banks to improve their risk management, due diligence, compliance and governance standards.

From a macroeconomic standpoint, printing money to support failing banks increases inflationary risks in society. If these weaker banks are shut down, the central bank will no longer need to print money to sustain them, ultimately helping to curb inflation. In the long run, customers and investors will have greater confidence in the financial system when only well governed, solvent banks operate in the market. This would encourage savings and investment, taking the country to the next level of economic development.

However, there are also drawbacks to consider. First, depositors will face massive uncertainty, leading to panic among customers. The closure of banks would also result in job losses for thousands of employees, causing economic and social challenges, particularly if alternative employment opportunities are not available. Furthermore, renowned global rating agencies assess banking stability when determining a country's creditworthiness. If banks are closed, Bangladesh's credit rating could decline, making it more difficult to attract foreign investment. This situation might also discourage foreign banks from operating in the country. Besides, many enterprises, including SMEs, depend on bank loans and conduct transactions with these institutions. The closure of these banks would create further difficulties for their business operations and future growth.

Considering global experiences and expert predictions, the closure of weak banks must be carefully managed. Bangladesh Bank should take specific steps to minimize negative consequences. First and foremost, depositors' interests must be protected. The central bank may increase deposit insurance coverage and facilitate mergers or acquisitions by stronger banks where possible to safeguard customers' funds. Affected bank employees should receive compensation packages for an extended period, and the central bank should assist them in transitioning to new jobs where feasible. Entrepreneurs should be supported in securing alternative funding sources from stronger banks or government-backed initiatives. Moreover, in light of this closure process, the central bank must reinforce its regulatory framework to prevent future banking crises. This includes stricter monitoring of capital adequacy, loan disbursement, and governance practices. Lastly, the government should engage in transparent communication with investors and international agencies, outlining the measures taken to stabilise the financial sector and prevent future collapses.

While closing weak banks may create short-term challenges, it can lead to a more robust and sustainable banking system in the long run. As a nation, we must take proactive measures to ensure a smooth transition, protecting depositors, supporting employees, and minimising economic disruptions. Successfully navigating this process can restore confidence in the financial sector, attract investment, and pave the way for stronger economic growth.

The author is a banker.

## China's February manufacturing hits 3-month high

REUTERS, Beijing

China's manufacturing activity expanded at the fastest pace in three months in February as new orders and higher purchase volumes led to a solid rise in production, an official factory survey showed on Saturday.

The reading should reassure officials that fresh stimulus measures launched late last year are helping shore up a patchy recovery in the world's second-largest economy, ahead of China holding its annual parliamentary meeting starting on March 5.

Whether the upturn can be sustained remains to be seen amid a trade war that was kicked off by US President Donald Trump's first salvo of punitive tariffs.

The official purchasing managers' index (PMI) rose to 50.2 in February from 49.1 a month prior, the highest since November and beating analysts' forecasts in a Reuters poll of 49.9.

The non-manufacturing PMI, which includes services and construction, rose to 50.4 from 50.2 in January.

Chinese policymakers are expected to announce economic targets and fresh policy support next week at the high-profile gathering in Beijing, which investors will also watch for signs of further support for the struggling property sector and indebted local developers.

China's \$18 trillion economy hit the government's growth target of "around 5 percent" in 2024, though in an uneven manner, with exports and industrial output far outpacing retail sales while unemployment remained stubbornly high. Beijing is expected to maintain the same growth target this year, but analysts are uncertain over how quickly policymakers can revive sluggish demand, especially given the intensifying trade tensions with the US.

## India's economic growth picks up on rising govt, consumer spending

REUTERS, New Delhi

India's economy expanded by 6.2 percent in October-December, picking up on increased government and consumer spending, official data showed on Friday, and the government said it expected a further acceleration in the current quarter.

A stronger rural economy also bolstered the world's fifth-largest economy in the final quarter of 2024, but manufacturing growth remained subdued and the overall rise in GDP was well below peak quarterly growth rates seen in the three years after the pandemic.

"GDP figures show that India's economy remained fairly soft by its own standards at the end of last year. But with policy now decisively turning more supportive, economic growth should pick up further over the coming quarters," Capital Economics' Harry Chambers said.

India is still the world's fastest growing major economy, but it also faces uncertainties over its trade with the United States and the Trump administration's plans to impose reciprocal tariffs.

Growth in gross domestic product in October-December was slightly lower than the 6.3 percent expansion projected by analysts in a Reuters poll, and the central bank's estimate of 6.8 percent. The economy grew 5.6 percent in the

previous quarter.

The gross value added (GVA), a measure of economic activity that is seen as a more stable measure of growth, grew 6.2 percent in October-December, compared to a revised

5.8 percent expansion in the previous quarter. For the full year, the government now pegs GDP growth at 6.5 percent, marginally higher than its initial estimate of 6.4 percent, but below the revised growth

rate of 9.2 percent for 2023-24.

To meet the growth estimate of 6.5 percent for the full financial year, India needs to grow at 7.6 percent in the January-March period.

India's chief economic adviser, V Anantha Nageswaran, sees this as achievable. Resilient rural demand will support India's growth while urban consumption is recovering, Nageswaran said at a press conference.

Urban consumption has weakened due to weak job and income growth while retail inflation remained high through much of last year. Inflation eased to 4.3 percent in January and the central bank expects it to average 4.2 percent in the financial year starting April 1.

Government spending rose 8.3 percent in the last three months of 2024 from a modest 3.8 percent increase in the previous three months.

Private consumer spending jumped 6.9 percent year-on-year, up from 5.9 percent in the previous quarter, buoyed by improved rural demand due to moderating food prices and more spending on purchases for the festival season than a year earlier.

The October-December GDP growth is "marginally better than our expectations," said Gaura Sen Gupta, chief India economist at IDFC First Bank.



Farmers selling vegetables wait for vendors at a wholesale market of agricultural products in Kolkata on February 28. A stronger rural economy bolstered the world's fifth-largest economy in the final quarter of 2024.

PHOTO: AFP