



Govt forms panel to strengthen BSEC

STAR BUSINESS REPORT

The interim government has formed a four-member committee to strengthen the Bangladesh Securities and Exchange Commission (BSEC), the stock market regulator.

The panel will also work on the development of the local stock market, according to a circular issued by the Financial Institutions Division (FID) of the finance ministry yesterday.

A n i s u z z a m a n Chowdhury, a special assistant with the status of state minister to the chief adviser, will be the chairman of the committee.

Prof M Sadique Islam, a faculty member of the finance department at Dhaka University, will also be included on the committee alongside Farzana Lalarukh, a commissioner of the BSEC, who will serve as a member secretary of the committee.

An additional secretary of the insurance and capital market department of the FID will be the final member.

The government formed the committee in response to the regulatory body's appeal to the FID to investigate the recent chaos at the BSEC on March 5, when BSEC officials confined its chairman and commissioners to an office room to press home several demands. **READ MORE ON B3**

MD MEHEDI HASAN

Bad loans soared to alarming levels at over a dozen banks that were mired in loan irregularities and major scams under the previous regime, as large businesses with ties to the former government defaulted heavily following the political changeover.

At the end of last year, defaulted loans in the banking sector stood at Tk 345,765 crore, with those state-run and private commercial banks holding the majority.

Among them, non-performing loans (NPLs) at state-owned Janata Bank reached a record Tk 67,148 crore by the end of 2024, accounting for 72 percent of its total disbursed loans, according to Bangladesh Bank (BB) data.

Bad loans at Janata Bank increased by 284 percent in just one year – up from Tk 17,501 crore, or 19.2 percent of its total lending, at the end of 2023.

Once a respected lender, Janata Bank gained notoriety due to a series of scams and loan irregularities involving Anontex, Crescent, Beximco, Thermax and S Alam Group during the previous government's tenure.



KEY POINTS

- Banks with 10% bad loans to be barred from declaring dividends
- Boards of most scam-hit banks restructured after political changeover
- Major portion of laundered loans now in default
- Bad loans rise as politically affiliated businesses default
- Interim government taking megareform initiatives for the banking sector
- Scam-hit banks also facing capital shortfall

Bad loans linked to these five defaulters crossed Tk 45,000 crore.

The bank is now going through a severe liquidity crisis and struggling to carry out regular banking operations.

To ease the cash crunch, it recently sought a Tk 20,000 crore liquidity support from the interim government and the central bank.

Md Mazibur Rahman, managing director of Janata Bank, told The Daily Star last week that since the political changeover in August, the bank's new management has

BANKS THAT SAW THEIR BAD LOANS RISE SHARPLY

In % of total loans; SOURCE: BB



been working to manage loan irregularities.

Legal action is now being taken against defaulters, he added.

At private-sector National Bank, default loans rose by 109 percent year-on-year to Tk 25,846 crore by the end of 2024, making up 61 percent of the total disbursement.

After the interim government took office in August last year, the central bank restructured the boards of 11 banks, including National Bank.

National Bank, the country's first private-sector commercial lender, had a prosperous past. However, it became a loss-making entity due to massive loan irregularities, poor governance and boardroom conflicts.

READ MORE ON B3

BGMEA seeks Tk 500cr from unpaid incentives

Will use it for Eid payment

REFAYET ULLAH MIRDHA

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday urged the government to release Tk 500 crore in due export incentives to help small and medium enterprises (SMEs) pay workers' bonuses and other dues ahead of the upcoming Eid-ul-Fitr.

The finance ministry agreed in principle to release Tk 325 crore soon, said BGMEA Administrator Anwar Hossain over the phone after meeting finance ministry officials at the secretariat in Dhaka.

Hossain also requested the banking division secretary of the finance ministry not to adjust the incentive with bank loans before Eid payments, as SMEs lack financial capacity due to the sluggish economic situation.

To facilitate payments to workers, the finance ministry and the central bank last week disbursed Tk 2,000 crore in cash incentives on export receipts to garment exporters.

Hossain said the upcoming Eid is unique in terms of salary payments. "This is not a good time for businesses, as they are facing various difficulties."

"Moreover, factories must pay salaries for February, half of the salary for March, and the full Eid-ul-Fitr bonus. So, although business has not been good, expenses remain high," the BGMEA administrator added.

The labour and employment ministry last week instructed factories to clear all arrears, salaries, and bonuses by the 20th day of Ramadan.

According to intelligence reports and the BGMEA's assessment, nearly 150

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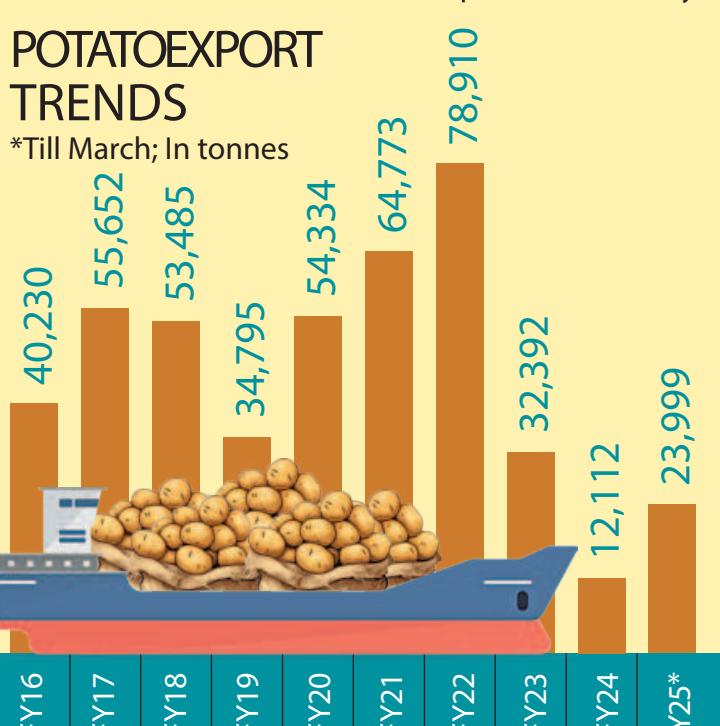
Potato exports jump as prices plunge in local market

AT A GLANCE

Bangladesh exported 24,000 tonnes of potatoes in the first eight months of FY25	Shipments nearly doubled from the previous fiscal year	Half of the exports took place in February alone	Farmers are selling potatoes below the production cost of Tk 14 per kg
Granola, Diamond-7, and Majestic are the most exported varieties			Since FY16, Bangladesh has exported an average of 50,000 tonnes of potatoes annually

POTATO EXPORT TRENDS

*Till March; In tonnes



SUKANTA HALDER

Bangladesh's potato shipments nearly doubled in just the first eight months of this fiscal year as locally grown tubers became attractive to buyers abroad after prices fell below farmers' production costs.

According to the Department of Agricultural Extension (DAE), Bangladesh exported roughly 24,000 tonnes of potatoes until March 15 of the current fiscal year, almost double the quantity shipped across the whole of FY24.

In February alone, potato exports reached around 12,000 tonnes, matching the total exports of the year prior.

That was a month when farmers, especially those in the northwest regions of the country, were compelled to sell their

READ MORE ON B3

Offload stakes in multinational companies
Stockbrokers urge govt

STAR BUSINESS REPORT

Stockbrokers yesterday urged the government to take necessary steps for the listing of all state-owned enterprises (SOEs) and offloading government stakes in multinational companies (MNCs) through direct listing to revive the lacklustre stock market.

Direct listing is a process where a company, instead of issuing new shares in an IPO, lists its existing shares on a stock exchange, allowing current shareholders to sell their shares to the public directly, without involving underwriters or raising new capital.

The DSE Brokers Association of Bangladesh (DBA) made the requests through a letter sent to the chief adviser of the interim government.

The country has numerous profitable state enterprises and their listing will increase the supply of quality stocks, the brokers said

There are many well-governed, large MNCs that have been playing a big role in Bangladesh's economy for a very long time, some of them for a hundred years, mobilising the country's infrastructural, financial and human resources, it said.

"This is the right moment for the nation to assert our national interests and persuade them to get listed on the capital market for a fair price and share the company's potential with people of the next generation," it said.

There are companies taking profits out of this country and it is fair to ask them to share their franchise with the countrymen, the DBA said.

"We request an appointment with you (CA) to explain the current state of the Bangladesh capital market and its future prospects," it said.

The country has numerous profitable SOEs in commercial and infrastructural sectors and their listing will increase the supply of quality stocks, helping to create a balance between supply and demand, it added.

READ MORE ON B3

Rupee leaps to over three-week high

REUTERS, Mumbai

The Indian rupee jumped to its highest level in over three weeks on Tuesday, boosted by likely dollar inflows and persistent weakness in the greenback, which teetered near a five-month low against major peer currencies.

The rupee rose to a peak of 86.54 against the US dollar, its highest since February 21, before closing at 86.57, up over 0.2 percent on the day.

At least three large foreign banks sold dollars, helping lift the rupee, a trader at a mid-sized private bank said. Bids by state-run banks, however, kept a lid on further gains, traders said.

The rupee has strengthened for four consecutive sessions and is up about 0.8 percent so far this month, aided by a broadly weaker greenback, an uptick in exporter dollar sales and modest inflows. India's benchmark equity indexes, the BSE Sensex and Nifty 50, rose more than 1 percent each on Tuesday, powered by financial and metal stocks.

Meanwhile, the dollar index eased nearly 0.2 percent to 103.3 and Asian currencies were largely rangebound.

Weak US economic data, coupled with uncertainty about the inflationary impact of President Donald Trump's trade policies have weighed on the dollar in recent weeks.

The Federal Reserve's policy decision and interest rate trajectory will be closely watched on Wednesday to gauge its assessment of policy changes under the Trump administration.

Prime Bank partners with Mastul Foundation for charity work



PHOTO: PRIME BANK

Kazi Reaz Rahman, executive director of Mastul Foundation, and Md Nazeem A Choudhury, deputy managing director of Prime Bank, pose for photographs after signing the agreement at the bank's corporate office in the capital's Gulshan recently.

STAR BUSINESS DESK

Prime Bank PLC recently signed a partnership agreement with Mastul Foundation, a non-profit charity organisation in Bangladesh.

Md Nazeem A Choudhury, deputy managing director of the bank, and Kazi Reaz Rahman, executive director of the foundation, signed the agreement at the bank's corporate office in the capital's Gulshan, according to a press release.

Under the agreement, Prime Bank

will facilitate the collection of deposits through the "Sadaqah Jariyah" account, which will be invested in accordance with the Mudaraba principle, thereby ensuring ethical and Shariah-compliant financial growth.

The accrued profits will be allocated to the Mastul Foundation in line with mutually agreed timelines, with strict adherence to established guidelines.

In return, the foundation will guarantee that the funds are utilised solely for charitable and welfare

purposes, thereby underscoring its commitment to generating a long-lasting social impact.

This collaborative initiative is designed to promote ongoing charitable giving while contributing to both economic and social development across Bangladesh.

Syed Ibne Shariar, vice-president and head of the Islamic banking division of the bank, and Rakibul Hassan Razib, head of administration of the foundation, along with other senior officials from both organisations, were also present.

NRBC Bank opens Borhanuddin sub-branch in Bhola



Md Hafiz Ibrahim, a former member of parliament, inaugurates the sub-branch of NRBC Bank in Borhanuddin upazila, Bhola yesterday.

PHOTO: NRBC BANK

STAR BUSINESS DESK

NRBC Bank PLC launched a new sub-branch in Borhanuddin upazila, Bhola yesterday.

Md Hafiz Ibrahim, a former member of parliament, inaugurated the sub-branch as the chief guest, according to a press release.

Mohammad Obaidul Haque, former executive director of Bangladesh Bank, principal of NRBC Bank Training Institute, and the bank's chief anti-money laundering compliance officer, presided over the programme.

It is noteworthy that NRBC Bank has reaffirmed its commitment to expanding its banking services to a broader population through the continued expansion of its network. The bank provides a comprehensive range of banking services to marginalised communities through over 1,500 service points, including 109 branches across the nation.

Md Abdul Halim, head of the Barishal and Khulna zones; Faisal Ahmed, president of Borhanuddin Press Club; Md Shahidul Haque, area head of Bhola and manager of the Bangla Bazar branch; Mohammad Alamin, in charge of the Borhanuddin sub-branch; and Mohammad Ariful Haque, in charge of the Bhola sub-branch, were also present.

UCB signs MoU with Raise Project to support returnee migrant workers

STAR BUSINESS DESK

United Commercial Bank (UCB) PLC recently signed a memorandum of understanding (MoU) with the Raise Project, an initiative under the Wage Earners Welfare Board (WEWB), to facilitate access to finance for returnee migrant workers aspiring to start their own businesses.

Adnan Masud, additional managing director of the bank, and ATM Mahbub-Ul Karim, director of the project, signed the MoU at the Probashi Kallyan Bhaban in the capital's Ramna, according to a press release.

Masud stated, "This initiative will empower returnee migrants, enabling them to contribute to sustainable economic growth."

Karim emphasised, "Access to finance is a crucial enabler for returnees to establish and scale their businesses effectively."

This partnership is designed to provide returnee migrants with the financial resources needed to launch or expand businesses, facilitating their seamless reintegration into the economy.



Adnan Masud, additional managing director of United Commercial Bank, and ATM Mahbub-Ul Karim, director of the Raise Project, pose for photographs after signing the memorandum of understanding at Probashi Kallyan Bhaban in the capital's Ramna recently.

PHOTO: UNITED COMMERCIAL BANK

UCB will offer bespoke financial services tailored to support their transition to self-employment.

The Raise Project, operated by WEWB, is dedicated to fostering

job creation and promoting entrepreneurial endeavours among returnee migrants.

Through this collaboration with UCB, the project aims to ensure that

these individuals have the necessary tools to thrive.

Senior officials from both organisations were also present at the signing ceremony.

US retail sales weaker than expected

AFP, Washington

US retail sales logged smaller gains than expected in February according to government data released Monday, edging up from an earlier decline with all eyes on consumer spending strength amid growing worries of a recession.

Consumers are a key driver of the world's biggest economy, and spending has been helped by a resilient job market and wage growth. But households have since drawn down on savings accumulated

during the Covid-19 pandemic.

President Donald Trump's economic policies -- which so far include sweeping tariff hikes and sharp cuts to the federal government -- have also bogged down consumer confidence in recent weeks.

In February, retail sales crept up by 0.2 percent from January to \$722.7 billion, according to Commerce Department data.

The figure was an improvement from January's 1.2 percent decline in sales, although a consensus forecast of analysts expected a larger uptick

of 0.7 percent in February according to Briefing.com.

January's number was revised to reflect a larger drop than in advance estimates.

Since taking office, Trump has imposed sweeping tariff hikes on major US trading partners and key materials like steel and aluminum -- moves that economists warn could fuel inflation in the near-term if maintained. Trump's policies have also roiled markets.

But officials refer to tariffs as a means to raise government revenue

while pointing to a broader slate of policies to come, including deregulation and tax cuts, when asked about recent shake-ups.

From a year ago, retail sales were up 3.1 percent in February, the government data showed.

Among sectors, sales at motor vehicles and parts dealers dropped 0.4 percent between January and February.

Sales at restaurants and bars fell by 1.5 percent on a monthly basis, while those at electronics stores and gasoline stations slipped as well.

Tanveer Ahmed elected vice-chairman of Meghna Bank

STAR BUSINESS DESK

Tanveer Ahmed has been appointed as the vice-chairman of Meghna Bank PLC.

A distinguished business professional with 18 years of exceptional achievement in the readymade garment (RMG) sector and the construction industry, Ahmed has successfully led Elegant Group since 2007.

Under his leadership, the company has emerged as a key player in Bangladesh's business landscape.

After completing his Bachelor of Business Administration (BBA) degree and establishing a strong business foundation in Indonesia, Ahmed moved to Bangladesh in 2007, where he founded Elegant Group and has served as its managing director for over a decade.

He is widely respected and celebrated within the RMG sector for his outstanding contributions and remarkable success. Today, Elegant Group is recognised globally, with Ahmed at the helm as the visionary leader in Bangladesh.

He has been recognised as a commercially important person (CIP) in recognition of his achievements in RMG export.

Ahmed's extensive international career, which spans two decades, has seen him spearheading major real estate projects in Dubai, Thailand, and Indonesia.

As the consul general of St Kitts and Nevis, Ahmed is well-positioned to represent and promote the country on the global stage.

Xiaomi posts surge in 2024 revenue

AFP, Beijing

Chinese consumer tech giant Xiaomi on Tuesday announced a surge in annual revenue, propelled by strong smartphone sales alongside a continued push into the electric vehicle sector.

The Beijing-based firm manufactures a diverse array of tech gadgets ranging from smartphones and laptops to rice cookers and air purifiers.

Its performance is considered to be a bellwether for consumer sentiment in China, where authorities have been seeking in recent months to stabilise a wobbly economy.

The company's total revenue last year was 365.9 billion yuan (\$50.6 billion), up 35 percent from the previous year, according to a statement on the Hong Kong Stock Exchange website.

Revenue was up 48.8 percent year-on-year in the fourth quarter of 2024, the statement showed.

The brisk quarterly growth outpaced a Bloomberg forecast, which had anticipated revenue to increase by 43 percent during the period.

Interim govt must act swiftly

FROM PAGE B4

"It is actually not only the issue of there being one big player, but also that our hands are tied in terms of competing on the service level. I think Grameenphone, over the last three decades, has done a great service in the country. But of course, when you see a marketplace where one player has a 55 percent market share, but 98 percent of the market's profits, you understand that something is broken."

"I would rather solve this problem by creating a liberal environment where we can freely compete in everything that we do best, rather than trying to stop a good service company that has done a good job. Open up opportunities so that we can compete better, rather than stopping something," said Terzioglu.

He mentioned that in China, with a population of 1.4 billion, there are three operators and a single infrastructure provider serving the entire country. Similarly, in India,

which also has a population of 1.4 billion, there are only two operators and one infrastructure provider.

"It is not rocket science. I think Bangladesh needs to consolidate, have a redundant but unified national infrastructure company, and not necessarily three or four operators. I think two operators will be enough in this market. But again, it requires a liberal understanding so that we can discuss with our counterparts how to create this environment," he said.

He added that having more than one operator for a population more than 100 million is an inefficient use of resources for a country like Bangladesh.

"We buy the same equipment twice, three times, four times. Why do we need to do this? Bangladesh is not a country that can afford to throw money out of the window. We can buy the same equipment and easily service more people. And this is also something that we should look at," said the CEO.

Why are Chinese

FROM PAGE B4

BYD would, however, be playing catch up: Chinese automaker Nio has the most extensive charging network in China including nearly 2,700 fast charging stations.

Tesla had led with its efforts since 2014 in China and built more than 2,000 stations, or 11,500 Superchargers as of September.

Smaller players such as Li Auto, Xpeng and Zeekr have also been ramping up efforts to expand their fast-charging networks.

Li Auto said last week that it had built 1,900 fast charging stations since April 2023.

Zeekr said last year that it aimed to build 100,000 ultra-fast charging poles, or 2,000 ultra-fast charging stations nationwide by 2026.

Huawei has also built liquid-cooled ultra-fast charging piles that supports a maximum charging power of 600kW and vehicles of up to 1,000 volt architecture. Its deployment of charging facilities including the ultra-fast chargers had exceeded 50,000 piles as of last year.

ARE THERE ANY CONCERNs?

Analysts, however, have warned that mass adoption of fast-charging technology will put extra pressure on power grid capacity, which would require additional efforts and investments to upgrade the infrastructure.

BYD said it would tackle the challenge by equipping an energy storage unit with each of its fast chargers, which analysts said would make such facilities more costly.

Gold hits
fresh record

STAR BUSINESS REPORT

Jewellers have raised the price of 22-carat gold to a record Tk 154,944 per bhori (11.664 grammes), the highest in the country's history.

The Bangladesh Jewellers' Association's standing committee on pricing and price monitoring made the decision at a meeting yesterday, citing a rise in pure gold prices in the local market, according to a press release.

Previously, 22-carat gold ornaments were priced at Tk 153,474 per bhori. On February 20, gold prices hit Tk 154,525 per bhori, marking a historic high.

Gold prices in Bangladesh have been rising steadily for over a year, driven by international market trends and volatility in domestic supply.

In July 2023, the price of gold crossed the Tk 100,000 mark for the first time in Bangladesh.

Extend VAT exemption on edible oils until June 30

Tariff commission urges NBR

STAR BUSINESS REPORT

The Bangladesh Trade and Tariff Commission (BTTC) has requested the revenue authority to extend the VAT exemption period for edible oils until June 30 this year to ensure a stable supply and protect consumer interests.

The existing VAT waiver on the import of soybean, palm, sunflower, and canola oils is set to expire on March 31.

On December 15 last year, the National Board of Revenue (NBR) reduced VAT to 5 percent on crude and refined soybean oil and crude palm oil imports. It also maintained a full VAT exemption on the processing and trading of edible oil until the end of March.

Additionally, the NBR slashed VAT to 5 percent and removed the 5 percent advance tax on sunflower and canola oil imports until the end of this month to encourage imports, boost supply, and curb rising domestic prices.

Edible oil importers and processors had requested an extension of the VAT exemption, citing persistently high international prices, the BTTC said in a letter to the NBR yesterday.

Since October 17 last year, the revenue authority has twice reduced VAT on soybean and palm oil imports and exempted the



indirect tax on their production and trading to offset soaring costs.

The BTTC noted that while crude soybean oil prices have slightly declined since last October, the price of RBD (refined, bleached, and deodorised) palm oil has risen.

Palm oil accounts for 55-60 percent of Bangladesh's annual edible oil consumption, which stands at around 23 lakh tonnes. The country relies on imports to meet approximately 85 percent of its cooking oil demand. "It appears that international prices of cooking oil have not yet stabilised," the BTTC mentioned in the letter.

BTTC Chairman Moinul Khan said edible oil is legally classified as an "essential

commodity," and Bangladesh remains heavily dependent on imports.

"This prompts the BTTC to prioritise market stability. After reviewing international prices and local demand, we concluded that the current duty cuts should be extended until Eid-ul-Azha in the greater interest of consumers," he said.

"We believe the benefits of this extension will outweigh the revenue losses, ultimately benefiting the public in multiple ways."

The BTTC also recommended that the NBR reduce customs duties and other taxes on sunflower and canola oil imports.

At present, total import taxes stand at 32 percent for sunflower oil and 58.6 percent for canola oil. "High import taxes have discouraged the import of sunflower and canola oil," the BTTC said. The commission added that these oils serve as alternatives to soybean and palm oil, with international prices comparable to the latter two.

"To increase supply, introduce diversity, and protect consumers, it is necessary to align customs duties and taxes on sunflower and canola oil with those applied to soybean and palm oil," the BTTC said, urging the NBR to standardise import duties across all edible oils.

Offload stakes

FROM PAGE B1

This would create an environment that is attractive to new investors with long-term orientations, which would primarily address liquidity issues in the market, said the DBA.

A large number of fundamentally sound stocks may create resistance against market manipulation and speculation tendencies, helping to promote long-term investment, it said.

The SOEs would be subject to more scrutiny by investors and market intermediaries for their activities and corporate actions, improving their accountability framework and resulting in better governance, it said.

"By bringing those companies together, we could create a vibrant market environment that would help the local conglomerates reduce their dependency on debt financing from the banking system," said the DBA.

"...and shift to alternative long term sourcing of funds, raising equity capital from the public market, eventually deleveraging and de-risking the financial system."

Regarding the current situation, the DBA said the Bangladesh capital market has experienced extreme bubbles and bursts, misgovernance, untenable leverage, and institutional failures for the past 15 years.

These have resulted in persistent negative actual returns and capital erosion, shrinking the market by around 40 percent in real terms, it said.

"Sadly, the number of registered investors in the market has fallen to 17 lakh from 33 lakh, primarily due to the shortage of good companies that can generate real value for

investors," it said.

Most notably, thousands of crores of taka have been looted from the market through the listing of bad or namesake IPOs, which, in turn, created a permanent loss of confidence and a liquidity crisis in the market."

By manipulating the share prices of these bad companies, the capital originating from the savings of ordinary investors was siphoned away, it said.

The DBA and the DSE stockbrokers' community have repeatedly spoken against these listings and warned ordinary investors against investing in low-quality companies.

However, investors have turned to substandard or low-quality stocks as part of a market-wide speculation spree, further damaging their funds and investments, it said.

All that happened due to a lack of supply of high-quality large capital stocks and an oversupply of low-quality stocks, among other reasons. This necessitates bringing high-quality IPOs to the capital market as soon as possible, it added.

"Should we fail to come out of this crisis soon under your leadership, we will lose an excellent opportunity to turn the market around, bring discipline to it, and create an environment for entrepreneurs and the state to raise capital," it said.

This will not only help expand business or infrastructural projects for the nation but also build the economy and enable employment generation, said the DBA.

Copies of the letter were sent to Finance Adviser Salehuddin Ahmed, Chief Adviser's Special Assistant Anisuzzaman Chowdhury, and BSEC Chairman Khondoker Rashed Maqsood.

Bad loans at scam-hit banks

FROM PAGE B1

During the 16 year tenure of the previous Awami League government, business conglomerate Sikder Group dominated the bank. After the political changeover, Abdul Awal Mintoo, a businessman and vice-chairman of the Bangladesh Nationalist Party (BNP), was appointed as the chairman of National Bank.

Default loans at Islami Bank Bangladesh spiralled to Tk 32,817 crore by the end of 2024, up from Tk 6,919 crore a year earlier. The amount accounts for 21 percent of its total lending.

Islami Bank was one of the worst-affected banks due mainly to the controversial business conglomerate S Alam Group, which dominated the board of the largest Shariah-based bank until mid-August last year.

The Chattogram-based conglomerate and its affiliated firms borrowed more than 80 percent of Islami Bank's total Tk 155,659 crore in loans. Other banks under S Alam Group's influence were First Security Islami Bank, Union Bank, BCB, and Global Islami Bank. These lenders also saw a sharp rise in bad loans last year.

Year-on-year, defaulted loans at First Security Islami Bank surged by Tk 15,710 crore to Tk 17,851 crore. At Union Bank, bad loans rose by Tk 23,992 crore to Tk 24,835 crore, while at BCB, they increased by Tk 224 crore to Tk 1,432 crore.

At Global Islami Bank, defaulted loans climbed by Tk 4,216 crore to Tk 4,442 crore.

Following the political changeover, these banks

were freed from S Alam Group's influence after the central bank dissolved their boards and appointed new ones.

Officials at these banks said that a large portion of the loans disbursed to S Alam Group and its associated companies is now in default.

Defaulted loans at AB Bank stood at Tk 8,573 crore at the end of last year, up from Tk 5,272 crore a year earlier. Bad loans at IFIC Bank rose by Tk 14,603 crore to Tk 17,182 crore over the same period.

Salman F Rahman, a close adviser to ousted prime minister Sheikh Hasina, was the chairman of IFIC Bank. After the government's fall, the central bank restructured the board and removed the Rahman-led management.

Officials at the bank told The Daily Star that although Rahman's Beximco Group had only a 6 percent stake, the group exerted significant influence over IFIC and secured around Tk 10,000 crore in loans -- posing a major risk for a bank of its size.

Bad loans at state run Agrani Bank reached Tk 27,932 crore, or 38.45 percent of its total lending.

The bank ran into trouble due to excessive exposure to a few large borrowers, including Bashundhara Group, Orion Group, Zakia Group, and Joj Bhuyia Group, according to BB documents.

Social Islami Bank, another lender previously controlled by the S Alam Group, saw its bad loans rise to Tk 13,267 crore, or 35 percent of total disbursed loans.

Padma Bank's defaulted

loans increased to Tk 4,870 crore, or 87 percent of its total lending. A few years after its launch, the bank was hit by a massive scam and loan irregularities.

ICB Islamic Bank had the highest default loan ratio, with bad loans accounting for 91 percent of its total lending at the end of last year.

Bankers said defaulted loans surged in 2024 as large borrowers defaulted heavily after the Awami League's fall, pushing overall bad loans to an unprecedented level.

Besides, they said the central bank's directive for more transparency had led banks to disclose more accurate figures, including previously concealed bad loans.

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Padma Bank's defaulted

Potato exports jump

FROM PAGE B1

produce for as little as Tk 11 per kilogramme (kg), far lower by the DAF's estimated production costs of Tk 15 per kg this season.

Experts believe this development occurred due to a production glut following cultivation on a record area of land.

The starchy vegetable was cultivated on a record 5.24 lakh hectares of land this fiscal year, up 15 percent year-on-year, propelled by prices reaching as high as Tk 80 per kg last November.

Besides, they said the central bank's directive for more transparency had led banks to disclose more accurate figures, including previously concealed bad loans.

The increase in potato exports this year is due to low prices," said Hafizur Rahman Mintu, who has exported around 9,000 tonnes of potatoes to Nepal, Malaysia and Singapore so far this year.

He has already recorded an 80 percent increase compared to his total exports in FY24.

This year, exporters have been able to purchase potatoes at Tk 10 to Tk 20 per kg whereas the price ranged from Tk 30 to Tk 40 per kg last year, he said.

Tawhidul Islam, another exporter, said he exported around 8,400 tonnes of potatoes this fiscal year to Malaysia, Singapore, Nepal and Bahrain, whereas it was incurring losses while harvests were running in full swing.

Already, prices have

started to rise at the growers' end, though retail prices of the vegetable remained unchanged at Tk 20-Tk 30 per kg in Dhaka, according to data from the Trading Corporation of Bangladesh.

This fiscal year, total production is expected to reach 1.20 crore tonnes, according to Bangladesh Cold Storage Association, a major player in the local supply chain.

Last fiscal year, 1.06 crore tonnes of potatoes were produced, according to Bangladesh Bureau of Statistics estimates.

Amin of Hortex Foundation said they were connecting farmers with exporters.

Exporters can purchase potatoes at lower prices this fiscal year compared to the previous fiscal year due to better yields, which is why exports have increased, he said.

Bangladesh's potato exports began in 1999, according to the Food and Agriculture Organization, though only a small amount was exported at that time.

In the past nine years since FY16, Bangladesh has annually exported around 50,000 tonnes of potatoes on average, as per the DAE. However, exports dropped last fiscal year.

[Kongkong Karmaker contributed this report.]

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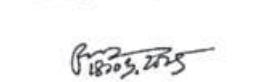
Date: 18.03.2025 Eng.

e-Tender Notice No. e-GP/23/EED/Gop/7016/SHED/2024-25

e-Tender is invited in the e-GP Web Portal (www.eprocure.gov.bd) for the procurement of following works. Details are given below:

SL No	Tender Package No.	Tender ID No.	Description of works	Last selling (date & time)	Last submission (date & time)	Closing & opening (date & time)
1	7016/SHE D/WD-01/2024-2025	1077435	Construction of single-storey Academic Building with 4-storied foundation in/c. Sanitary, water supply & electrification works at Douglas Memorial High School under Kotalipara Upazila Gopalganj District.	06-Apr-2025 16.00	07-Apr-2025 12:30	07-Apr-2025 13:00

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 Web Portal (www.eprocure.gov.bd) is required. The fees for downloading the e-Tender documents from the National e-GP web portal have to be deposited online through any registered bank any branch up to abovementioned date & time. Further information and guidelines are available in the national e-GP web portal and from e-GP help desk and also from ee_gop@eedmoe.gov.bd.


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BGMEA seeks Tk 500cr from unpaid incentives

FROM PAGE B1

many factories are in a vulnerable position regarding worker payments ahead of Eid due to financial constraints, Hossain said.

However, the BGMEA and concerned banks are continuously working on the issue. The disbursement of cash incentives last week solved the problem to a great extent, he said.

Now, the BGMEA is working to resolve the financial issues of 42 factories. It appears that the disbursement of Tk 325 crore will address major problems plaguing these factories, he added.

Additionally, it will provide suggestions to increase liquidity in the market, improve corporate governance, and create a favourable environment for new companies to enter the stock market.

Ultimately, only three to four factories will face difficulties due to their dire financial condition, Hossain said.

This year, many factories, the majority being garment units, either faced closure or shut down temporarily due to political and labour unrest following last year's political changeover.

Interim govt must act swiftly on telecom reforms

Says Veon Group CEO Kaan Terzioğlu in an interview with The Daily Star

MAHMUDUL HASAN

The interim government should swiftly implement reforms in the telecommunications sector by eliminating unnecessary licensing, reducing taxes, and granting spectrum free of cost -- without waiting for an election, according to a top multinational telecom CEO.

"I really think that this interim period is very important to take decisions, and I hope it will not be wasted by waiting for another cycle of elections," said Kaan Terzioğlu, group CEO of Banglalink's parent company Veon, in a recent interview with The Daily Star.

"And I also believe that we need to strengthen the deployment of infrastructure, and the worst thing we can do now is to go for another cycle of spectrum auctions and again put an incredible burden on the industry."

"I think if you want to deploy further 4G or 5G, we have to make spectrum free and available to telecom operators," he added.

When asked what reforms he would suggest for the interim government in the telecom and internet sectors, he identified two key issues.

"The telecom industry today contributes 1 percent of Bangladesh's GDP but pays 5 percent in taxes. So, it is the highest taxed industry in the entire world, and I think this burden, on top of high spectrum costs, makes the industry suffer. So, this is number one."

Secondly, he pointed out that the industry is fragmented into small segments, from transmission to fibre to interconnect, with multiple licences required to operate, which disrupts the value chain.

"I think a simplification of the licensing scheme and a reduction of taxes is a must for the country's future."

"If you look at the list of all the licences needed to operate in the country, you need a licence for deploying fibre, a licence to operate networks, a licence for interconnect, and a licence for towers,"

Key takeaways

- » Interim government must reform telecom sector fast
- » Spectrum should be free for 4G/5G deployment
- » High taxes hinder growth of the telecom industry
- » Bangladesh needs simplified licensing and reduced tax burdens
- » Two mobile operators sufficient for Bangladesh
- » Internet shutdowns harm digital economy and future growth
- » Starlink's entry vital for emergency coverage
- » A single national infrastructure provider can ensure efficiency, reduce cost



KAAN TERZIOĞLU

Terzioğlu said.

He said that no similar structures exist anywhere in the world. In his view, Bangladesh should align itself with global best practices, which the GSMA can provide by showcasing how the most efficiently managed countries operate.

According to him, Bangladesh is an extremely resilient country.

"Its strength comes from its people, its youth, and we need to enable them through better networks and better internet. And that's why I think a lot of responsibility falls to us but also to the interim government," said Terzioğlu.

"We are as committed as ever, perhaps even stronger than ever, for Bangladesh. I see the country's future as bright," the CEO said.

Asked about the imminent entry of Starlink in Bangladesh, he said space coverage is essential for a country like Bangladesh.

"This will be good for the country, and we are ready to take our role in that. As

you may have noticed, we have signed a Direct-to-Cell contract with Starlink for Ukraine, and I believe it is also important for Bangladesh to have a Direct-to-Cell capability, apart from satellite internet," he added.

Direct-to-Cell satellite service allows satellites to connect directly to regular mobile phones, ensuring coverage in remote areas without extra hardware.

It enhances emergency communication, prevents network blackouts, and integrates with terrestrial networks for seamless global mobile connectivity.

"These are, of course, new technologies, and terrestrial networks are prone to certain issues during emergencies, including earthquakes and wartime. In these situations, it is very important to have an emergency capability utilising satellite network. That is why we started this relationship in Ukraine, and we are very happy with it," he added.

He also mentioned the adverse effects

of internet shutdowns on the digital sector under the previous government.

"In the previous environment, we often had instructions to shut down the internet. When you shut down the internet, you are shutting down the future of the digital economy."

"Because how can you develop an ecosystem if the players are not sure that tomorrow they will be able to transact online? I think now, again, it's a period of opportunity because we can sustainably build businesses that rely on online capabilities. I think this is a new era, and we have to take a fresh look at this, from the capabilities of e-commerce, to mobile payments, to financing available to millions of people. Now, there is an opportunity to really focus on these areas."

He also addressed the dominance of a single company and emphasised avoiding duplication in the telecommunications network infrastructure in Bangladesh.

READ MORE ON B2

Dhaka chamber for uniform VAT rate

STAR BUSINESS REPORT

The Dhaka Chamber of Commerce and Industry (DCCI) yesterday recommended setting a uniform single-digit value-added tax (VAT) rate and raising the tax-free income limit to Tk 5 lakh.

The proposals were placed during a pre-budget meeting for the fiscal year 2025-26 with National Board of Revenue (NBR) Chairman Abdur Rahman Khan at the NBR office in Agargaon, Dhaka.

Currently, the standard VAT rate is 15 percent across the board, but it has been segregated into different slabs, such as 10 percent, 7.5 percent, and 5 percent, in different sectors.

"These various slabs are actually causing difficulties for traders as well as disputes in many cases," said DCCI President Taskeen Ahmed.

"Many traders are forced to bear the burden of additional tax due to the non-availability of input tax rebate benefits," he said.

Besides, the DCCI proposed setting a nominal 1 percent VAT for traders in the informal sector in the next budget.

"It would bring transparency to overall revenue management, reduce the cost of doing business, and have a positive impact on the manufacturing sector," said Ahmed.

Furthermore, the DCCI president also urged the government to raise the tax-free income limit for individuals from Tk 3.50 lakh to Tk 5 lakh.

The DCCI also proposed setting a nominal 1 percent VAT for traders in the informal sector in the next budget

Earlier, the Centre for Policy Dialogue had suggested increasing the tax-free income threshold to Tk 4 lakh.

In this regard, Ahmed requested that the prevailing inflationary situation and its burden on the masses be considered.

During the meeting, the DCCI proposed raising the second tax slab threshold from Tk 1 lakh to Tk 3 lakh while maintaining the current 5 percent tax rate for that range.

The trade body also called for reducing the highest income tax rate from 30 percent to 25 percent for the top income slab.

In addition, the DCCI president proposed a gradual reduction of advance tax at the import level for commercial endeavours and the gradual phasing out of the existing advance tax on manufacturers at the import level.

Traders have to pay more customs duty than the actual import price due to the difference between the tariff value set by the customs authority and the market price, he said.

This is increasing business costs as well as making the import process complicated and expensive, said Ahmed.

DCCI Senior Vice President Razeev H Chowdhury and Vice President Md Salem Sulaiman were also present.

In another meeting, the Anti-Tobacco Media Alliance (ATMA) proposed merging the low and medium price tiers of cigarettes and reducing the number of price tiers to three. Currently, there are four price tiers—low, medium, high, and premium—for cigarettes. This has rendered tobacco price and tax measures less effective, stated the ATMA.

Particularly, the very narrow price difference between low and medium-tier cigarettes allows consumers to choose brands belonging to either of these two tiers, it said.

To safeguard public health, this loophole can be addressed by merging the low and medium price tiers and reducing the number of price tiers to three, said the platform.

Govt to import two LNG cargoes in April

STAR BUSINESS REPORT

The government has approved the purchase of two cargoes of liquefied natural gas (LNG) for April at a cost of Tk 1,376 crore.

Chaired by Finance Adviser Salehuddin Ahmed, the Advisory Committee on Government Purchase approved the procurement yesterday. Both cargoes will be supplied by TotalEnergies Gas and Power Ltd, a UK-based company.

One cargo is priced at Tk 14.48 per MMBTU (million British thermal units), while the other will cost Tk 14.22 per MMBTU.

The committee also approved the import of 50,000 tonnes of non-Basmati rice through the Indian company Pattabhi Agro Foods Private Limited, Velpur, at a rate of \$429.55 per tonne.

Besides, 10,000 tonnes of lentils will be procured through local tenders for subsidised sales via the

Trading Corporation of Bangladesh (TCB).

Of this, 5,000 tonnes will be supplied by Dhaka-based Modina Trading Corporation and another 5,000 tonnes by Chattogram-based Payel Traders, both at a price of Tk 94.23 per kg.



The committee also approved the purchase of 11 million litres of refined rice bran oil at Tk 126.50 per litre through local tenders.

The oil will be procured from three companies: Dhaka-based Green Oil and Poultry Feed Industries (2 million litres),

Majumdar Products Ltd, also Dhaka-based (4.5 million litres), and Noapara, Jashore-based Majumdar Bran Oil Mills Ltd (4.5 million litres).

The government is preparing a smooth transition plan for Bangladesh's graduation from the least developed country (LDC) category, Finance Adviser Salehuddin Ahmed said yesterday.

The United Nations supports Bangladesh's graduation, as it would inspire smaller nations with newfound confidence, he told reporters after yesterday's meeting of the advisers' council on government purchases at the Bangladesh Secretariat.

"Numerous underdeveloped countries are observing Bangladesh. Graduation would not only set an example but also enhance our national pride. Bangladesh's overall performance is commendable, despite minor flaws or mistakes," he added.

Why are Chinese automakers launching fast-charging EV systems?

REUTERS, Shanghai

China's BYD has unveiled a megawatt charging system that it says can charge an EV as quickly as filling up a fuel tank, and said it will build a network across China, igniting a new super charging race.

Here are more details about the Chinese electric vehicle giant's new technology and why the fast-charging space is attracting interest:

WHY DOES FAST-CHARGING EV TECHNOLOGY MATTER?

Drivers sceptical of EVs have cited worries that their batteries could go flat during long-distance drives, prompting automakers to come up with fast-charging as well as battery-swapping technology as solutions.

Chinese automakers are increasing using such technologies as key selling points to attract buyers in a hyper competitive market and such technologies have been credited for contributing to the high adoption of EVs in China. Tesla also offers ultra-fast chargers.

HOW DOES BYD'S NEW SYSTEM COMPARE TO OTHERS?

BYD said its so-called "super platform" will be capable of peak charging of 1,000 kilowatts (kW), enabling cars that use it to travel 400 km (249 miles) on a 5-minute

charge.

To achieve such performance, BYD said it had developed a package of technologies including batteries with a 10C charging multiplier, which means they can be

charged at 10 times the battery's capacity per hour. Others include high-power motors, high-volt silicon carbide power chips and fast chargers that support 1,000 kW of power.



Visitors watch a BYD Yangwang U9 electric vehicle by Chinese car manufacturer BYD at Singapore Motorshow in Singapore.

By comparison, Tesla mainly sticks with a 400-volt system that can charge at up to 250kW for its EVs. The exceptions for the U.S. automaker are its Cybertruck that runs on a 800-volt architecture with a maximum rate of 350kW, and Semi truck that has a 1,000-volt powertrain.

Zeekr, Geely's premium EV brand, launched last year an 800-volt platform that can charge 80 percent of a 75-kwh battery in its Zeekr 007 sedan from 10 percent in 10.5 minutes. Li Auto and Xpeng have similar technology that can achieve more than 400 km driving range on a 10-minute charge.

WHY DOES BYD NOW WANT TO BUILD A CHARGING NETWORK?

BYD accounts for more than a third of the EV sales in China but its owners have largely relied on other automakers' charging facilities or public charging poles run by third-party operators to date.

The company said the latest super e-platform required its own fast chargers and that it would build more than 4,000 such charging stations across China, without specifying a time frame. Founder Wang Chuanfu, at the unveiling event on Monday, also appealed to external investors, saying the company would welcome their help in building more.

READ MORE ON B2

Do interviews really reveal the best talent?

MD TOUHID ALAM KHAN

In the world of hiring, interviews are often treated as the ultimate test of a candidate's potential. Yet, this process is far from foolproof. A recurring paradox plagues recruiters and hiring managers: some individuals excel in interviews but struggle in their roles, while others falter under the pressure of an interview but thrive once given the opportunity. This disconnect raises a critical question—are interviews truly effective in identifying talent, or do they inadvertently overlook some of the most capable individuals?

Consider the candidate who walks into an interview and openly admits, "I'm not great at interviews, but I know the job, I have a strong work ethic, and I'm a fast learner." This level of authenticity can be refreshing, yet it often goes undervalued in traditional hiring processes. Surprisingly, such candidates frequently prove to be exceptional employees. One individual who made this admission during an interview was not only hired but also promoted five times within five years. Their story underscores a critical truth: interviews don't always reveal true potential.

On the other hand, some candidates deliver flawless interviews—confident, articulate, and polished—but fail to meet expectations once hired. They may have mastered the art of self-presentation, but their performance doesn't align with their pitch. This isn't to say that interview skills are irrelevant—they certainly matter—but they shouldn't be the sole measure of a candidate's worth. After all, an interview is a performance, and not everyone is a natural performer.

The hiring process, as it stands, often favors extroverts and those who excel at selling themselves. Quiet, introverted candidates, who may bring unique perspectives and problem-solving skills, are frequently overlooked. This bias can lead to missed opportunities for organizations seeking diverse talent. The challenge, then, is to refine the hiring process to ensure it identifies not just the best interviewees, but the best candidates.

One way to address this issue is to look beyond the resume. While qualifications are necessary, they don't always reflect a candidate's character or potential.

Some of the most successful hires have resumes that don't stand out but demonstrate exceptional integrity, resilience, and a willingness to learn. Skills can be taught, but these inherent traits often lead to long-term success.

Simplifying the interview process is another critical step. Lengthy, multi-round interviews can deter top talent and create unnecessary stress for candidates. A streamlined, well-structured interview can often reveal more about a candidate's potential than a drawn-out series of meetings. Additionally, providing a comfortable environment for introverted candidates can help uncover talents that might otherwise remain hidden.

Equally important is the role of feedback and guidance. Not every candidate will be the right fit for a specific role, but that doesn't mean they lack potential. Giving constructive feedback can significantly impact a candidate's career journey. A small act of kindness, such as suggesting alternative roles or providing improvement tips, can inspire confidence and open doors they might not have considered.

Interviews don't define a candidate's worth—authenticity, dedication, and work ethic matter more than a polished pitch. Recruiters should prioritize potential over performance, character over charisma, and long-term fit over first impressions.

Hiring isn't about perfection but finding the right match. Sometimes, a candidate just needs guidance and a chance to shine. By rethinking interviews and focusing on what truly matters, organizations can unlock talent potential and build thriving teams.

The author is a former managing director and chief executive officer of a first-generation private commercial bank in Bangladesh.