

## Why December, when polls can be in Aug-Oct?

### Says Amir Khosru

STAFF CORRESPONDENT

BNP Standing Committee Member Amir Khosru Mahmud Chowdhury yesterday said the national election could feasibly be held between August and October, but the government was not moving in that direction.



“There is no reason to wait until December. The election can be held in August, September, or October. The delay is only fuelling uncertainty and anxiety,” he told reporters at a city hotel.

“They are not moving towards the election. They are heading in a different direction,” he said, referring to the government.

There is consensus on certain reform proposals, he said. “If there is agreement, why the delay? Reforms can be announced within hours.”

SEE PAGE 8 COL 1



PHOTO: PALASH KHAN

Top industrialists, procurement experts, and government officials participate in a roundtable discussion titled “Budget 2025-26: Time to Make Public Procurement Work for Bangladeshi Manufacturers”, organised by The Daily Star at its office yesterday.

## Exporters caught off guard

FROM PAGE 1

Garment exporter Energypac Fashions Ltd reported three containers of formal suits and trousers worth over \$3,00,000 were stuck at Benapole. Chairman Humayun Rashid, who has been exporting to India for seven years, warned of forced rerouting and mounting losses. He also fears disruption in shipments to Nepal, as some of his consignments transit through India.

In Lalmonirhat’s Burimari Land Port, around 80 trucks were stopped.

By evening, at least 36 trucks were stranded. Exporter Shamim Hossain, who trades in garment waste, said, “Seven of my trucks are stuck at Burimari. Ninety percent of my business relies on Indian buyers.”

He also said over 100 exporters operate through the Burimari Land Port.

At Akhaura Land Port in Brahmanbaria, trade slowed to a crawl. Only three trucks of frozen fish were allowed into India, said Mahmudul Hasan, assistant director of the port.

The restrictions issued without warning on Saturday night direct that garments – by far Bangladesh’s top export – must now enter India only through Kolkata or Nhava Sheva sea ports. Other restricted goods include carbonated beverages, processed food, cotton and yarn waste, plastic and plastic products, and furniture.

Although the new rules do not affect fish, LPG, edible oil, or crushed stone exports, they have left garment exporters in a bind. Many had already dispatched goods to land ports before the notification was issued. With no immediate option to reroute, shipments now sit idle, racking up costs.

MA Jabbar, managing director

of DBL Group, said some Indian buyers might opt to reroute imports themselves, since they import Bangladeshi products via other countries.

Faruque Hassan, former president of the Bangladesh Garment Manufacturers and Exporters Association, warned that the restrictions could undercut years of progress in building India as a major market. “We supply to both local Indian brands and global labels like M&S and H&M through India. Limiting port access will hamper business,” he said.

Exporters say land routes are not just cost effective but essential. “Shipping via sea ports like Nhava Sheva is expensive and time-consuming,” said Al Mamun, an exporter.

“Now we are in deep trouble,” he said.

According to the Export Promotion Bureau, Bangladesh exported \$563.81 million worth of garments to India in July–April of the current fiscal year, an 18.85 percent rise from the same period last year. Total exports to India stood at \$1.56 billion in FY24, against \$9 billion in imports.

Commerce Secretary Mahbubur Rahman said the government is engaging with Indian authorities over the issue but declined to elaborate.

Commerce Adviser Sk Bashir Uddin said the government has initiated a preliminary review to determine the steps Bangladesh should consider.

“Our products are exported mainly due to their competitive pricing. We hope this competitiveness will continue to benefit consumers and businesses in both countries,” he said.

The latest restrictions follow Delhi’s decision in April to

suspend transshipment facilities for Bangladeshi cargo bound for third countries via Indian land borders, triggering concerns over tightening trade conditions.

However, the adviser said, “This is not a continuation of the transshipment issue. Indian traders will also feel the impact of this move. Given our geographical proximity, both countries remain interdependent.”

Deputy Director Mamun Tarofder of Burimari Land Port said after failing to enter India, many trucks left the port. At least 36 trucks remained stranded yesterday evening.

Mehedi Hasan, assistant director of the Bangladesh Land Port Authority at Burimari, told The Daily Star that around 200 to 250 trucks pass through the port to India and Bhutan daily.

The trucks bound for Bhutan crossed the border as usual, said Humayun Sawdagar, an exporter.

“Many of us regularly export garments and food items to India through this port. Such sudden restrictions will put us in great trouble,” he said.

Not only the exporters, livelihoods of hundreds of people involved in loading-unloading of goods and other activities will be severely affected, he added.

Major portion of the products stuck at the land port are garments and garment waste, according to him.

“We urge the Indian government to withdraw the restrictions immediately,” said Motiar Rahman, director of the India-Bangladesh Chamber of Commerce and Industry.

[Our correspondents in Benapole, Lalmonirhat, Thakurgaon, and Brahmanbaria contributed to this report]

## 10 segments to get 52 % of ADP

FROM PAGE 1

budget for fiscal 2025–26 was approved at the meeting chaired by Chief Adviser Muhammad Yunus.

Under the digital budget planning method, the allocations will be tracked and implemented through the iBAS++ system, ensuring code-based expenditure.

According to the planning ministry, Tk 28,018 crore will be spent only for non-residential government buildings and another Tk 9,016 crore will be spent for residential buildings under all the ministries and divisions.

In addition, the segment of other buildings and establishments would cost Tk 6,917 crore.

About Tk 16,073 crore would be spent on the buildings’ electrification.

Another Tk 15,828 crore will be spent on land acquisition for various projects. Some Tk 6,505 crore would be spent to build bridges and Tk 6,473 crore for dams.

Another Tk 17,358 crore would be spent on building roads and highways, while rural roads will cost another Tk 9,021 crore. The government has allocated Tk 9,627 crore for research and development purposes.

Next fiscal year’s ADP is Tk 14,000 crore more than the revised allocation for this year.

Of the total, Tk 144,000 crore will come from domestic resources – lower than the Tk 1,59,000 crore sought by ministries – while foreign funding remains unchanged at Tk 86,000 crore. Both figures reflect year-on-year declines of 12.7 percent and 14 percent respectively.

State-owned enterprises have been allocated Tk 8,000 crore, nearly half

of their original outlay in the current year.

The government has allocated 70 percent of the ADP budget to five sectors: the transport and communication (Tk 58,973 crore), power and energy (Tk 32,392 crore), education (Tk 28,557 crore), housing and community (Tk 22,776 crore) and health (Tk 18,148 crore).

Among the government’s ministries and divisions, the top 10 ministries got 74 percent of the total ADP allocation in the upcoming fiscal year.

The local government division got the highest allocation (Tk 36,098 crore), followed by the road transport and highways (Tk 32,329 crore), power division (Tk 20,283 crore), secondary and higher education division (Tk 13,625 crore), science and technology ministry (12,154 crore) and health service division (Tk 11,617 crore).

“It will be a budget for restoring discipline in the financial sector,” said Planning Adviser Wahiduddin Mahmud after the meeting.

Though the budget size would be relatively small, it is designed to restore economic stability, control inflation and reintroduce discipline and sustainability in budget management.

“Our objective is to avoid falling into a debt trap, where a significant portion of the budget is consumed by loan repayments – be it operating costs or interest payments.”

To break this vicious cycle, revenue must be increased, but expenditure must also remain limited.

“We aim to keep the budget deficit

below 4 percent of total GDP.”

Education and health have received special attention in the budget.

The development budget for the two sectors would not increase, but the revenue budget would increase to accommodate teachers’ higher salaries and the appointment of 2,500 new health workers, including doctors.

“In the health sector, despite many facilities being built, many are non-operational due to a lack of doctors or equipment. So instead of more infrastructure, we are focusing on operating these through the revenue budget,” he said.

The government will increase allocation so that the non-government teachers’ outstanding retirement benefits and welfare payments that have been pending for the last 5–6 years can be cleared immediately.

No long-term mega projects are being included in the development budget.

Although this year’s development budget is smaller in nominal terms than last year’s proposed budget, it is more realistic, he said.

“There was a lot of waste and inefficiency. We are now streamlining, downsizing and redesigning to reduce costs.”

The budget would be announced on June 2, when the tax measures of the budget become effective immediately. As there is no parliament existing now, there will be windows for tax measures’ corrections until the Finance Bill is announced through ordinances.

## Make procurement rules more inclusive

FROM PAGE 1

current framework fails to reflect the strength and capacity of Bangladesh’s industrial base.

Despite the rise of multibillion-dollar companies in Bangladesh, domestic suppliers are often denied equal opportunity in public contracts. Speakers pointed to clauses in the Public Works Department’s schedule of rates that create structural entry barriers.

One striking example discussed was the PWD’s requirement that a firm must have 65 years of experience to supply elevators to government projects. This rule alone excludes emerging local players, which have already invested in lift production but do not meet this arbitrary threshold.

Another instance involved the procurement of air conditioners. The PWD rate schedule categorises ACs into country-based tiers, each with a different benchmark price. Tenders based on this classification often implicitly favour foreign brands, sidelining local manufacturers even though they supply nearly 90 percent of residential ACs and 80 percent of electronic home appliances in the domestic market.

Responding to the concerns, Finance Adviser Salehuddin Ahmed, who attended the roundtable as the chief guest, said the government was already taking steps to make procurement more transparent and competitive.

He referred to a government decision to abolish the controversial rule that allowed bids to be automatically disqualified if they were 10 percent or more below the estimated value of the contract.

“This decision was taken to stop arbitrary cancellations and encourage fairer pricing,” Ahmed said, adding that he would look into other issues to make public procurement rules more inclusive.

Ahmed has criticised flaws in Bangladesh’s procurement system, citing excessive spending on foreign consultants and collusion in tendering processes.

“I often notice inefficiencies in service-related projects. Recently, I saw a Tk 180 crore consultancy for a complex project. I was shocked. Do we not have local experts for this?” Ahmed said.

He highlighted a tendency to favour international firms despite growing local expertise, pointing to a case where a government department allocated Tk 10 crore for consultancy fees, exceeding the construction cost for just 12 buildings. “This is a leakage issue. Consultants get paid, but we often hesitate to hold them accountable,” he said.

Ahmed acknowledged that open tenders intended to ensure fairness are sometimes undermined by bid-rigging.

“Procurement methods need improvement. Open tendering is supposed to be fair, but collusion happens – bidders sometimes fix prices among themselves,” he said.

On large infrastructure projects, such as an \$800 million airport terminal funded by multilateral lenders, Ahmed admitted that loan conditions often favour foreign contractors. For example, high-tech scanners required for the project are not yet manufactured locally.

“Over time, we will build capacity, but for now, we must comply with donor conditions,” he said.

Speakers at the event emphasised that reforming procurement rules to support local industry would not only help unlock the full potential of domestic manufacturing but also create jobs, save foreign currency, and ensure greater self-reliance in public infrastructure and service delivery.

Bangladesh’s public procurement system urgently needs reform to enhance transparency, inclusiveness, and technical precision, said Faruque Hossain, procurement policy consultant for the Ministry of Power, Energy and Mineral Resources.

While the Public Procurement Rules (PPR) provide a structure, many challenges persist due to ambiguity, lack of accountability, and manipulative practices.

He emphasised the need to clearly define whether tenders are national or international and categorise them properly – goods, works, or services – as these distinctions determine scope and eligibility.

Hossain criticised discretionary rejection of bids, especially those submitted by capable local firms.

He cited instances where compliant domestic bidders were rejected for invalid reasons, like “student preference for foreign laptops.”

He also said the Bangladesh Public Procurement Authority’s (BPPA) inaction during legal or technical disputes, leaving agencies in confusion.

Moreover, fear of anti-graft scrutiny discourages officials from taking bold yet necessary decisions, he pointed out.

Ziaul Alam, additional managing director of Walton Hi-Tech Industries PLC, said Walton exports to over 40 countries and can meet domestic standards. However, restrictive procurement criteria often render them ineligible. He questioned why firms compliant with US standards were excluded at home. Alam argued that enabling firms like Walton to fulfill government contracts would boost employment and GDP.

Iftekharuzzaman, executive director of Transparency International Bangladesh, said public procurement still lacks transparency and fair competition.

Citing TIB data, he said around 27 percent of contracts involve corruption. Though the Electronic Government Procurement (e-GP) system was launched to address such issues, its impact has been limited.

TIB found that over 12 years, 62 percent of tenders went to just 5 percent of contractors, showing rising concentration in contract awards, he added.

Shoeb Ahmed Masud, former vice president of BASIS, called for the inclusion of local IT firms in government projects.

He said there was a decline in their participation in recent years despite growing opportunities in metro rail and smart city initiatives.

Drawing parallels with India, Masud urged Bangladesh to reserve certain digital infrastructure components for local SMEs to strengthen the domestic tech industry.

Farooq Ahmed, additional secretary at the ministry of housing and public works, emphasised integrating local firms into national development.

He urged a shift in mindset to trust capable local companies and tailor tender terms and specifications to allow their participation, without compromising transparency.

He also called for vigilance against corruption and inefficiency.

Md Shamsuddoha, additional chief engineer of PWD, echoed the need to reform procurement policies that disadvantage local manufacturers. He said outdated systems, such as legacy elevator categories, exclude qualified firms like Walton.

He criticised weak enforcement by BSTI, which allows inferior products to undercut leaders like BSRM, and recommended allowing local-international joint ventures.

Mizanur Rahman Mamun, finance director at Hatil Furniture, urged changes in rules requiring restricted

local wood, which contradict forest conservation policies.

He stressed buying directly from manufacturers to avoid double VAT and reduce costs.

Mamun advocated giving preference to companies with proper environmental and labour compliance and simplifying bureaucratic processes.

Mahfuz Anam, editor and publisher of The Daily Star, called for a reassessment of the national payment policy.

Highlighting over \$30 billion in annual transactions through public procurement, he said this is a national economic issue, not just financial.

He criticised policies that favour imports under the pretext of global standards, effectively sidelining competitive local producers. Anam termed such practices “a silent but systemic barrier” to domestic industrial growth.

AK Enamul Haque, director general of Bangladesh Institute of Development Studies, criticised the ineffective role of the Bangladesh Competition Commission, pointing out legal loopholes that benefit officials and foreign interests.

Haque drew examples like unfair disqualification of local firms, inflated procurement estimates, and poorly coordinated infrastructure work.

Highlighting systemic flaws, he stressed that uniform standards can’t apply to all projects and that current public procurement practices often waste resources.

He urged structural reforms, transparency, and support for domestic producers to ensure fair competition and sustainable development.

RN Paul, managing director of RFL Group, said the quality of work should be assessed first, and only then should judgments be made.

“It’s important to visit the factory and see firsthand what we are doing. Otherwise, it won’t be fully trusted,” he said.

Pran-RFL Group is a leading food processor and conglomerate in Bangladesh. It aims to export products worth \$1 billion by 2025 and \$2 billion by 2030, he added.

He also said that seeing the work on the ground will build confidence in Bangladeshi companies. “Our capabilities have grown significantly.”

Currently, alongside meeting domestic demand, PRAN-RFL products are being marketed in 145 countries, he said, adding that therefore, local companies should be given priority when it comes to flourishing and expanding their operations.

Aameir Alihussain, managing director of the BSRM, one of the leading steel manufacturing companies in the country, said locally available products should not be made duty free, and the income tax rule should be made the same as the VAT rule.

Another issue that needs to be added to public procurement is the protection of suppliers. Here, bank guarantees or some other system should be put in place to provide protection to local suppliers, he said.

“If suppliers leave the country, how do we address them? If he is a local supplier, a case can be filed against him, or some other action can be taken. Otherwise, no action can be taken. No one accepts his responsibility.

“Another issue is that many times, we see that too many infrastructural changes are made in the middle of a project. This system should be fixed. There should be a general discipline issue here.”

Tanjim Ferdous, in charge of NGOs and foreign missions at The Daily Star, moderated the discussion.

## ACC moves to revive barge-mounted power plant case against Hasina

STAFF CORRESPONDENT

The Anti-Corruption Commission has made a move to revive the 18-year-old barge-mounted power plant corruption case against deposed former prime minister Sheikh Hasina.

It filed a leave-to-appeal petition with the Appellate Division of the Supreme Court on March 5 this year challenging a High Court verdict that scrapped the trial proceedings against Hasina, who flew to India on August 5 last year following an uprising.

A three-member bench of the Appellate Division led by Justice Zubayer Rahman Chowdhury set July 15 for hearing as the petition was in yesterday’s cause list of the bench, ACC’s lawyer Ashif Hassan told The Daily Star.

He said the commission in the petition sought condonation of delay for 5,452 days to file the petition from the date of HC verdict.

Usually, such a petition is supposed to be filed within 30 days from the date of the delivery of the HC judgement, the lawyer said, adding that the time for releasing the certified copy of the HC judgement is included in the stipulated 30 days.

Lawyer Ashif, however, refused to say the details of the grounds of the leave to appeal petition and seeking condonation of delay in filing this petition.

On April 13, 2010, the HC in a verdict quashed the proceedings against Hasina in the barge-mounted power plant graft case filed by the ACC during the military-backed caretaker government.