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Star BUSINESS

Nagad barred from bank transfers

STAR BUSINESS REPORT

Bangladesh Bank has instructed banks to bar fund transfers by Nagad while keeping the mobile financial services available to customers.

Bangladesh Bank Governor Ahsan H Mansur disclosed this information in a press conference after a high-level government meeting at Foreign Service Academy in Dhaka yesterday.

Replying to a question about Nagad, he said the bar on fund transfers by Nagad through banks was placed for the safekeeping of customers' money.

"Our administrative team is unable to function for a court order," he said, referring to a May 7 High Court stay on the activities of a central bank-appointed administrator at Nagad following a petition by one of its former directors.

In the absence of the administrator, Motasem Billah, former Nagad director Md Shafayet Alam assumed the role of CEO, although he is facing fraudulence charges in a case filed by Bangladesh Bank.

"We have appealed, and we hope to receive justice. In the meantime, Nagad could take various actions -- destroy documents or erase evidence," the Bangladesh Bank governor said.

"We believe that the original management and board members of Nagad were involved in what we refer to as various types of malicious economic activities—in other words, corruption—through which they embezzled money," he said.

Debates over leasing NCT to foreign operator intensifying

THE TIMELINE

- **2007** — NCT construction completed by CPA at Tk **469**cr
- **2009** — CPA invites foreign operator bids; tender scrapped amid political intervention
- **2015** — Saif Powertec appointed to operate four jetties
- **2022** — CPA completes gantry crane purchases
- **Oct 2022** — Protests begin over potential foreign operator
- **Mar 2023** — Govt approves PPP operator appointment
- **2025** — Protests intensify as parties oppose NCT lease plan

NEW MOORING CONTAINER TERMINAL (NCT) HAS

- 5 jetties
- 4 for ocean-going container vessels
- 1 for smaller inland container ships

ARGUMENTS AGAINST FOREIGN OPERATOR

- NCT is already well-equipped
- Lease plan undermines nat'l control
- Foreign operators will siphon off earnings
- Workers will job losses

ARGUMENTS FOR FOREIGN OPERATOR

- Global operators could optimise port capacity
- New tech & equipment could boost operations
- There are potentials for higher revenue income
- Supports vision of a global manufacturing hub

DWAIPAYAN BARUA, *Ctg*

The debate over whether to lease out the New Mooring Container Terminal (NCT) at Chittagong Port to a foreign operator is intensifying, with political parties, including the BNP, Jamaat-e-Islami, and left-leaning groups, uniting in opposition.

The move, initially introduced under the previous Awami League government through the Public Private Partnership (PPP) Authority, has gained traction under the current interim government.

While some political and labour groups are vocal in their opposition, authorities say that a feasibility study is ongoing, with the final decision to be based on its findings.

However, Shipping Adviser Brig Gen (Retd) M Sakhawat Hussain indicated that the administration is in favour of bringing in a foreign operator to manage the terminal.

Opposition parties argue that the NCT is already well-equipped and capable of delivering world-class services without external involvement. They claim there is no scope for expansion, making foreign investment "unnecessary" and appointing a foreign operator "irrational".

Completed in 2007 at a cost of Tk 469 crore, the 950-metre-long NCT has five jetties -- four for ocean-going vessels and one for smaller ships on inland routes.

'What's the point of leasing out a functional terminal?'

Humayun Kabir, former publicity secretary of BNP's labour wing Jatiyatabadi Sramik Dal (Port unit), said that the Chittagong Port Authority (CPA) invested Tk 2,000 crore to fully equip the terminal.

Now, he argued, there is little left to invest in.

Since 2007, local firm Saif Powertec Ltd had been running two of the jetties of the NCT on an ad hoc basis. In 2015, the CPA formally appointed Saif Powertec as the operator for four jetties.

Kabir criticised the appointment as being "politically motivated" and argued that if a new operator is to be selected, it should be done transparently through an open tender.

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Competition commission to redefine 'dominant players'

SUKANTA HALDER

The authorities are drafting amendments to the Competition Commission Act, enacted in 2012, to establish clearer criteria for identifying dominant market players across various sectors, according to officials.

The law was made to promote, ensure and sustain a congenial atmosphere for competition in trade and to prevent, control and eradicate collusion, monopolies and oligopolies, combination or abuse of dominant position, or activities adverse to the competition.

Officials said the changes aim to enhance regulatory oversight and support fair market competition. Clearly defining dominant market players has emerged as a key focus, as the commission seeks to mitigate potential anti-competitive practices by influential entities.

"While overseeing some cases, we found that the current act lacks a clear definition of who is dominating what sector," said Afroza Bilkis, member for law at the Bangladesh Competition Commission (BCC), yesterday.

"It is not feasible to specify every dominant player in every sector within the act. Therefore, we are working to amend it in a way that allows subsequent rules to define such players more clearly," Bilkis told The Daily Star.

According to Bilkis, the amendments will lead to the introduction of a market threshold clause, such as market share percentages, to provide a basis for identifying dominant players.

The commission formed a 13-member committee on February 16 this year to amend the law, including representatives from the legislative division, Federation of Bangladesh Chambers of Commerce and Industry, lawyers from the Supreme Court, academicians, and other relevant sector experts.

A draft of the amended law is scheduled to be submitted to the commission's chairman by June 1. Following a stakeholder consultation meeting, the draft will be forwarded to the Ministry of Commerce.

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Two-thirds of social protection allocations not genuine

STAR BUSINESS REPORT

Nearly two-thirds of the allocations under this fiscal year's social security budget do not qualify as genuine social protection spending, according to a study by the Citizens Platform for SDGs, Bangladesh.

The platform classified the 140 existing social safety net programmes into three categories: acceptable, quasi-acceptable (mainly loan and training schemes), and non-acceptable -- those that should be excluded from the social protection framework.

It found that only 29 percent of the allocation is considered "acceptable" -- programmes that should naturally be included in the social protection list. Only 4.6 percent is quasi-acceptable, and the rest is not acceptable, the study said.

"Regrettably, the social protection budget has been unrealistically inflated over the years by increasing the share of 'non-acceptable' programmes, which have no relevance to the Leave No One Behind (LNOB) principle," said Debapriya Bhattacharya, the platform's convenor.

He was addressing a dialogue titled "Bangladesh Economy 2025-26: Policy Reform and National Budget" organised by the platform at Lakeshore Hotel in Dhaka yesterday.

In FY25, non-acceptable programmes with little relevance to the LNOB policy account for 66.01 percent of the social security budget -- up from 64.49 percent in the revised FY24 budget.

From the revised budget for FY24 to FY25, the share of acceptable and quasi-acceptable programmes declined by 3.61 percent and 8 percent respectively, while the share of non-acceptable programmes rose by 2.36 percent, the study noted.

In FY25, pension management alone accounts for 96.40 percent of the total allocation under acceptable social protection programmes, it added.

Over half of the poor and vulnerable families are not receiving social protection benefits, while 62 percent of non-poor and non-vulnerable households are receiving them, it said, citing the Household Income and Expenditure Survey 2022.

This is mainly due to reliance on traditional means of targeting, the lack of an integrated database, corruption associated with the implementation of such programmes, and the absence of a functional grievance redressal system (GRS), said the platform.

Bhattacharya suggested raising the allowance for social protection schemes, particularly old-age allowance, allowance for widows and allowance for persons with disabilities.

The platform welcomed the government's move to shift the allowance payment method and expand the beneficiary list, as the government plans to add another 10 lakh recipients.

"The decision to shift the allowance payment method and expand the beneficiary list is praiseworthy," said Bhattacharya.

However, without closing the loopholes, it might lead to the continued exclusion of deserving beneficiaries and perpetuate the same issues as before, he said.

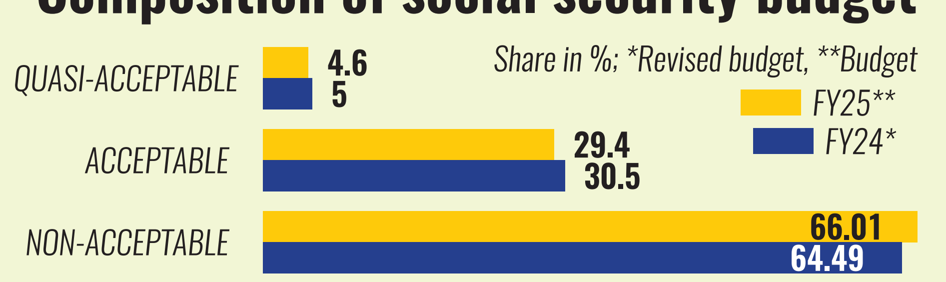
He added that the government should exclude non-acceptable programmes, such as pensions, from the SSNP and increase the allowances by adjusting for current inflation.

The government should establish a digitalised process for the mapping of the delivery chain for distributing social protection benefits and ensuring transparency.

RECOMMENDATIONS

- Exclude non-acceptable programmes such as pension
- Increase allowances, adjusting for inflation
- Remove beneficiary targeting errors
- Restructure upazila/union level- local communities for service delivery
- Establish unified union social protection committees

Composition of social security budget



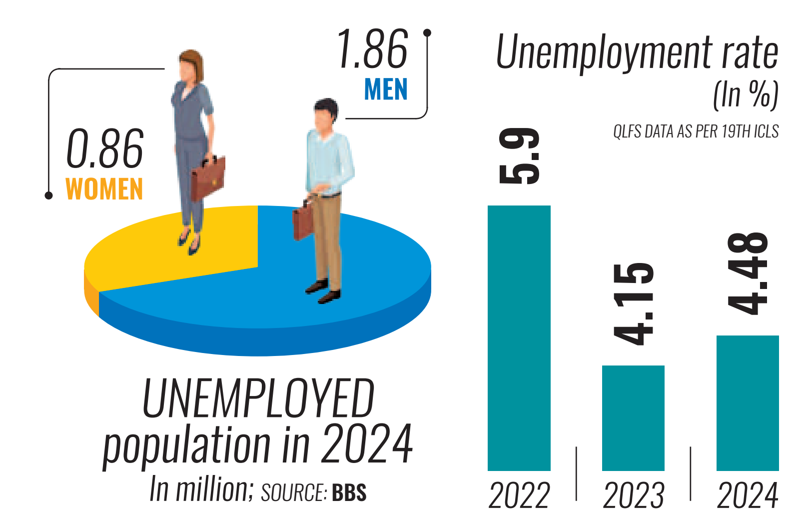
SOURCE: CITIZEN'S PLATFORM FOR SDGS

Joblessnes rises amid dull investment

AHSAN HABIB

Job creation in Bangladesh has not been growing in line with the demand from its youth population, leading to a rise in unemployment despite the urgent need for more job opportunities.

Bangladesh's unemployment rate increased to 4.63 percent in the October-December period of fiscal year 2024-25 as a growing number of job seekers failed to secure employment, according to the latest Quarterly Labour Force Survey (QLFS) data.



The number of unemployed people rose to 2.7 million in 2024, up from 2.55 million the previous year.

The jobless rate stood at 3.95 percent in the fourth quarter of 2023, the Bangladesh Bureau of Statistics (BBS) said yesterday.

However, this increased to 4.49 percent in the July-September quarter of FY25 after economic activities ground to a halt following a mass uprising that led to the ouster of the Sheikh Hasina-led government and subsequent labour unrest in major industrial areas of Dhaka.

The overall unemployment rate stood at 4.48 percent last year compared to 4.15 percent in 2023.

In the October-December quarter of 2024, the labour force participation rate dropped to 48.41 percent from 50.27 percent a year earlier. During the full year, the labour force participation rate was 49.49 percent, compared to 50.92 percent in 2023.

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