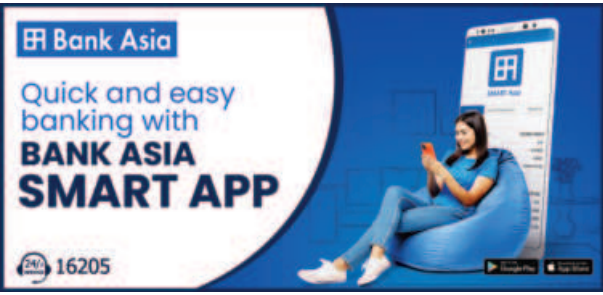


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BUSINESS



# BSEC to punish 44 firms over shareholding rule violation

## Stocks drop to five-year low

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) is going to take action against 44 listed companies whose sponsors and directors have failed to jointly retain the minimum 30 percent shareholding required by law.

In response to this non-compliance, the stock market regulator will appoint independent directors to the boards of the companies in question.

The requirement dates back to a BSEC circular issued on November 22, 2011, which made it mandatory for each director of a listed company to hold at least 2 percent of shares individually.

For all sponsors and directors together, the minimum threshold for joint holding was set at 30 percent.

Although many directors did not comply, the regulator remained inactive in this regard for nearly a decade.

It was not until 2020 that the BSEC took its first punitive action by removing several directors who failed to meet the individual 2 percent threshold.

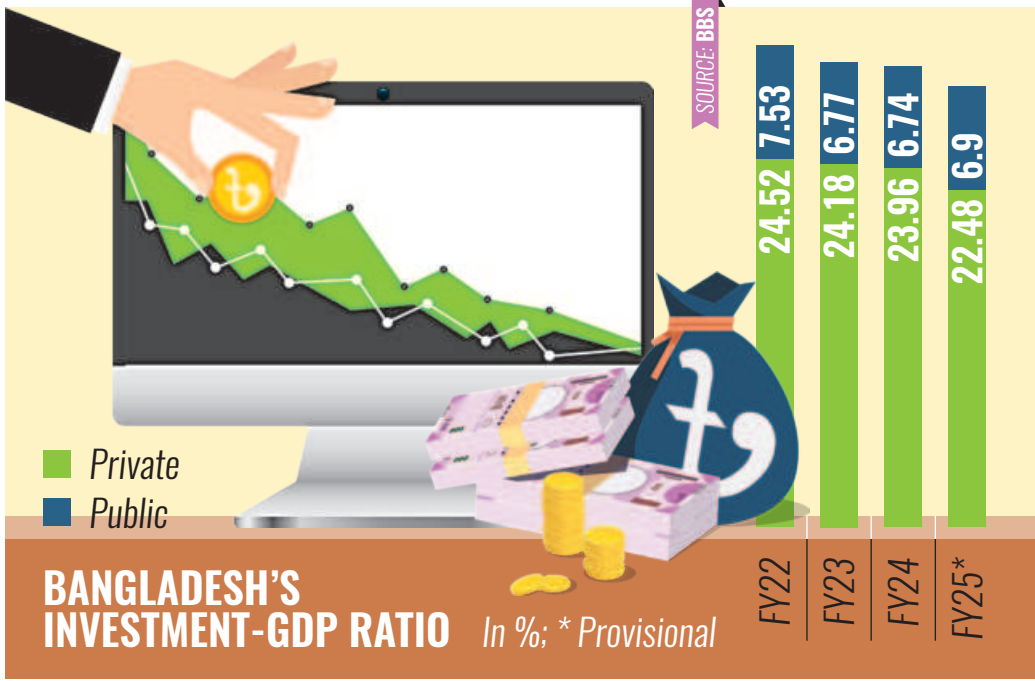
Some firms did respond to the directive, with sponsors and directors increasing their shareholding to the required level.

However, compliance has remained patchy. Now, after a long pause, the BSEC is once again preparing to take measures against violators.

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# Private investment sinks to five-year low



JAGARAN CHAKMA

Private investment as a percentage of the gross domestic product has slumped to its lowest level in five years, stoking fears over waning business confidence and a slowdown in job creation.

Private investment dropped to 22.48 percent of the gross domestic product (GDP) in the fiscal year (FY) 2024-25 from 23.96 percent the year before, according to provisional data released by the Bangladesh Bureau of Statistics (BBS) on Tuesday.

The current ratio is the weakest since the fiscal year 2020-21.

"This isn't just a drop in numbers, it shows growing mistrust in the investment climate," said Anwar-ul-Alam Chowdhury Parvez, president of the Bangladesh Chamber of Industries.

He pointed to deteriorating business conditions, such as inconsistent gas supply despite price hikes, a rising dollar choking imports, and banks plagued by a liquidity crunch.

Lending rates have surged to 16-17 percent, sharply pushing up the cost of doing business.

Parvez said political instability was further undermining confidence, shaking trust in state institutions and the government's ability to restore order.

"These problems are not hitting just individual businesses, they're hurting the whole economy," he said.

Citing persistent issues in the energy sector, law enforcement, and customs, the business leader called for stability to reassure investors.

Under the 8th Five Year Plan, the former Awami League-led government aimed to raise private investment to 28.2 percent of GDP by 2025.

That goal now appears increasingly out of reach. The latest BBS data aligns with weak credit growth in the private sector.

In March, year-on-year credit growth stood at just 7.57 percent, well below the Bangladesh Bank's target for the first half of the year.

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# A clear roadmap for economy is absent

## Debapriya says

STAR BUSINESS REPORT

Debapriya Bhattacharya, a distinguished fellow of the Centre for Policy Dialogue (CPD), has raised questions over whether the interim government was ensuring transparency in formulating economic policies and holding dialogues with stakeholders for reforms.

At a pre-budget discussion jointly organised by NTV and the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) on Tuesday, he cited the example of a new ordinance on tax reform that had been issued on May 12.

The ordinance sought to dissolve the National Board of Revenue (NBR) and replace it through the formation of two divisions – one for policymaking and another for implementation.

This separation was earlier recommended in a white paper on the state of Bangladesh's economy, which was prepared by a panel led by Bhattacharya and submitted to the chief adviser on December 1 last year.

The separation of duties was recommended to avoid a conflict of interest, said Bhattacharya.

However, revenue officials embarked on a massive protest

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