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Star BUSINESS

Protesting NBR officials to boycott adviser's meeting

Announce indefinite shutdown from Saturday

STAR BUSINESS REPORT

Officials of the National Board of Revenue (NBR) who are currently staging demonstrations over, among other issues, recent transfer orders, yesterday announced that they would not join a meeting called by Finance Adviser Salehuddin Ahmed today.

At a press conference at the NBR headquarters in Dhaka's Agargaon, the demonstrators, under the banner of the NBR Reform Unity Council, vowed to continue their protests until the NBR chairman either resigned or was transferred.

This being the third consecutive day of their pen-down strike, the demonstrators also announced a fresh round of protest programmes, including a "March to NBR" and a complete, indefinite shutdown of revenue activities starting June 28.

The council said five income tax officials were transferred on Sunday, allegedly for their involvement in protests that began last month centring on an ordinance seeking to bring about reforms in the NBR, including separating tax collection and policymaking.

The interim government later announced that the Revenue Policy and Revenue Management Ordinance, 2025 would be amended.

Describing the transfers as "vindictive and oppressive," the council leaders demanded that they be revoked immediately.

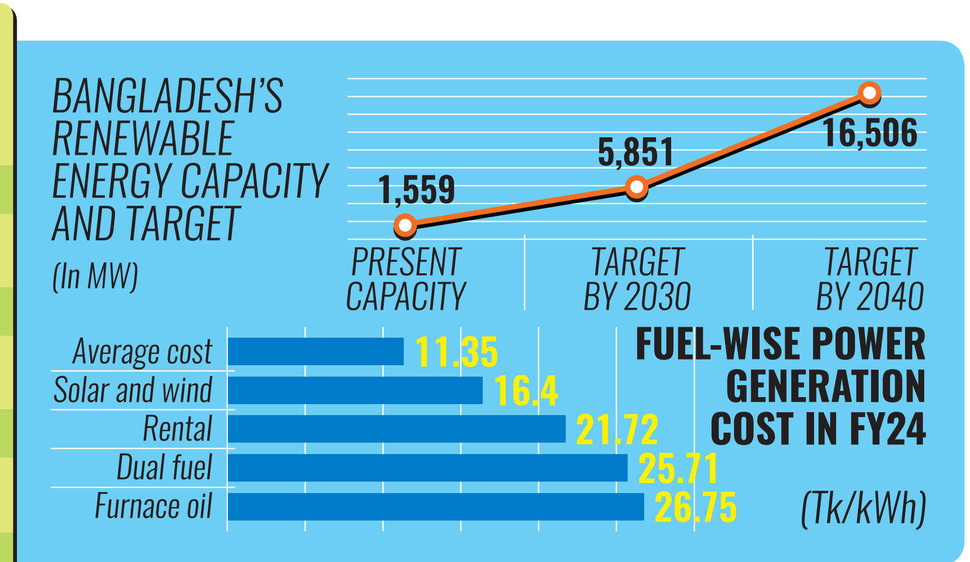
Meanwhile, Finance Adviser Salehuddin Ahmed announced through a press release that he would sit with "representatives of the taxation, customs, and excise cadres of the Bangladesh Civil Service" today at 5:00pm to defuse tension over the ordinance. READ MORE ON B3

$1b a year needed to hit 2030 green energy goal

Study also shows investment requirement to rise to $1.4b by 2040

KEY CHALLENGES

- Abrupt policy shifts
- Currency devaluation
- Declining FDI
- Lack of implementation agreements
- Land acquisition
- Limited low-cost financing
- Undeveloped capital market
- High import duties



ASIFUR RAHMAN

Bangladesh needs to expand its renewable energy capacity by 21 percent annually to meet its latest green energy target by 2030, requiring nearly $1 billion in yearly investment, according to a study by the Institute for Energy Economics and Financial Analysis (IEEFA).

The country will need up to $1.4 billion a year until 2040 to reach the new goals set by the government this month, said the study.

Earlier this month, the government revised the 2008 Renewable Energy Policy, setting a target to generate 20 percent of total electricity from renewable sources by 2030 and 30 percent by 2040.

Drawing on demand projections from the Integrated Energy and Power Master Plan 2023, the study calculates that Bangladesh will need to generate 5,851 megawatts (MW) from renewable sources by 2030 and 16,506 MW by 2040.

Currently, the country's renewable capacity stands at just 1,559 MW. To meet the 2030 target, an additional 3,831 MW will have to be installed. A further 10,655 MW would be required in the following decade to achieve the 2040 goal.

The 2008 policy had set a target for renewable sources to make up 10 percent of total generation capacity by 2021, but that share remains stuck at around 5 percent.

"Bangladesh's renewable energy sector is at a nascent stage, with its contribution to the national grid standing at only 3.6 percent of total power system capacity in April 2025," the report said.

"The combined renewable energy capacity rises to a meagre 5.07 percent if small-scale systems are included, like solar home systems, rooftop solar, and solar irrigation," it added.

According to the study, the shortfall is due to difficulties in acquiring land, financing bottlenecks, and an underdeveloped regulatory framework.

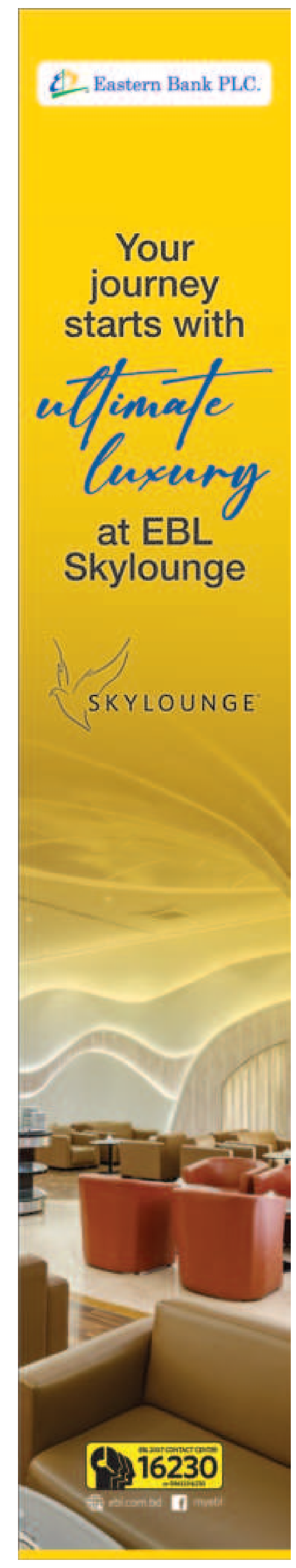
It added that unless these barriers are addressed, Bangladesh risks falling short of its revised targets as well.

Despite falling prices and rising global interest in clean energy, investment in renewables has remained limited in Bangladesh.

From 2009 to 2022, the power sector drew $30 billion in investment, the bulk of which went into fossil fuel projects that added 16,800 MW of capacity.

In contrast, the renewable sector grew by less than 1,000 MW during the same period. Between 2018 and 2023, clean energy investment amounted to just $1.43 billion, according to the study.

The report forecasts that solar will dominate the renewable energy mix, READ MORE ON B3



Macroeconomic indicators show early signs of stability

StanChart says

STAR BUSINESS REPORT

Bangladesh's macroeconomic landscape is showing early signs of stability after months of volatility, as inflation appears to have peaked, foreign exchange reserves are steadying, the taka has firmed up, and export performance is improving, according to Standard Chartered Bangladesh.

The bank made the observations at its "Global Research Briefing" in Dhaka yesterday, where private sector leaders, policymakers and clients convened to assess the country's economic trajectory, according to a press release.

The bank's research estimates GDP growth at 5 percent for fiscal year 2025-26.

While acknowledging ongoing global uncertainties, the lender painted a cautiously optimistic picture, attributing the outlook to policy reforms, improving fundamentals and opportunities for sustainable growth.

"Although short-term indicators point to a potential turning point, our confidence is rooted in the strength of long-term fundamentals," said Naser Ezaz Bijoy, CEO of Standard Chartered Bangladesh.

"Stabilisation presents an opportunity, but it will require coordinated policy action, external support and structural reforms," he said.

Saurav Anand, an economist at the bank, echoed this, saying recent reforms have "significantly improved macro-fundamentals", citing cooling inflation, a stable exchange rate and improving reserves.

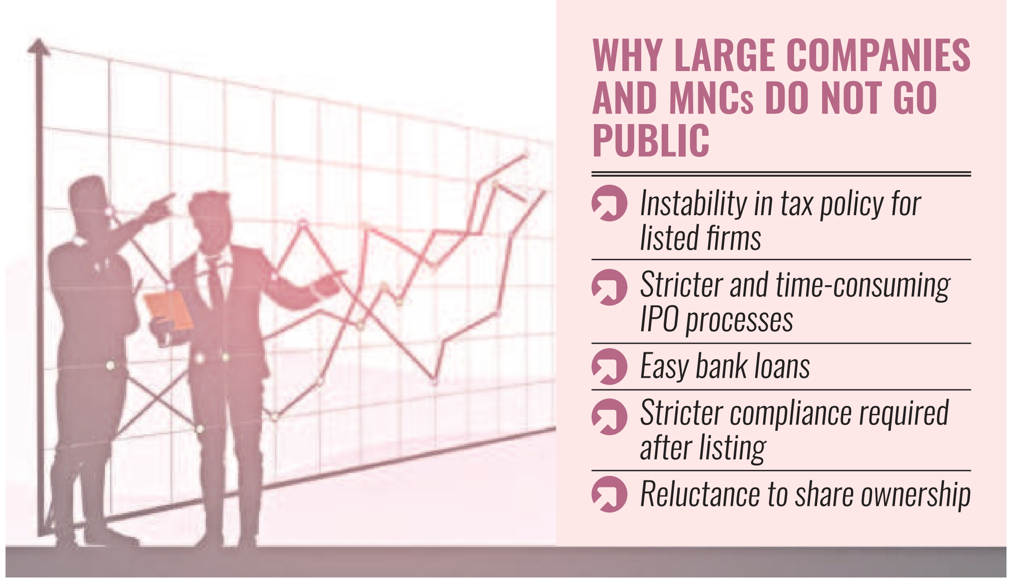
The research also flagged structural challenges, including slowing private sector credit growth, elevated non-performing assets and sluggish revenue mobilisation.

It stressed the importance of fiscal consolidation and subsidy reforms to unlock long-term potential.

"Sound risk management is crucial amid global volatility," said Lutfey Siddiqi, chief adviser's envoy for international affairs, reaffirming the government's commitment to reforms that enhance investment and business conditions.

Participants of the event also discussed forex market trends, fiscal sustainability, trade competitiveness and investor sentiment amidst the country's political transition.

Taskforce to push large firms toward stock listing



WHY LARGE COMPANIES AND MNCs DO NOT GO PUBLIC

- Instability in tax policy for listed firms
- Stricter and time-consuming IPO processes
- Easy bank loans
- Stricter compliance required after listing
- Reluctance to share ownership

STAR BUSINESS REPORT

A joint taskforce is going to be formed to introduce legal changes that would make it mandatory for large companies to go public if their loans or turnover cross a certain threshold, said the stock market regulator yesterday.

"We are forming a committee comprising representatives from Bangladesh Bank, BSEC, and the Financial Institutions Division (FID)," said Khondoker Rashed Maqsood, chairman of the Bangladesh Securities and Exchange Commission (BSEC).

The taskforce will also work on developing a vibrant bond market, he said, adding that the BSEC has already held discussions with several large local companies and multinational corporations (MNCs) regarding potential stock market listings.

Maqsood was addressing a discussion on "The Current State of Bangladesh's Capital Market" as a special guest, organised by the DSE Brokers Association of Bangladesh (DBA) at the Dhaka Stock Exchange (DSE) in Nikunja.

DBA President Saiful Islam urged the authorities to include private sector representatives in the taskforce to ensure broader stakeholder participation and meaningful input.

Abu Ahmed, chairman of the Investment Corporation of Bangladesh (ICB), stressed the importance of listing large and multinational companies even if they do not require funding.

"They are making money in Bangladesh, so they have a responsibility to share ownership with the people," he said.

He argued that simply increasing the gap in taxes paid by listed and non-listed companies to 7.5 percentage points would not be effective.

He proposed offering greater tax benefits and, if necessary, pressuring large companies to get listed.

Regarding listing state-run companies, Ahmed said the ICB has been trying to engage with them but has received no response.

"The government should sit with them and issue strong instructions. If they still refuse, secretaries of the related ministries should be transferred," he said.

"Without a good number of quality listed companies, the capital market cannot improve," he added.

GOVERNMENT FOCUS ON MARKET REFORM

Anisuzzaman Chowdhury, special assistant to the chief adviser of the interim government, said the chief adviser recently had a talk with him regarding the capital market prior to a meeting.

This is an indication that the government is prioritising market development, unlike in the past, he claimed.

He noted that systemic reforms take time, but once completed, they are expected to attract more foreign investment. READ MORE ON B3

'Policy gaps weigh on auto industry'

STAR BUSINESS REPORT

Despite its potential to accelerate economic growth, Bangladesh's automobile sector remains constrained by the absence of a conducive national policy, keeping logistics costs among the highest in the world.

"As Bangladesh aspires to become an upper-middle-income country and is set to graduate from Least Developed Country (LDC), a robust automobile industry policy is no longer optional. It is urgent," said M Masrur Reaz, chairman and CEO of Policy Exchange Bangladesh (PEB), a private sector economic and investment advisory platform, at a discussion on conducive automobile policies for green growth and a competitive economy.

The discussion was organised by the Economic Reporters' Forum (ERF) and PEB at the ERF auditorium in Dhaka yesterday.

He said Bangladesh stands to lose a lot of preferential market access after LDC graduation, making efficient logistics and competitive transport systems indispensable for its export sustainability.

Yet, logistics costs remain among the highest globally. In some key sectors, costs are up to 48 percent of sales.

"A vibrant automobile sector, backed by smart, inclusive policy, is essential not just for safer roads but for a greener, more resilient Bangladesh."

Commerce Adviser SK Bashir Uddin said Bangladesh must rethink its industrial policy.

Referring to the automobile sector, he said, "Placing foreign kits on local frames is not real manufacturing." READ MORE ON B3

Political clarity boosting economic confidence

Salehuddin says

STAR BUSINESS REPORT

Bangladesh's economic confidence has improved following the announcement of a firm election timeline, ending political uncertainty that had been weighing on investor sentiment, according to Finance Adviser Salehuddin Ahmed.

"A clear timeline for elections has removed the uncertainty in politics," Ahmed told reporters after a meeting of the Cabinet Committee on Government Purchase yesterday. "Politics is important for any economy. But nothing has happened in recent months that would disrupt our economic momentum," he said.

Ahmed said global stakeholders, including the World Bank, had raised questions in recent months about whether elections would be held on time. "Even in the World Bank meetings, I was asked when elections would take place," he said.

But with the timeline now set, he said, "There's a general sense of satisfaction."

The finance adviser also pointed to recent approvals of budget support from major development partners, including the International Monetary Fund (IMF) and the World Bank, as evidence that confidence is returning.

"They are broadly satisfied with the reforms we are undertaking," he said.

However, he acknowledged that concerns remain regarding overall governance, the rule of law and investor confidence -- areas the government is working to improve.

Ahmed said the government was taking steps to restore trust among businesses and would soon hold a press briefing to clarify the real state of the economy.

"There are often reports based on incomplete or inaccurate information. We will address that."

The purchase committee yesterday approved procurement deals worth Tk 11,649 crore, including contracts for liquefied natural gas (LNG), petroleum, fertiliser and wheat.

Among the contracts, Vitol Asia won a deal to supply one cargo of liquefied natural gas at $13.52 per MMBtu for the July 28-29 delivery. The purchase proposal was placed by Rupantarita Prakritik Gas Company.

Separately, Dubai-based Cereal Crops Trading will supply 50,000 tonnes of wheat at $275 per tonne to the Directorate General of Food.

Ahmed said Bangladesh had avoided cost spikes in global markets despite tensions in the Middle East and fears of supply disruption in the Strait of Hormuz.

"We acted in time. As a result, in many cases, we saved money," he said, citing energy imports that came in $5-$10 cheaper per unit and led to savings of as much as Tk 80 crore.

A favourable wheat deal also saved the government an additional Tk 20 crore, he said.