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Star BUSINESS

HSIA TERMINAL 3

Caab's network rollout model frustrates mobile operators

MAHMUDUL HASAN

At airports and other critical infrastructure sites, mobile operators typically install network equipment with support from authorities who usually provide space free or at nominal rent, ensuring passengers enjoy reliable internet and telecommunication access.

But the Civil Aviation Authority of Bangladesh (Caab) has taken a different approach for Terminal 3 of Hazrat Shahjalal International Airport in Dhaka.

Caab has invited technical proposals that include profit-sharing for innovative digital services and rental fees for multiple spaces within the terminal, a model that has frustrated mobile operators. They fear it could delay the rollout of mobile networks, just as the terminal is due to become fully operational later this year.

On June 20, Caab called for bids from mobile operators to install network infrastructure inside Terminal 3. Under the proposed terms, seen by The Daily Star, the operator offering the highest financial bid will win the contract and will also be responsible for ensuring access to network services for all other operators.

The winning bidder will be required to pay a security deposit of Tk 3 crore and rent for four different terminal spaces. Additionally, they must share a percentage of profits earned from digital innovation services using the infrastructure with Caab. Revenue collected from other operators will also be shared with the authority.

Mobile operators have labelled this model unreasonable and contrary to passenger interests.

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Six banks shine, five hit record losses

AHSAN HABIB

How did the first half of this year treat the banking sector? The answer depends on whom the listed banks lent to over the past 15 years.

In the January-June period of 2025, six listed commercial lenders posted record profits, buoyed by low levels of bad loans and sizeable, secure returns from treasury bonds.

But in the same period, five others incurred a combined loss of Tk 6,000 crore after their exposure to toxic assets came to light after the 2024 political changeover, forcing them to set aside far more in provisions.

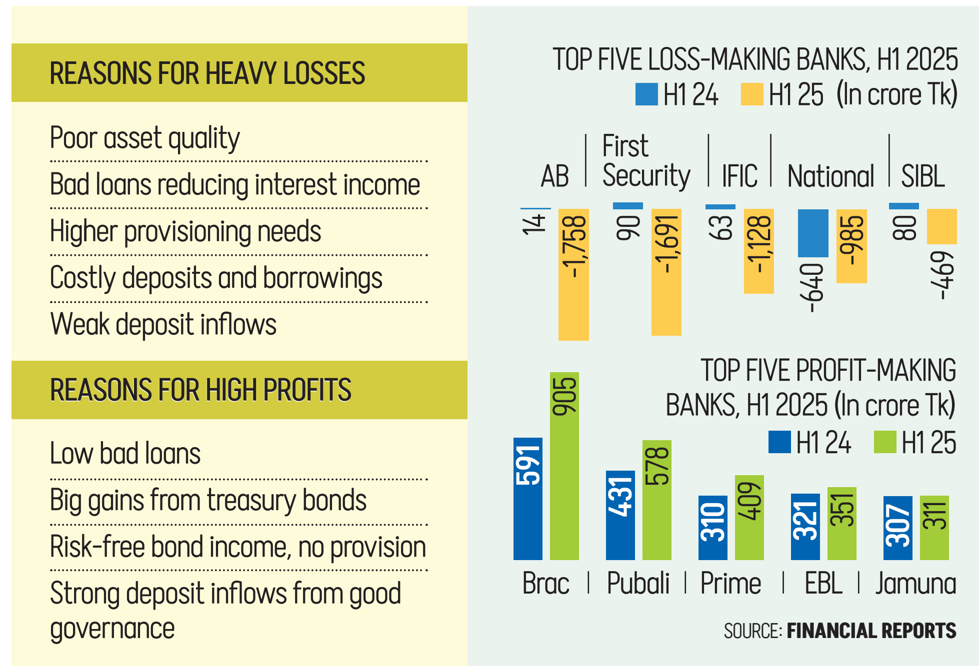
Financial reports show BRAC Bank, Pubali Bank, Prime Bank, Eastern Bank, Jamuna Bank and Bank Asia all achieved record profits in the first half of the year, with their combined earnings increasing by 80 percent.

By contrast, AB Bank, First Security Islami Bank, IFIC Bank, National Bank and Social Islami Bank recorded the sector's biggest losses, together totalling Tk 6,000 crore.

"Non-performing loans (NPLs) were the decisive factor," said Md Main Uddin, professor of banking and insurance at Dhaka University.

"If a bank has high bad loans, it cannot earn interest income from those. Moreover, it has to keep provisions on that bad loan from their profit," he said. "So, it hits profit directly."

Prof Uddin said banks with low NPLs could invest more in treasury bonds, which recently offered historically high interest rates. These returns were both risk-free and fully secured, requiring no provisions, which helped their profits soar.



Among listed lenders, BRAC Bank posted the highest profit of Tk 708 crore, followed by Pubali Bank with Tk 578 crore and Prime Bank with Tk 415 crore. Jamuna Bank and Eastern Bank also each reported profit above Tk 300 crore.

Other lenders enjoying strong growth in the first half of 2025 included City Bank, Bank Asia, Dhaka Bank, Mercantile Bank, Shahjalal Islami Bank and Southeast Bank.

At the other end of the scale, AB Bank posted the largest loss of Tk 1,758 crore in the first six months. First Security Islami Bank lost Tk 1,691 crore, IFIC Bank Tk 1,128 crore, and National Bank Tk 985 crore.

In its financial report, AB Bank said its profits dropped mainly due to a fall in net interest income, which dropped by Tk 1,473 crore compared with the same period last year.

The bank said interest income fell as non-performing loans rose, and spreads narrowed amid high interest

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CCCI biennial polls on Nov 1

STAFF CORRESPONDENT, Ctg

The long-awaited biennial election for the board of directors of the Chittagong Chamber of Commerce and Industry (CCCI) for 2025-26 and 2026-27 will be held on November 1.

The CCCI Election Board, formed by the commerce ministry's Trade Organisation Wing, announced the schedule yesterday, over 11 months after an administrator took charge of the century-old trade body.

The CCCI issued a circular signed by the election board chief, Monowara Begum, also director of Local Government Division in Chattogram, in this regard.

The voting will be held at World Trade Center Chittagong.

According to the schedule, group and town association members will hold a meeting on August 30 to finalise their representatives.

The preliminary voter list will be published on September 7, followed by the final list on September 14.

Nomination forms will be available from September 14 to 20, with the submission deadline set for September 21. The preliminary list of candidates will be released on September 25 and the final list on October 5.

The last CCCI election, where votes were actually cast, was held in 2013. Since then, the trade body got leaders with no votes being cast for five consecutive terms.

Following the regime change last year, all 24 members of the CCCI executive board, including its president, resigned on September 2 following protests from business communities demanding a fresh voter list.

Stock market reform going right, bit slow

AHSAN HABIB

When the interim government took power in August 2024, one of its earliest pledges was to fix a stock market long plagued by manipulation, inefficiency and lax oversight. A year on, the Bangladesh Securities and Exchange Commission (BSEC) has embarked on what is arguably the most ambitious clean-up in its 30-year history. The results are mixed: enforcement has been unusually forceful, but many structural reforms remain on paper.

One clear change is the end of the once-routine practice of the BSEC nudging brokers to buy shares to prop up the benchmark index. Such interventions, which undermined market independence and violated rules, have ceased in the past year.

"For once, they're not chasing the index, they're chasing reform," said Saiful Islam, president of the DSE Brokers Association.

Former BSEC chairman Faruq Ahmad Siddiqi detected "a qualitative shift in mindset" and "no bad intentions as we have seen previously".

HEAVY FINES FOR MANIPULATORS

Over the past year, the new commission, reconstituted under Chairman Khondoker Rashed Maqsood following the fall of the Awami League government last August, has revived long-pending cases and acted with unprecedented vigour. It imposed record fines exceeding Tk 1,100 crore for stock manipulation, the highest since the commission's founding in 1993.

In a major policy shift, fines now cover up to 90 percent of illicit gains, compared with around 20 percent before.

Among the most high-profile cases was a Tk 428 crore penalty against five firms and four individuals accused of manipulating shares in Beximco Ltd, owned by Salman F Rahman, former private industry and investment adviser to the prime minister.

In October 2024, the commission fined five firms and four individuals, including Mosfequr Rahman, Momtazur Rahman, and their associates, over widespread manipulation in Beximco stock trading between July 28, 2021, and September 6, 2021, as well as January 2, 2022, and March 10, 2022.

In a separate development, Salman F Rahman, his son Ahmed Shayan Fazlur Rahman, and the previous BSEC chairman Prof Shibli Rubayat-Ul-Islam were recently declared unwanted for life in the stock market for misleading investors with a deceptively named bond.

The commission said they misled investors by branding a bond "IFIC Aamar Bond" to suggest it was issued by IFIC Bank when the issuer was Sreepur Township Ltd. The Daily Star exposed the irregularities in a report titled "Aamar Bond not IFIC's", published on November 23, 2023.

In May, the BSEC informed the finance ministry of alleged manipulation by Abul Khayer and associates. In June, the Anti-Corruption Commission filed fraud and embezzlement charges against Khayer, his wife, and 13 others, including cricketer Shakib Al Hasan. They were fined over Tk 190 crore.

Siddiqi welcomed the crackdown but said the regulator initially "rushed to take punitive measures", spooking markets, before adopting a more measured approach focused on returning funds without panic.

He also argued that the main culprits often remained untouched. "The real manipulators operate under others' names," he said, making collection of fines difficult.

"It was possible to find who the main culprits were, but the BSEC did not find them," he said.

The commission has also frozen approximately 600 beneficiary owner (BO) accounts since the change in government last August.

As part of finding what actually happened during the previous government's regime, the BSEC mulled investigations last September. The probe committee submitted all of their reports regarding 13 issues by April of this year. Enforcement is yet to see completion.

Yawer Sayeed, a member of the enquiry committee, said, "As these were huge tasks and detailed reports, it took around six months to complete all the reports."

HIGHLIGHTS

- BSEC ends artificial market index support
- Record fines imposed for share manipulation
- Lifetime bans for misleading bond issuance
- IPO approvals to move to online system
- Costs and taxes for brokers reduced
- Suspicious trading accounts frozen

"We have also provided some policy recommendations that are research-based so that such activities can be prevented in the future."

Meanwhile, Abul Kalam, spokesperson of the regulator, said, "As the BSEC needs to first assess the reports and hold hearings, it takes time to take enforcement decisions."

One-third of the cases are at the final stage and are waiting for enforcement decisions in a commission meeting, he said.

BROAD STRUCTURAL REFORMS

Much of the policy work stemmed from the five-member task force appointed after the new government took office. Its blueprint, submitted in June, covers IPO rules, margin trading, mutual fund oversight and digitisation. A committee member said the process took time to ensure stakeholder input.

"We consulted widely so that all parties feel their views are reflected," said Al-Amin, a member of the task force committee and a professor at Dhaka University.

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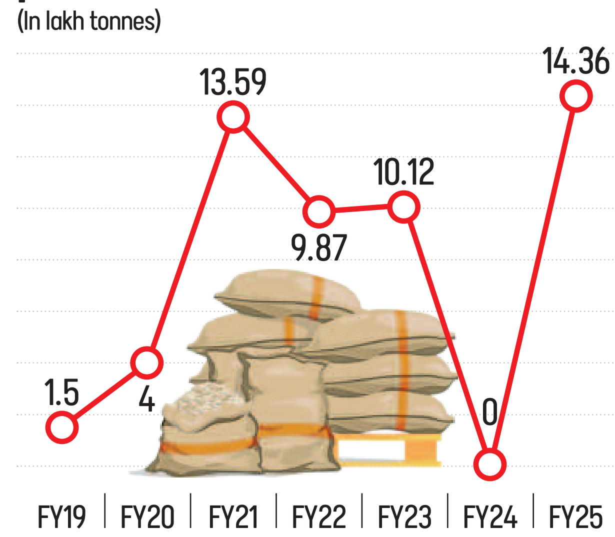
Rice import by public and private sector
(In lakh tonnes)



SOURCE: FOOD MINISTRY AND BANGLADESH ECONOMIC REVIEW 2024

Rice imports hit 7-year high amid production shortfall

Apparently for floods, data inconsistencies

SUKANTA HALDER

Bangladesh's rice imports surged to a seven-year high in the last fiscal year (FY25) of 2024-25, driven by a shortfall in domestic production, according to official data.

Public and private importers brought in 14.36 lakh tonnes of rice last fiscal year, the highest since FY18, when Bangladesh imported 31.6 lakh tonnes of the staple, according to official data.

Experts, however, said Bangladesh was not supposed to import any rice had the production data been correct. The nation was supposed to have a surplus.

"Sudden floods in the southeast region damaged a substantial amount of Aman season paddy, necessitating a significant amount of imports," said Food Adviser Ali Imam Majumder.

In August and September last year, floods damaged around 10 lakh tonnes of Aman just prior to flowering in Chattogram, Sylhet, and Mymensingh divisions, according to the Department of Agricultural Extension's previous estimate.

Full year data of rice production in FY25 is yet to be available.

The Bangladesh Bureau of Statistics (BBS) has so far published estimates of the production of Aus and Aman for FY25, citing that it fell 1.5 percent year-on-year to 1.93 crore tonnes.

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