

Ctg customs seizes cigarette paper imported under false declaration

MOHAMMAD SUMAN

Chittagong's custom house has discovered that a racket has been importing cigarette paper under false declarations of paper ribbon and straw paper through non-existent and little-known firms.

Recently, Chittagong customs seized two consignments of RM Enterprise and Smart Move after laboratory tests by the Bangladesh University of Engineering and Technology, the University of Dhaka, and the Khulna University of Engineering and Technology confirmed that the shipments contained cigarette paper. The Daily Star obtained the reports.

In mid-July, Dhaka-based RM Enterprise imported a 16-tonne consignment from Hong Kong under the declaration of straw paper through Chittagong port. Later that month, Smart Move declared its consignment as paper ribbon, but tests revealed it contained about 10 tonnes of

cigarette paper.

Customs officials said the importers are lobbying senior NBR officials to have the consignments released under the declared product names despite laboratory confirmation.

If cleared without reclassification, RM Enterprise's consignment would result in a revenue loss of around Tk 1 crore in import duties and Tk 85 crore in VAT from cigarettes made using the raw materials. Smart Move's shipment would cost the government about Tk 70 lakh in duties and Tk 50 crore in VAT.

Customs and NBR records show RM Enterprise previously brought in eight consignments worth Tk 27.09 crore involving 489 tonnes of cigarette raw materials, including cigarette paper. Officials suspect these shipments also contained cigarette-making materials, often imported through non-existent firms.

A VAT official, seeking anonymity, said the raw materials could generate at

least Tk 4,000 crore in VAT revenue. The official added that collecting these taxes is uncertain as the company's address was found to be non-existent during inspections.

Records from Islami Bank Bangladesh's Wari branch in Dhaka show RM Enterprise transacted Tk 82 crore between February and June this year. The Daily Star could not find previous import or banking records of Smart Move. Both RM Enterprise and Smart Move obtained VAT registration between January and February this year.

A senior official of Japan Tobacco, requesting anonymity, said each kilogramme of cigarette paper can produce nearly 10,000 cigarettes, with wastage below 2 percent.

"Besides paying import duties, cigarette manufacturers must pay 83 percent VAT on the retail price. For a premium pack of 20 sticks, that's at least Tk 307 in VAT," he said.

He added that large cigarette companies often commit such frauds using smaller firms, as clearing goods under false declarations makes it easier to evade VAT at the sales stage.

RM Enterprise owner Khorshed Alam could not be contacted by phone. His cousin Mohammad Joy, who said he currently manages the business, claimed the company imported straw paper.

"The earlier consignments contained straw paper and acetate tow, which is used to make cigarette filters as well as 42 other products. We did not sell to any cigarette manufacturer," he said.

Smart Move owner Kamrul Islam admitted that although the shipment was imported in his company's name, the actual owner was a man named Rubel.

"I allowed him to use our company for the LC based on a Chinese supplier's advice. He paid all LC and customs clearance costs. I met him only once in his Mirpur office," Kamrul said.

Japanese firms set up vocational schools in Asia

ANN/THE JAPAN NEWS

Japanese businesses are increasingly moving to set up Japanese-style vocational schools in Asia in an effort to secure ready workers for their local factories.

In recent years, Chinese and South Korean companies have pushed more quickly into Southeast Asia. Amid growing competition with these firms for staff, Japanese companies are rushing to try to retain workers.

"I love the sounds of Japanese car engines. I'd like to work for a Japanese automaker and help out on development," said a 16-year-old student learning car maintenance at Politeknik Mitra Industri, a vocational school in an industrial park in the suburbs of Jakarta.

The industrial park, which is run by Marubeni Corp. and other businesses, houses a total of 385 firms, including many Japanese companies, such as Honda Motor Co. and Denso Corp.

About 3,400 students attend the school, which was founded in 2012. The school offers eight courses, including on machinery, the electronics industry and

accounting. Of those who graduated between 2015 and 2024, more than 70 percent got jobs at Japanese companies.

"We want to make a place where students can acquire advanced knowledge and technical skills, so that local youth can become the management for manufacturers," said Yoshihiro Kobi, an executive at the foundation that manages the school and a former Marubeni employee. The foundation plans to open a technical university in September and offer enrollment to working adults.

In emerging countries, companies often need to teach new employees basic rules, such as that they must come to work by the start of working hours. Those who have received instruction are valuable resources for businesses, reducing the burdens of employee training.

In 2018, Toyota Tsusho Corp. opened an educational institution at an industrial park in India's western state of Gujarat. Students learn manufacturing skills and business etiquette, among other subject matter, over three years. Of 61 graduates, 45 have taken jobs at the companies where they had hands-on training, some of which

were Japanese firms.

In Thailand, a technical college, which was established in 2019 with the help of a yen-based loan from the Japanese government, has provided staff to Japanese companies doing business there.

In recent years, Chinese and South Korean businesses have increasingly moved to open plants in Southeast Asia. Some of these rival firms have poached staff from Japanese firms by offering attractive wages.

In a job preference survey by Persol Research and Consulting Co. in 2022, the share of those saying they wanted to work for a Japanese company fell in many Southeast Asian countries compared to a 2019 survey. The trend could be even more pronounced now.

"Japanese firms are slow to raise wages and give promotions, which raises the odds that highly motivated workers will leave," said Ryoitaro Inoue, a senior researcher at Persol. "To keep staff at Japanese firms, they will need to engage in education locally over the long term to help people feel attached to Japan. They should also make it clear that Japanese companies offer stable work style."

He acknowledged that, in the long run, stock market investment should not rely on borrowing.

Mazeda Khatun, president of the Bangladesh Merchant Bankers Association (BMDA), said margin loans are not suitable for all investors, which is reflected in the proposed rules.

She welcomed the checks and balances in the draft, noting that investors should not assume they can buy shares with borrowed money and hold them for years in expectation of profit.

"Lenders should also have clear recovery plans in their own policies."

Khatun said lenders must assess a borrower's risk appetite and behaviour to prevent these loans from turning into further negative equity.

"When banks give a loan, they go through a massive selection process and loan recovery activities. It is also necessary for margin loans," said the association president.

No margin loan

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Companies with a trailing price-to-earnings (P/E) ratio above 30 would also be excluded. In such cases, the lower figure between trailing P/E and sectoral P/E would determine eligibility.

Market stakeholders, however, argue that sectoral P/E often fails to reflect underlying realities.

Firms would be barred from lending against unrealised gains. They would be required to call investors to add funds once the portfolio value falls to 175 percent of the loan value, and must enforce a forced sell if it drops below 150 percent. If a provider fails to act on time, it would be fully liable for the resulting negative equity.

According to the draft, each firm will also have to adopt its own conservative margin loan policy, set up a two-member risk management committee including one board member, and seek approval before offering shariah-based lending

products.

Some analysts questioned whether involving board members in day-to-day business is appropriate.

Afzal Hossain, a stock investor, said the new rule would sharply reduce the advantages of margin loans. Some investors might need to adjust their portfolios quickly once it comes into effect.

"Lower margin loan advantage has both positive and negative sides. The stock market index can sometimes fall sharply in a downward trend due to forced selling. This type of problem may not happen, which is a positive," he said.

Yesterday, the Dhaka Stock Exchange, the main bourse, closed at 5,379.41 points, down 31.48 points from the previous day.

"However, the market may suffer from reduced liquidity because of limited margin lending, and small investors will not be able to access these loans," added Hossain.

How Trump's reciprocal tariffs

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But this time, he weaponised tariffs as the tool for MAGA. Usually, tariff issues are widely consulted in the WTO platform, but President Trump imposed the tariff arbitrarily under special powers.

First, he suspended the operations of USAID, which indicates that Trump does not believe in aid but in trade.

In his tariff negotiation, Trump sidelined poor countries and targeted developed and developing nations with higher tariffs.

The Trump administration is trying to reduce the \$1.3 trillion annual trade deficit by imposing higher tariffs on major trading partners.

The rise of China is a major concern for the USA and for Trump's dream of MAGA.

China is becoming a major global power, both economically and politically, and is spreading its Belt and Road Initiative (BRI), under which China has been doing business and investing in different countries.

With China's increasing involvement in global affairs -- be it in finance, investment, strategy, or commerce -- the dream of MAGA is narrowing.

President Trump also wants the re-establishment of industrial and manufacturing plants in the USA, particularly in sectors such as semiconductors and microchips, which are higher in price but require fewer workers and less working time.

The profit is higher in the production of these small but expensive goods. So, President Trump proposed a 145 percent tariff hike on China, which is still under negotiation.

Has Trump followed the WTO Rules?

Most of the tariff rates were fixed by the Trump administration, as major trading partners did not sign the deal. For instance, India and Brazil did not sign.

Most countries wanted to negotiate the deals under the WTO's multilateral and widely practised Most Favoured Nation (MFN) basis to make tariff rates more participatory.

But the Trump administration negotiated tariffs unilaterally and forced many countries either to purchase more American goods or to commit more foreign investment in the USA.

For instance, Trump imposed a 15 percent tariff on Korea as the country

agreed to provide duty facilities for US goods and committed to investing in the USA.

South Korea agreed to invest \$350 billion in the United States in projects selected by Trump and to purchase energy products worth \$100 billion, according to Reuters.

The new rate kicks in as the two countries remain at loggerheads over Japan's \$550 billion investment pledge made as part of the trade deal, when and if auto tariffs will be lowered, and even the terms and conditions of the reciprocal tariff, according to The Japan Times.

Similarly, many countries that agreed to the reciprocal tariff also pledged to buy more US goods and to provide duty facilities for American goods.

These tariff rates may not be sustainable, as some countries will face serious trouble in their businesses. Even US retailers and brands may face difficulties, as they are not manufacturers of garments, accessories, and mobile gadgets.

They need to import these goods from other countries to sell to end consumers. If duties are high, prices will also go up in the US market, and consumers will have to pay more.

Stocks extend losses

STAR BUSINESS REPORT

The benchmark index of the Dhaka Stock Exchange finished trading lower yesterday, extending its losses for the second consecutive day as turnover also decreased.

The DSEX, the main index of the bourse, decreased 31.48 points, or 0.58 percent, to settle at 5,379.41.

The other indices showed the same trend before the end of the day's trading.

The Shariah-compliant DSES declined 1 percent to 1,177.67, while the DS30, comprising blue-chip shares, went down 0.88 percent to close at 2,086.22.

The drop in indices resulted in negative market breadth, with 124 stocks advancing, 223 declining, and 51 remaining unchanged.

Turnover, a key gauge of investor participation, hit Tk 953.79 crore, down from Tk 1,037.53 crore in the previous session.

A total of 273,488 trades were executed, while block transactions amounted to Tk 23.20 crore across 29 scrips. Among A-category scrips, 72 gained, 123 lost, and 24 remained unchanged.

In the B-category, 23 stocks rose and 54 fell, while there was no trading activity in the N-category.

Three more banks face

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To ensure a proper audit, Bangladesh Bank has assigned a dedicated official as a focal point for each bank, BB officials said, adding that each audit firm will also have a designated official responsible for the task.

Central bank officials said the issues to be included in the AQR process have been specified.

These include financial policies, asset risk and valuation, internal control policies, loan classification, and rescheduled loans, they added.

In addition, policies related to single borrowers and large loan limits, major defaulting borrowers, and the assessment of accounting policies and internal control systems of banks to reduce other credit risks will be reviewed.

Liquidity and investment policies will also be evaluated in line with existing regulations. The first set of six banks was audited by global audit firms Ernst & Young and KPMG.

Ernst & Young reviewed the asset quality of EXIM Bank, Social Islami

Bank, and ICB Islamic Bank, while KPMG carried out the assessments for First Security Islami Bank, Global Islami Bank, and Union Bank.

These banks are among those frequently named for various irregularities and fraud during the previous government's tenure.

Asset quality review reports of those six banks showed that they are in a dire financial state, with non-performing loans skyrocketing to four times higher than previously reported.

Government of the People's Republic of Bangladesh

Office of the Executive Engineer
Education Engineering Department
Cumilla

Website: eed.moc.gov.bd

Invitation for e-Tender

Tender Notice No. 19/e-GP/EED/CUM/4931(SHED)/2025-2026.

Date: 19.08.2025

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (www.eprocure.gov.bd) is required. The fees for downloading the e-Tender documents of following Package from the National e-GP System Portal have to be deposited online through any registered bank's branches up to the following Date & Time

Tender ID	Lot/Package Location (Name of Institution)	Procurement method	Publication date & time	Tender document last selling/date & time	Tender closing date & time
1138153	Repair and Renovation works of Academic Cum Administrative building at Higher Secondary Teachers Training Institute, Sadar South, Cumilla.	NCT (LTM)	24/08/2025 (22.00)	08/09/2025 (16.00)	09/09/2025 (11.00)
1138154	Repair & Renovation works including light, fan and other accessory items and electrical wiring of Science building and Administrative building at Cumilla Government Women's College, Asarsa Sadar, Cumilla.	NCT (LTM)	24/08/2025 (22.00)	08/09/2025 (16.00)	09/09/2025 (11.00)
1138155	Repair & Renovation works at Chaudhogram Government College, Chaudhogram, Cumilla.	NCT (LTM)	24/08/2025 (22.00)	08/09/2025 (16.00)	09/09/2025 (11.00)
1138156	Construction of Gate & Boundary wall of existing building at Hasanpur Shahid Nazrul Government College, Daudkandi, Cumilla.	NCT (LTM)	24/08/2025 (22.00)	08/09/2025 (16.00)	09/09/2025 (11.00)
1138157	Repair & Renovation works of existing academic building & science building at Hasanpur Shahid Nazrul Government College, Daudkandi, Cumilla.	NCT (LTM)	24/08/2025 (22.00)	08/09/2025 (16.00)	09/09/2025 (11.30)
1138158	Construction of Toilet block for Employees, Construction of Shaheed Minar, Construction of RCC Road and Repair and Renovation of academic buildings at Debidwar Sujat Ali Govt. College, Debidwar, Cumilla.</td				