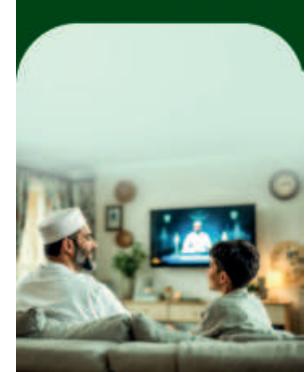


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## Govt belt-tightening saved Tk 5,689cr in FY25

The amount is more than twice the previous year

### COSTS REDUCED IN FY25

- Electricity: Tk 256cr
- Petrol, oil, lubricants: Tk 529cr
- Land acquisition: Tk 1,875cr
- Gas and fuel: Tk 101cr
- Vehicle: Tk 2,368cr
- Residential buildings: Tk 258cr
- Non-residential buildings: Tk 301cr

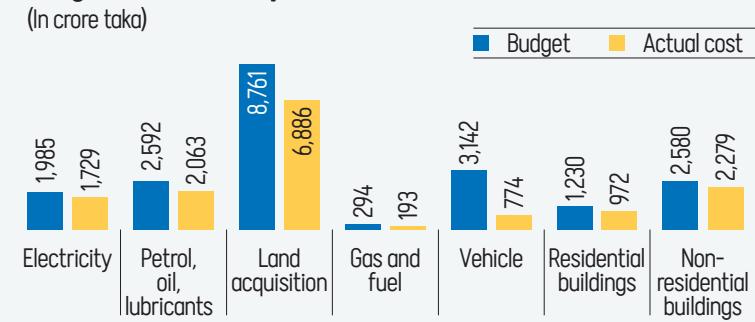
REJAUL KARIM BYRON and AHSAN HABIB

The government cut its expenditure by 25 percent, or Tk 5,689 crore, in the fiscal year (FY) 2024-25 as part of a series of austerity measures.

This is more than twice the Tk 2,500 crore saved a year earlier.

In the last fiscal year, the development and non-development budget allocations for energy, buildings, vehicles and land acquisition totalled Tk 22,756 crore, but actual spending stood at Tk 17,067 crore.

### Budget and actual expenditure in several sectors (In crore taka)



SOURCE: MINISTRY OF FINANCE

To steer through the economic turbulence caused by the Covid-19 pandemic in March 2020, the authorities introduced the first round of belt tightening.

Although the economy began to

saving about Tk 2,500 crore in FY 2023-24.

A finance ministry official said spending was reduced in several ways in FY25, making the actual implementation about Tk 150,000 crore lower than the revised budget.

In the last fiscal year, motor vehicle and water vessel costs were reduced by 75 percent to Tk 774 crore from the actual budget.

The allocation for aircraft was Tk 1,369.6 crore, while spending barely changed at Tk 1,361.33 crore.

Electricity costs dropped 13

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Antibiotics misuse in livestock poses serious risks: adviser  
STAR BUSINESS REPORT

Indiscriminate use of antibiotics in livestock is fuelling antimicrobial resistance in bacteria, an emerging threat that could have serious implications for public health and human resources in the future. Fisheries and Livestock Adviser Farida Akhter has warned.

"We must be more conscious and responsible in our use of antibiotics," she said at the official inauguration of the 2025 workshop of the Bangladesh Livestock Research Institute (BLRI) Regional Centre at the Eque Heritage Hotel and Resort in Saidpur yesterday.

Stressing the importance of protecting local poultry breeds, the adviser said, "Bangladesh is a geographically diverse country. We must safeguard our indigenous genetic resources by considering regional variations, identifying region-specific challenges, and addressing them through targeted interventions."

She noted the fisheries and livestock sectors play a critical role in achieving self-sufficiency.

"To ensure food security, we must also reduce dependency on imported feed ingredients by developing a self-reliant feed industry. Relying on imports may disrupt the stability of our food supply," Akhter said.

Also speaking at the event, Abu Taher Muhammad Jaber, secretary of the fisheries and livestock ministry, echoed the concerns.

"When feed prices go up, the cost of poultry and eggs inevitably rises as well. Therefore, research on cost-effective feed management is essential," he said.

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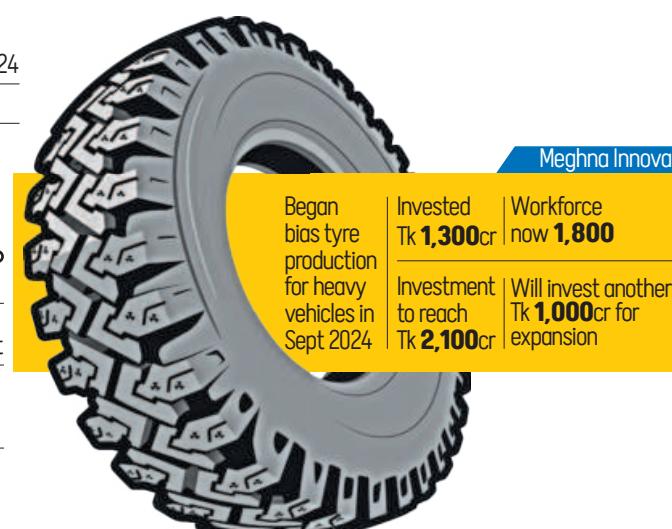
## Meghna enters heavy vehicle tyre production after Gazi falls

**Gazi Tyre**

- Shut in August 2024
- Tk 1,000cr lost
- 2,650 jobs gone

**HEAVY VEHICLE TYRE MARKET**

- Size: Tk 3,000cr
- Till now 90% import-dependent
- Local peers: Apex, Rupsa, Hassan, Panama, Jamuna
- Local tyres cheaper than imported ones



August 2024 following a devastating fire and vandalism at its Rupganj plant after the mass uprising. Owned by ex-Awami League lawmaker Golam Dastagir Gazi, the company captured 15 to 20 percent of the market for bus and truck tyres, and 65 percent in the minibus segment before it went out of commission.

Overall, Gazi Tyres met 70 percent of the country's demand for tyres used by rickshaws, three-wheelers, and small commercial vehicles. The destruction at the Rupganj factory caused an estimated loss of Tk 1,000 crore and left around 2,650 workers unemployed.

Industry insiders estimate the heavy-vehicle tyre market at Tk 3,000 crore, with over 90 percent of demand met by imports.

With its new expansion, Meghna is likely to fill the void left by Gazi.

Operational since September last year, Meghna's Mirzapur plant features advanced technology from Germany, Italy, and China.

It currently produces bias tyres for heavy vehicles, aiming to reduce import dependence and conserve foreign currency.

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### JAGARAN CHAKMA

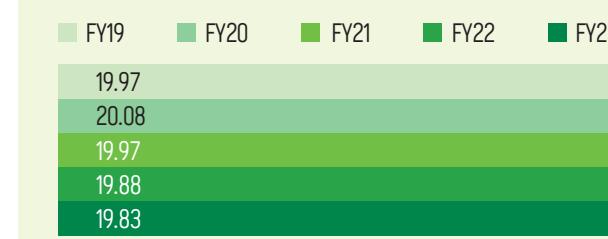
Meghna Innova Rubber Company Ltd, a concern of Meghna Group, is producing truck, bus, and agricultural tyres at its expanded Mirzapur facility in Tangail, which is expected to fill the gap left by the now-closed Gazi Auto Tyres.

"Our goal is to make Bangladesh self-sufficient in heavy-duty tyre manufacturing, just like we achieved with motorcycle tyres," said Md Luthful Bari, chief operating officer of Meghna Innova, in an interview with The Daily Star recently.

"With the right policy support, we can eliminate the need for imports in this sector entirely," he added.

Prior to Meghna, the heavy-duty tyre segment used to be dominated by Gazi Auto Tyres before its closure in

### TREND OF NET CROPPED AREA IN BANGLADESH (In crore acres)



SOURCE: BBS



PHOTO: TITU DAS

## Shrinking cropped area raises food security concerns

SOHEL PARVEZ

Bangladesh's net cropped area, the total land sown with crops during a particular agricultural year, has been declining over the past few years, raising concerns among agricultural officials and experts about food security for the growing population.

The country lost one percent of its net cropped area, falling to 19.83 lakh acres in 2023 from 20.08 lakh acres in 2020, the largest decline in a decade, according to data from the Bangladesh Bureau of Statistics (BBS).

The gross cropped area, the total area of crops grown on the land during a census year, also declined during this period amid a steady reduction in farmland due to the construction of new homes, roads, other infrastructure, and industrial use.

"It is falling and there is no doubt about it," said MA Sattar Mandal, former vice-chancellor of Bangladesh Agricultural University, Mymensingh.

"Rural and urban settlement is increasing in line with population growth. We see the building of facilities even in the middle of the cropland," he added.

Mandal, a former professor of agricultural economics, warned that

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farmland will decline further due to industrialisation. "We will need land for industry and we cannot ignore that, given the economy and job creation."

He, however, argued that the establishment of universities on large areas of land should not be encouraged in a land-scarce country like Bangladesh, citing the allocation of 100 acres for the establishment of Rabindra University.

The economist noted that private university campuses occupy much smaller areas.

In its Bangladesh Environmental Statistics 2024, published in June this year, the BBS reported that the

country lost 2 percent of agricultural land to other purposes during the period.

"Bangladesh's population will exceed 20 crore, and it will be impossible to ensure food for all if we cannot stop the conversion of agricultural land to non-farm uses," Mandal said.

In its Rice Vision for Bangladesh: 2050 and Beyond, prepared earlier by the Bangladesh Rice Research Institute (BRRI), it was stated that the population will reach 21.54 crore in 2050, when 4.46 crore tonnes of clean rice will be required.

The paper said the country would be able to meet rice demand provided that the area under rice remains unchanged.

Farmers produced nearly 4 crore tonnes of rice in the fiscal year 2024-25.

"This is a matter of grave concern. The population is growing while the farmland needed to produce food is shrinking," said Shahidur Rashid Bhuiyan, former vice-chancellor of Sher-e-Bangla Agricultural University.

"We are witnessing rice fields disappearing every day. Why cannot we demarcate certain areas in rural regions for high-rise buildings?" he questioned.

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## Delaying LDC graduation not fully in govt's hands

Says CA's Special Assistant Anisuzzaman Chowdhury

STAR BUSINESS REPORT

Delaying Bangladesh's graduation from the least developed country (LDC) status is not entirely within the government's control, as the country is firmly set to graduate by November 2026, said Anisuzzaman Chowdhury, special assistant to the chief adviser.

"If Bangladesh seeks deferral, it would require approval from the majority of member states of the United Nations, which is unlikely as we've already met all three graduation criteria," said Chowdhury, also emeritus professor at Western Sydney University and former UN-ESCAP director.

Speaking at a seminar hosted by the Economic Reporters' Forum (ERF) yesterday, he compared the graduation process to a plane's take-off, comprising initial readiness, turbulence, and mid-air adjustments.

Despite Covid-19 and subsequent economic shocks, Bangladesh met the criteria in 2018, and received official UN recommendation in 2021 following a three-year review.

GDP growth fell from 7.1 percent in 2022 to 4.2 percent in 2024, inflation hit 10.5 percent, and reserves dropped from \$48 billion to \$26 billion.

Chowdhury blamed capital flight and macro mismanagement for the declines, citing a \$234 billion outflow between 2009-2023 and the resulting \$5.5 billion bailout by the International Monetary Fund (IMF).

He noted signs of recovery under a new economic team. Forex reserves rose to \$31.8 billion, and garment exports to the United States and the European Union increased by 25 percent and 18 percent, respectively.

A Smooth Transition Strategy has been initiated to improve trade facilitation and logistics, he noted.

Stating that Bangladesh's gross national income stands at \$2,899 and that it has stronger macro indicators than Nepal or Laos, Chowdhury

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