

# star BUSINESS



## BB rejects Janata Bank's request to adjust Tk 27cr loss at Italian subsidiary

MD MEHEDI HASAN

The Bangladesh Bank (BB) has turned down Janata Bank's request to adjust four years of losses at its Italian subsidiary, Janata Exchange Company (JEC) SRL, by dissolving the state-run lender's maintained provision.

In a recent letter to Janata Bank's managing director, the central bank said the matter would instead be reviewed based on whether the subsidiary can achieve profitability by June 2026, after which appropriate measures may be considered.

Earlier, the scam-hit bank had sought approval from the regulator to offset total losses of €1,962,902.43 incurred by JEC during 2021-2024, equivalent to around Tk 27.66 crore. The central bank, however, stated that approval cannot be granted to replenish the full amount of losses over this period.

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JEC, which started operations in Rome in 2002 and later opened a branch in Milan, remained profitable until 2008 but has not reported a profit since 2009. In 2024, it recorded a loss of €495,023, following a loss of €509,083 in 2023.

Company data shows that in 2024, the JEC spent €810,029 on salaries, social security, retirement provisions, and administrative costs, while earning €363,682 from commission income, financing activities, gains on non-current assets, and other operations.

Janata Bank previously shut another overseas subsidiary, Janata Exchange Company INC (JECI) in the USA, in November 2021, after authorities discovered financial discrepancies of about \$603,947 (approximately Tk 5.13 crore) in February 2020.

Contacted, Md Mazibur Rahman, managing director of Janata Bank, told The Daily Star that he was unable to respond to any questions at the moment.

Janata Bank is not the only state-run bank to have its subsidiary shut down. In 2022, Sonali Bank (UK) Ltd, an overseas branch of Sonali Bank, also closed its operations.

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## Bangladesh wants study, data-based trade deal with EU

Commerce adviser says



### STAR BUSINESS REPORT

Bangladesh wants to sign an Economic Partnership Agreement (EPA) with the European Union (EU), albeit after conducting a feasibility study and reviewing bilateral trade data, Commerce Adviser Sk Bashir Uddin said yesterday.

The adviser made the statement following a meeting with Michael Miller, ambassador and head of the delegation of the EU in Bangladesh, at the commerce ministry in Dhaka.

Miller said that signing an EPA with the EU could offer significant benefits for Bangladesh, as the EU remains the country's largest trading partner.

He also noted that there is a significant gap in bilateral trade between Bangladesh and the EU, as the former exports more goods than it imports.

Both Bangladesh and the EU have the opportunity to grow together by increasing trade and investment, he said.

Bangladesh has been negotiating with major trading partners to sign preferential trade deals such as EPAs,

Comprehensive Economic Partnership Agreements (CEPAs), and Free Trade Agreements (FTAs).

The deals are aimed at securing zero-duty trade benefits once Bangladesh graduates from the least developed country (LDC) category to a developing one in November next year.

The EU is the largest trading bloc for Bangladesh, where goods worth more than \$25 billion are exported annually – accounting for over 60 percent of the country's total merchandise exports.

Concurrently, Bangladesh has also been negotiating with the EU to secure GSP Plus status to enjoy zero-duty trade benefits after LDC graduation.

This is because the current tenure of the GSP status enjoyed by Bangladesh under the LDC category will come to an end in 2029.

The EU provides duty-free trade benefits for an additional three years after a country graduates, allowing a grace period to ensure a smooth transition.

If Bangladesh, however, wants to avail itself of the GSP Plus status, it will have to sign 32 international

agreements.

Of the remaining 25 percent, EPZs logged 22 percent of the investment, and the rest went to the EZs, BB data show.

With the fourth-quarter figure, Bangladesh recorded \$1.68 billion in foreign investment in FY25, the highest in three years.

The South Asian nation, seeking to lure foreign investment to bolster its economic development, received \$1.46 billion in foreign investment in FY24.

M Masrur Reaz, chairman and CEO of Policy Exchange of Bangladesh, said that while the 11 percent year-on-year increase in FDI appears encouraging, a closer look at the composition tells a more cautious story.

"Nearly 72 percent of this FDI comprises

## 30% of govt vehicles to go electric by 2030

Draft national EV policy sets the ambitious target

### KEY PROPOSALS

#### Targets & governance

30% EV adoption by 2030 in govt, semi-govt, autonomous, and corporate fleets

Formation of EV Industry Development Council to guide implementation

#### INCENTIVES, FINANCING

Up to 60% bank financing with up to 8-year repayment

50% registration fee cut and AIT waiver until 2030

5% import duty on fully built EVs

Incentives to scrap fuel-run vehicles and replace them with EVs

#### INDUSTRY SUPPORT

Bonded warehouse facilities for local EV makers to boost exports

Countrywide charging network, with focus on solar-powered units



### JAGARAN CHAKMA

With a dozen incentives for manufacturers, importers and users, the government plans to mandate that at least 30 percent of all vehicles procured by government, semi-government, autonomous and corporations be electric by 2030.

The draft National Electric Vehicle (EV) Policy 2025, led by the Ministry of Industries, sets out a roadmap to cut transport-sector emissions, reduce dependence on fossil fuels and promote cleaner mobility.

A discussion on the draft took place yesterday at the Ministry of Industries, where officials from other ministries, industry leaders and experts shared feedback.

However, meeting sources said no concrete decision was made regarding several concerns raised there.

To encourage wider adoption, the government has proposed a series of financial incentives.

These include up to 60 percent bank financing for new EV purchases, with repayment periods of up to eight years.

Customs duty on fully built EVs could be reduced to 5 percent, while bonded warehouse facilities would be extended to local manufacturers to support exports.

Other incentives include a 50 percent cut in registration fees and full exemption from advance income tax (AIT) on EV registration, tax tokens and fitness certificates until 2030.

To phase out conventional fuel vehicles, the draft also proposes benefits on scrapping fossil fuel cars.

The policy also proposes developing a nationwide EV charging network under the Electric Vehicle Charging Guideline 2022.

Charging stations will be set up in both urban and rural areas, with an emphasis on solar-powered facilities.

To oversee implementation, the policy suggests creating an Electric Vehicle Industry Development Council, chaired by the industries adviser and comprising 32 members.

Other recommendations include setting operational lifetime limits for conventional vehicles, formalising unregistered electric three-wheelers such as "battery

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## BTRC prepares for next spectrum auction by Jan

Operators push for full 700 MHz sale at lower rates to increase 4G-5G coverage

### MAHMUDUL HASAN

With the last auction held nearly three years ago, the telecom regulator is now preparing to sell spectrum in the 700 MHz band, a key resource for strengthening 4G and expanding 5G coverage nationwide.

In the upcoming auction, only about half the available capacity may be put on sale because of an ongoing legal dispute now pending with the Supreme Court.

Mobile operators, however, are demanding that the entire band be auctioned together, saying smaller allocations raise costs, reduce efficiency and weaken service quality.

The Bangladesh Telecommunication Regulatory Commission (BTRC) has said that if the dispute is resolved before the auction,

the full spectrum will be offered. Otherwise, only half will go under the hammer.

The regulator has already sought approval from the posts and

telecommunications ministry to proceed. In a recent letter, the BTRC informed the ministry that preparations are complete.

BTRC Chairman Maj Gen (retd) Md Emdadul Bari said that if approval arrives by early November, the auction could take place by January.

"We have already sent a letter to the ministry to hold an auction with the available 25 MHz. The rest can

be added if it becomes available before the auction takes place," he told The Daily Star.

Spectrum refers to the range of radio frequencies that carry mobile voice and data signals. Lower frequencies travel farther and penetrate buildings better, while higher ones carry more data but over shorter distances.

In Bangladesh, 45 MHz within the 703 to 803 MHz range is reserved for mobile use. The rest of the band is allocated to broadcasting services and state agencies.

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