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No shortage in int'l bandwidth supply

Submarine Cables says

STAR BUSINESS REPORT

The Bangladesh Submarine Cables PLC (BSCPLC), a state-owned and publicly listed enterprise under the Posts and Telecommunications Division, has clarified that there is no shortage of international bandwidth supply in the country.

In a statement issued by the posts and telecom ministry yesterday, the company said it currently operates two "trusted submarine cable systems" — SEA-ME-WE-4 and SEA-ME-WE-5 — with a combined capacity of about 7,200 Gbps.

Of this, 4,200 Gbps is already in use domestically, while an additional 3,000 Gbps remains available for allocation.

The statement added that this capacity can be further expanded based on demand through technological upgrades.

To meet future demand, BSCPLC is implementing the third "trusted cable" project, SEA-ME-WE-6, which is expected to be operational by the end of 2026.

Once launched, the company will provide around 30,000 Gbps (30 Tbps) of bandwidth capacity through connections from Cox's Bazar to Singapore, Mumbai, and France.

"BSCPLC is fully prepared to meet both current and future international bandwidth demands. There is no shortage at present or in the foreseeable future," the statement said.

It also warned against attempts by "vested quarters" to introduce "untrusted submarine cable systems," which, it said, could undermine the

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Closure of Pacific Jeans factories may hurt overall denim exports

REFAYET ULLAH MIRDHA and DWAIPAYAN BARUA

The export of denim products from Bangladesh is expected to face significant disruption as the country's largest denim manufacturer, Pacific Jeans Group, has indefinitely shut down all eight of its factories in the Chattogram Export Processing Zone (CEPZ) following days of violent worker protests.

The closures, effective from October 16, were triggered by unrest that began on October 14, when a group of workers allegedly stopped work, disrupted electrical systems, and coerced colleagues into joining the protests, according to a statement issued by the company and signed by Managing Director Syed M Tanvir on Thursday.

On a regular working day, the company, employing more than 35,000 workers, produces over one lakh pieces of denim trousers, said industry insiders.

Tanvir said they would reopen the factories as soon as the problem is resolved in consultation with different stakeholders.

The reopening date will be announced once a conducive environment is restored, he added.

The situation escalated over three days, with clashes between protesting and non-protesting workers leading to vandalism and physical assaults on officials and employees. Notices issued by the management cited an unsafe working environment and the impossibility of continuing operations under such conditions.

Mahmud Hasan Khan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said the unrest was partly linked to earlier legal action.

According to him, six to seven months ago, a case was filed against seven workers for their alleged involvement in unrest inside the EPZ. Police recently traced these individuals to their residences. Following this, a section of workers began agitating, halting work, and vandalising factories. For safety reasons, the management had to shut down operations.

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Businesses alarmed by repeated fires

STAR BUSINESS REPORT

A series of fires, strikes at Chattogram port, and labour agitation at factories have shaken the business sentiment, leaving entrepreneurs anxious about what might come next.

Business leaders say these events have hit at a time when economic activity was already subdued by stubbornly high inflation and political uncertainty. They fear that repeated disruptions, coupled with

still dousing the blaze as of 8:30pm.

To compound matters, a 41 percent tariff hike at Chattogram port prompted strikes by prime mover and truck drivers, bringing the movement of goods at the main seaport to a standstill.

On Thursday, labour agitation forced the closure of eight factories in Chattogram EPZ, while automobile traders yesterday announced protests over alleged extortion and poor security.

and then another factory is shut down. Before one incident is even resolved, there is another one, and today it is the airport."

He also pointed to the implications of the airport fire, where key garment industry materials were stored. "These are not just any goods. They include urgent and valuable items. Some of them might be destroyed. Many have not even been cleared yet. This affects production timelines, delivery schedules, and severely

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slow responses to emergencies, are further undermining confidence.

"The situation seems to be turning hostile for businesses," said Anwar-Ul-Alam Chowdhury (Parvez), president of the Bangladesh Chamber of Industries.

On Tuesday last week, a fire tore through a factory and warehouse in Mirpur area of the capital, killing at least 16 workers.

Two days later, another blaze severely damaged a multi-storey factory building in the Chattogram Export Processing Zone (EPZ). Firefighters battled for 17 hours before bringing the flames under control.

A massive fire broke out at the cargo village of Dhaka airport yesterday afternoon. Firefighters were

Linking the chain of events, Parvez said, "Chattogram port has increased tariffs, and just today, there was a fire at Dhaka airport. One wonders, are these coincidences, or is there something more? I can't tell."

He said the string of incidents has rattled business confidence. "Now people are genuinely concerned.

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When fires break out in supposedly secure locations like Mirpur, or inside EPZs where everyone feels safe, it raises serious questions."

Describing the unsettling sequence, the business leader said, "A fire burns for 17 hours in one place,

hampers buyer confidence."

He warned that sustained loss of confidence over the coming months could inflict serious damage on the business climate. "When incidents like this occur repeatedly, it sends a negative message."

He also questioned whether the incidents were accidental or deliberate. "If there are accidents, what safety measures are in place? How are fires starting in high-security zones and, worse, why are they not being controlled swiftly?"

Mir Nasir Hossain, managing director of Mir Akhter Ltd, said the overall business environment is weak, with many factories operating below capacity due to slowing domestic demand.

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Govt plans Tk 1,000cr for ICB to ease liquidity crisis

REJAUL KARIM BYRON and AHSAN HABIB

The government is considering providing Tk 1,000 crore to the Investment Corporation of Bangladesh (ICB) through the revised national budget to mitigate its liquidity crisis and ensure stability in the stock market.

Senior finance ministry officials discussed the issue in a recent meeting, and the fund might be provided once top officials, including the finance adviser, return from an official visit to Washington, said confidential sources.

The sole state-run investment bank collects and reinvests funds through different means, including fixed deposit receipts (FDRs), bonds, and shares.

The ICB needs at least Tk 5,000 crore considering its huge liabilities and if proper support is to be ensured for the market, ICB Chairman Prof Abu Ahmed told The Daily Star

After the interim government came to office last year, the ICB sought fund support from the Financial Institutions Division (FID), which relayed the request to the ministry and Bangladesh Bank.

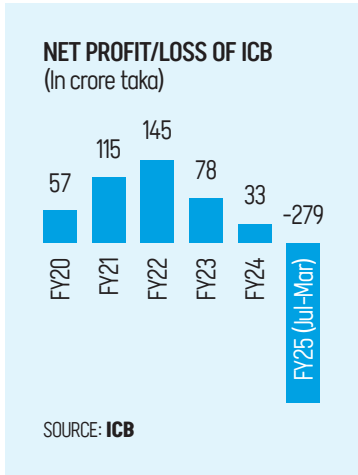
The FID's capital market department urged the ministry in a letter last month that the ICB should be provided Tk 13,000 crore at a low interest rate for a 10-year period, including a two-year grace period.

Its logic was that the ICB is playing an important role in bringing stability to the stock market but is suffering from a liquidity shortage.

Since 2010, the ICB has collected Tk 13,000 crore in funds through different means, such as opening FDRs and issuing bonds.

As of September, the deadline has passed for the return of Tk 6,000 crore, which includes principal amounts and interest, and the amount is rising.

Besides, the ICB needs to



make interest payments of Tk 90 crore every month.

Even in this situation, the ICB had to purchase 66 lakh shares of National Tea Company with Tk 80 crore following a government directive.

"It intensified the liquidity crisis of the ICB," according to the FID letter.

In response, the central bank refused to provide any funds, saying it would fuel inflation in the country, which was already at an elevated level.

"Providing such funds may lead to uncertainties in availing budgetary support from international development partners," read a BB letter to the FID.

Providing such funds is also contradictory to the contractionary monetary policy, while the long repayment tenure is also in violation of the Bangladesh Bank Order, 1972, it

BY THE NUMBERS
Proposed fund Tk 1,000 cr
Last year BB supported ICB by sovereign guarantee for Tk 3,000 cr
➤ Tk 2,000 cr used for loan repayment
➤ Tk 1,000 cr was invested in stock market
Total funds raised by ICB since 2010 Tk 13,000 cr
Unpaid liabilities (principal + interest) Tk 6,000 cr
Its monthly interest burden Tk 90 cr

added.

The BB suggested availing funds from the government through the revised national budget, which would fuel inflation at a comparatively lower rate.

The ICB needs at least Tk 5,000 crore considering its huge liabilities and if proper support is to be ensured for the market, ICB Chairman Prof Abu Ahmed told The Daily Star.

"...they gave the nod to provide funds next January," he said.

However, the ICB requested that funds be provided as early as possible, as the market is now on a downward trend where share prices are low.

The DSEX, the prime index of the Dhaka Stock Exchange, plunged around 10 percent, or 512 points, over the past 30 days.

"If the ICB can get the funds and invest it now in the down market, the investment will see profit soon... we can make high capital gains and repay the dues from the gains," he said.

In 2024, the government provided Tk 3,000 crore in support to the ICB through a sovereign guarantee. Of it, Tk 2,000 crore was used for the repayment of loans.

The rest of the fund was invested in the stock market, and there is around a 20 percent capital gain on that investment, added Ahmed.

42 MONTHS

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How tough is it to start a business in Bangladesh?

STAR BUSINESS REPORT

Starting a business in Bangladesh is most conducive in the transport, storage, and communication sectors, while the readymade garment (RMG) industry remains the most challenging, according to the Bangladesh Business Climate Index (BBX) 2024-25.

The BBX provides a data-driven snapshot of the country's investment climate, evaluating 11 pillars adapted from global benchmarks to reflect Bangladesh's local context.

The report highlights sharp contrasts across sectors. Access to land is easiest in electronics and light engineering but most difficult in construction.

Availability of regulatory information is most favourable in the food and beverage industry, while the textile industry lags behind. Business infrastructure is strongest in readymade garments but weakest in electronics and light engineering.

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NBR collection jumps 20% in Q1

STAR BUSINESS REPORT

Tax collection jumped 20 percent year-on-year in the July-September quarter, the highest in recent years, buoyed by robust growth in value-added tax (VAT) and income tax receipts.

The National Board of Revenue (NBR) collected Tk 90,825 crore in the first three months of the current fiscal year 2025-26, up from Tk 75,555 crore in the same period a year ago.

Among all categories, VAT collected from goods and services posted the highest growth, with collections rising 30 percent year-on-year to Tk 34,819 crore in the July-September quarter.

Tax collection from income and travel taxes rose to Tk 28,478 crore, up 18 percent from a year ago.

Revenue from import tariffs reached Tk 27,528 crore in the first quarter of the current fiscal year, registering an 11.74 percent year-on-year growth.

In a statement, the NBR said its officials remain steadfast in their efforts to expand the tax net, ensure tax compliance, prevent evasion, and recover evaded revenue for deposit into the government exchequer.

"They are committed to further accelerating this ongoing growth momentum in revenue collection," it said.