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BUSINESS



S Alam files int’l arbitration claims over asset freeze: FT report

STAR BUSINESS REPORT

Mohammed Saiful Alam, founder and chairman of the scandal-hit business conglomerate S Alam Group, has filed an international arbitration claim alleging that Dhaka’s asset recovery drive has cost his family’s business “hundreds of millions” of dollars, according to a report by The Financial Times (FT).

Lawyers for Saiful Alam lodged the request on Monday with the World Bank’s International Centre for Settlement of Investment Disputes in Washington, said the FT report, citing documents.

The claim accuses the interim government led by Chief Adviser Muhammad Yunus of waging a “targeted campaign” of asset freezes, confiscations and investigations since taking office after the ouster of former premier Sheikh Hasina last year.

The case threatens to complicate Yunus’s push to claw back billions allegedly siphoned abroad during Hasina’s 15-year rule, the FT report said. A government-commissioned white paper in December estimated illicit outflows at \$234 billion.

Bangladesh Bank Governor Ahsan Mansur, who leads the recovery effort, has accused the S Alam family of diverting \$12 billion through bank takeovers and inflated import invoices. The group denies the allegations, said the FT report.

The arbitration was filed under a 2004 Bangladesh-Singapore treaty. The family, now Singaporean citizens, argues it is entitled to foreign investor protections.

Last week, a Dhaka court ordered the Anti-Corruption Commission to freeze 513.18 crore shares worth over Tk 8,000 crore of 105 companies and firms owned by S Alam Group Chairman Mohammed Saiful Alam, his family members, and beneficiaries over corruption allegations.



ACI suffers losses for third year

STAR BUSINESS REPORT

ACI Ltd, one of the leading listed conglomerates in Bangladesh, has suffered a loss for a third consecutive fiscal year, saying it was mainly due to a rise in borrowing costs.

In the fiscal year 2024-25, the loss amounted to Tk 65 crore. It incurred a loss of Tk 139 crore in the previous fiscal year, 2023-24, and another loss of Tk 49 crore in fiscal year 2022-23.

Despite the losses, the board of directors of the company announced a 25 percent cash dividend for its shareholders.

During the last fiscal year, the company achieved consolidated revenue growth of around 11 percent and a 15 percent increase in consolidated gross profit, the company said in a disclosure on the Dhaka Stock Exchange (DSE) website yesterday.

The growth in gross profit exceeded the growth in operating expenses due to cost-control initiatives, which contributed to the improvement of operating profit, it said.

READ MORE ON B2

Food ministry clarification on import costs of US wheat

The food ministry said the current price difference between Russian and US wheat on the international market is minimal – at about \$2 per tonne.

It said Russian wheat is trading at around \$230 per tonne on a Free on Board (FOB) basis, while US wheat is around \$232 per tonne.

In a clarification issued after this newspaper published a report on October 27 headlined “US wheat costing more due to binding agreement”, the ministry said the story contained “some misleading information regarding the government’s wheat import process.”

The ministry said the imports are taking place under a government-to-government arrangement, as per a memorandum of understanding with the United States.

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Govt approves Philip Morris nicotine pouch factory

Anti-smoking campaigners say the move defies the 2040 tobacco-free goal, risks public health

SUKANTA HALDER and TUHIN SHUBHRA ADHIKARY

The authorities have approved the Bangladeshi arm of global tobacco company Philip Morris to set up a factory in Narayanganj to produce nicotine pouches – small, tea bag-like packets containing chemically synthesised nicotine, flavourings and other ingredients.

The decision has angered anti-tobacco campaigners, who say producing such pouches for the local market will further damage public health.

They also argue that the move contradicts the government ban on imports of all forms of electronic nicotine delivery systems and its pledge to make the country tobacco-free by 2040.

However, the Bangladesh Economic Zones Authority (Beza), the state agency that granted the approval in April, has described nicotine pouches as “an anti-nicotine product”. It maintains that there is no specific ban on producing or exporting such items in Bangladesh.

Beza, which operates under the Chief Adviser’s Office, approved Philip Morris Bangladesh Limited to establish a fully domestically oriented factory at the Meghna Industrial Economic Zone in Narayanganj, according to an official document.

The approval came months after the commerce ministry banned the import of e-cigarettes and other electronic nicotine delivery systems through a statutory regulatory order.

In May, the Chief Adviser’s Office instructed Beza, the Bangladesh Investment Development Authority (Bida) and the Bangladesh Export Processing Zone Authority (Bepza) to prohibit the production of such products and to avoid issuing new approvals.

According to the official document, the project by Philip Morris Bangladesh involves an initial investment of \$5.82 million and has the capacity to produce 536.3 million units annually. Under

TAKEAWAYS

FACTORY APPROVAL SPARKS BACKLASH

Philip Morris gets nod to build nicotine pouch factory

Health groups protest

Beza defends approval, reversing its prior stance

CLASHES WITH TOBACCO-FREE GOAL

Approval contradicts Bangladesh’s 2040 tobacco-free target

Violates bans on e-cigarettes and ENDS

HEALTH RISKS

WHO warns pouches are addictive and harmful

TOBACCO’S TOLL ON BANGLADESH

Around 161,000 tobacco-related deaths yearly

Economic losses exceed tax revenue by Tk 7,750cr

SUPREME COURT VERDICT IGNORED

Approval violates 2016 ruling restricting tobacco industry expansion

the approval conditions, the company must begin operations within a year.

Suman Chandra Bhowmik, general manager of Meghna Group, which set up the private economic zone, said they had provided approval from their end to supply Philip Morris Bangladesh with a ready-made facility.

“However, they have not yet commenced production,” he said.

Meanwhile, sources said Philip Morris Bangladesh has sought environmental clearance from the Department of Environment.

The department, after reviewing the application last month, decided to seek approval for the product from the US Food and Drug Administration (FDA), according to official documents.

The FDA classifies nicotine pouches as a tobacco product. It says that although they may pose a lower risk than cigarettes for adult smokers, the products are not risk-free.

However, the World Health Organization (WHO) has not approved nicotine pouches as a Nicotine Replacement Therapy (NRT).

The US public health agency Centers for Disease Control and Prevention (CDC) also notes that nicotine is highly addictive and especially harmful to the youth population and pregnant women.

SYNTHETIC NICOTINE THE NEW TOBACCO?

The Bangladesh Anti-Tobacco Alliance, a coalition of local anti-smoking campaigners, has demanded that Philip Morris Bangladesh’s approval be revoked.

In a recent statement, it said nicotine pouches are essentially “a new commercial strategy to create addiction among young people”.

“Through misleading claims about helping people quit smoking, tobacco companies are concealing the true health hazards and attempting to turn young people into long-term consumers,” the alliance said.

Campaigners say tobacco firms are increasingly turning to synthetic nicotine products worldwide as public awareness of the dangers of traditional tobacco grows.

Public health experts fear these new products could pose another threat to South Asian nations, where tobacco-related diseases such as heart disease, stroke and chronic respiratory illnesses are already high.

Tobacco use continues to claim thousands of lives each year and places a heavy burden on the health system and economy. The WHO estimates around 161,000 tobacco-related deaths occur in Bangladesh annually.

READ MORE ON B3

KEY POINTS

Govt to block unauthorised handsets from Dec 16

Existing unauthorised phones in use will not face disruption

Initiative aims to curb illegal imports and support manufacturers

Verified devices allow normal network access; fake phones get blocked

Lost or stolen phones can be instantly blocked nationwide

Consumers can check phone legitimacy via SMS before purchasing

Unauthorised mobile phones to be blocked from Dec 16

STAR BUSINESS REPORT

After years of delay, Bangladesh is finally set to block unauthorised mobile handsets from December 16 this year in a move expected to revive the country’s struggling local handset manufacturing industry.

However, existing unauthorised phones currently in use will not be blocked, ensuring that users face no immediate disruption.

Faiz Ahmad Taiyeb, special assistant to the chief adviser on posts, telecommunications and information technology, made the announcement at a press conference on the National Equipment Identity Register (NEIR) at the BTRC office in Dhaka yesterday.

The NEIR system identifies and blocks stolen or unauthorised mobile devices using International Mobile Equipment Identity (IMEI) numbers, which are unique 15-digit codes assigned to each mobile device.

The initiative, first launched in 2021, was delayed due to technical challenges and concerns that blocking millions of unauthorised phones could trigger public backlash.

During earlier trials, authorities found that hundreds of feature phones shared identical IMEI numbers, complicating efforts to implement the system smoothly.

The BTRC initiated the NEIR scheme to curb illegal handset imports, reduce theft, stop the use of unregistered devices, and protect domestic handset manufacturers from unfair competition.

The initiative also aims to help law

enforcement agencies trace crimes committed using such phones.

The illegal handset market accounts for over 40 percent of total sales, depriving the government of an estimated Tk 2,000 crore in annual revenue and discouraging local production, according to industry sources.

Industry insiders hope that the NEIR’s full implementation will finally give domestic manufacturers breathing space after months of sluggish sales.

The initiative, first launched in 2021, was delayed due to technical challenges and concerns that blocking unauthorised phones could trigger public backlash

Taiyeb said once the system is launched, it will play an effective role in crime prevention, since devices used in theft or criminal activities can be easily identified and blocked. It will also help reduce the number of counterfeit handsets, he added.

“It will be possible to effectively prevent MFS fraud, SIM-related scams and other digital deceptions. In addition, we expect that eKYC verification will become more robust, strengthening security across the telecom sector and increasing government revenue,” he said.

BTRC Chairman Maj Gen (retd) Md Emdad ul Bari said mobile

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IMF to review economy, loan package

REZAUL KARIM BYRON

The International Monetary Fund (IMF) has begun a dual-track assessment of Bangladesh, combining the fifth review of its \$5.5 billion loan programme with a comprehensive annual audit of the country’s economy under Article IV obligations.

In its initial meeting with Finance Secretary Md Khairuzzaman Mozumder yesterday, the IMF mission, led by Deputy Unit Chief Chris Papageorgiou, outlined its plan for the economic review, according to officials familiar with the discussions.

Under Article IV of the IMF’s charter, member countries undergo an annual macroeconomic assessment. The findings are presented to the IMF Executive Board and later published on the lender’s website. Often referred to as an “economic audit,” the review can influence foreign investment decisions and broader economic policy.

Bangladesh’s last Article IV review was conducted in early 2023.

Following the opening meeting, IMF officials held daylong discussions with representatives from the Finance Division, Bangladesh Bank, and Financial Institutions Division.

Ministry sources said the talks focused on the implementation of programme conditions through June. It was noted that revenue collection and Annual Development Programme (ADP) execution fell short of targets, which officials attributed in part to the prevailing political climate.

The IMF also sought forward-looking

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Economy showing early signs of recovery: PRI

STAR BUSINESS REPORT

Bangladesh’s economy has begun to show signs of stabilisation, but longstanding problems, weak institutions, and rising inequality continue to weigh heavily on the country’s recovery prospects, economists warned yesterday.

This was the key takeaway from the launch of the Monthly Macroeconomic Insight, jointly organised by the Policy Research Institute (PRI) of Bangladesh and Australia’s Department of Foreign Affairs and Trade, at the PRI’s office in Dhaka.

“Remittances and reserves have picked up slightly, but this is not a recovery that benefits everyone,” said Zaidi Sattar, chairman of the PRI.

Presenting a keynote paper, he said economic growth slowed to 3.97 percent in FY2025—the lowest since FY2020—due to weak investment, structural bottlenecks, and financial mismanagement.

Inflation averaged 10 percent, driven by depreciation of the taka, flooding, and supply disruptions, with food inflation peaking at 13.8 percent in November 2024 before easing.

IPDC ডিপোজিট | ১৬৫১৯

Wage growth lagged behind, weakening real consumption. Private sector credit growth fell to a 23-year low of 6.35 percent in August FY2026, while deposit growth rebounded after 17 months.

Revenue rose 20.5 percent year-on-year to Tk 91,000 crore in Q1 FY2026, with income tax collections up 18.3 percent. “This is a post-crisis recovery benefiting the better-off more than the poor,” he added.

With national elections approaching, economists stressed the need for bold reforms.

“Small fixes are no longer enough,” said Ashikur Rahman, principal economist at the PRI.

“Stability has returned, but at a high cost to the poor. Without restoring institutional discipline, sustainable growth will remain out of reach,” he said.

The external sector offered some relief: remittances rose 16 percent year-on-year to \$7.6 billion in Q1 FY2026, exports grew 5.6 percent, and imports 9.6 percent.

Reserves climbed above \$27 billion, covering 4.6 months of imports, while the balance of payments deficit narrowed by 96 percent. However, inflation averaged at 10 percent in FY2025, with food prices and stagnant wages eroding purchasing power.

Private sector credit growth hit a 23-year low of 6.35 percent in August, reflecting subdued investment amid policy uncertainty, while deposit growth rebounded to double digits.

Major lenders have downgraded Bangladesh’s FY2026 growth forecast: International Monetary Fund (IMF) to 4.9 percent, World Bank to 4.8 percent, and ADB to 5 percent.

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