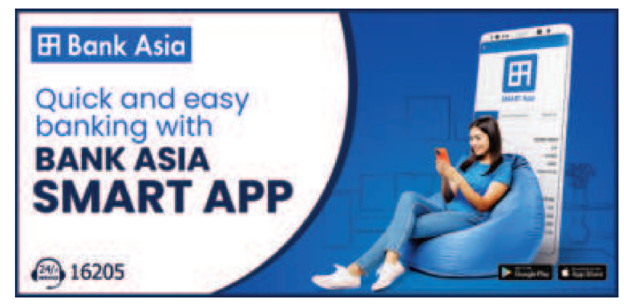
DHAKA WEDNESDAY NOVEMBER 5, 2025, KARTIK 20, 1432 BS ● starbusiness@thedailystar.net



Star BUSINESS

Former IFIC Bank MD fined Tk 5cr for Aamar Bond scam

STAR BUSINESS REPORT

The stock market regulator has decided to fine Shah Alam Sarwar, former managing director of IFIC Bank, Tk 5 crore for his involvement in the manipulation of the IFIC Aamar Bond.

Earlier, the Bangladesh Securities and Exchange Commission (BSEC) declared Salman F Rahman, former chairman of the bank and former adviser to prime minister Sheikh Hasina, persona non grata in the stock market for life for misleading investors with a deceptively named bond.

A similar punishment was imposed on his son, Ahmed Shayan Fazlur Rahman, former vice-chairman of the bank, and Prof Shibli Rubayat-Ul-Islam, former BSEC chairman, for their involvement in the same scam.

They deceived investors by naming a bond "IFIC Aamar Bond," creating the false impression that it was issued by IFIC Bank, when the actual issuer was Sreepur Township Ltd.

Salman was fined Tk 100 crore, while his son Shayan was fined Tk 50 crore.

The Daily Star exposed the irregularities in a report titled "Aamar Bond not IFIC's," published on November 23, 2023.

Beximco Ltd and SFR Real Estate Ltd had collectively contributed 25 acres of land to form a joint venture on a revenue-sharing basis with Sreepur Township Ltd.

The owners from Beximco were Salman and Shayan, who served as vice-chairman and adviser of

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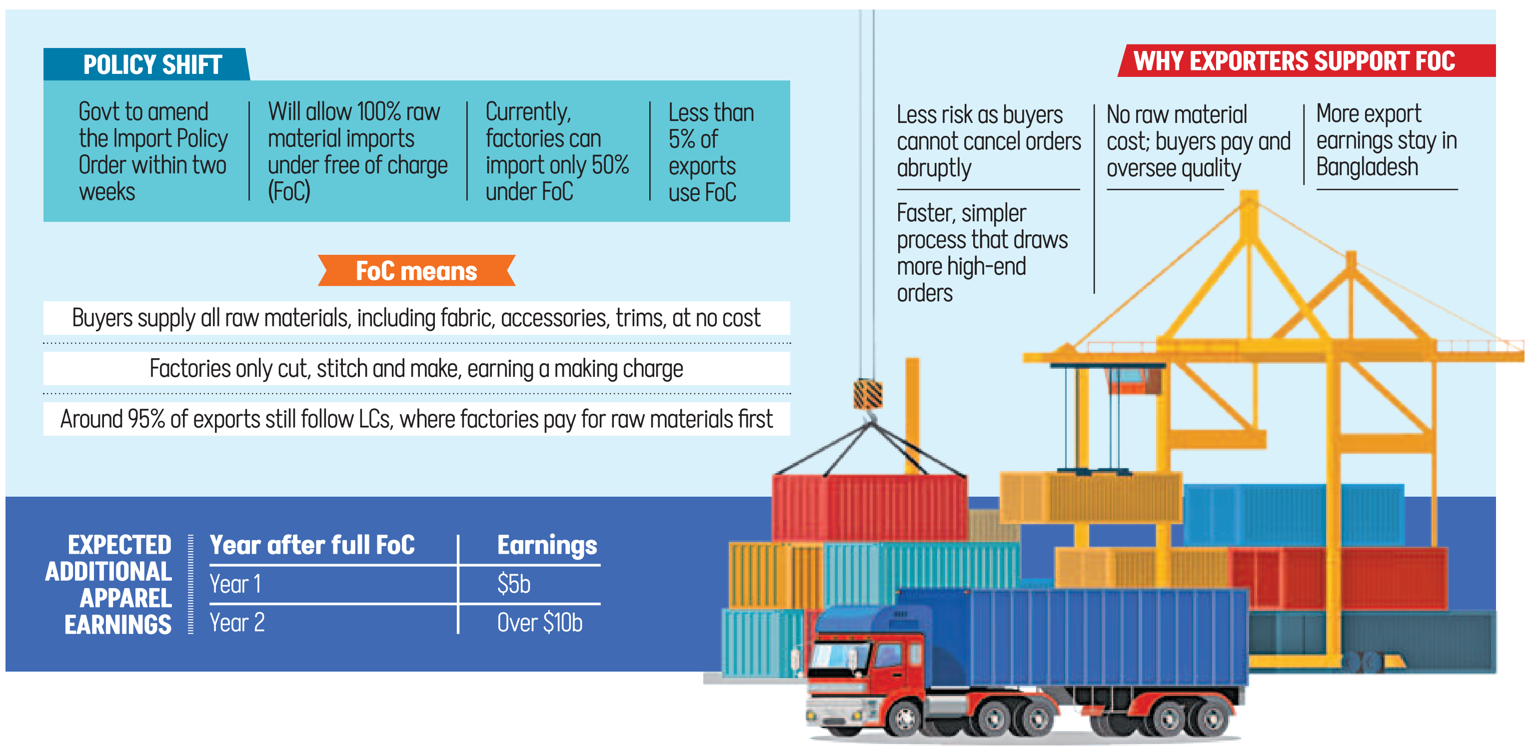
With import policy tweak, garment makers expect $5b more in exports

Govt amending import rules so factories can get all raw materials from buyers, instead of the current 50% limit



REFAYET ULLAH MIRDHA

Bangladeshi apparel manufacturers expect to earn an additional $5 billion in high-end garment exports in the first year after the government scraps the 50 percent ceiling on free-of-charge (FoC) imports. Under this arrangement, the buyer supplies raw materials such as fabrics, accessories and other inputs.

They say the additional earnings could cross $10 billion in the second year once the FoC quota is fully abolished.

The Chief Adviser's Office says the commerce ministry has decided to amend the Import Policy Order within the next two weeks. The amendment will allow garment exporters to source all raw materials from overseas buyers, process them and ship the finished products back.

At present, exporters are permitted to import only 50 percent of the required raw materials under the FoC arrangement.

Md Shehab Udduza Chowdhury, vice-president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said Bangladesh could earn an extra $5 billion in exports in the first year of the FoC quota removal.

In the second year, he expects the value to cross $10 billion as factories can get all raw materials under the FoC arrangement.

A few years ago, FoC imports were capped at 33 percent of total raw materials. This was increased to 50 percent later.

Under FoC, international buyers supply fabrics, accessories and other inputs needed to produce export items. Local manufacturers receive only the cutting and making charge.

Local apparel exporters currently use FoC for less than 5 percent of total shipments due to restrictive conditions and reported complications at Chattogram customs.

Garment exporters say that FoC is straightforward, less risky and faster. Without any quota on FoC import, they believe global brands will place more orders in Bangladesh because of the country's skilled workforce and strong manufacturing capacity.

At present, more than 95 percent of garments are exported using usual letters of credit (LCs). FoC has seen limited uptake because of import restrictions and bureaucratic hurdles. BGMEA Vice-President Chowdhury said he submitted a proposal two months ago to ease the rules.

He said that Bangladesh exported $7 billion worth of garments made from man-made fibres in fiscal year 2022-23. Local textile mills supplied only 4 percent of the raw materials, with the rest imported, mainly from China.

Manufacturers say orders for high-end man-made fibre and polyester garments are shifting from China to Bangladesh as the United States has imposed higher tariffs on Chinese goods. Some Bangladeshi factories cannot take full advantage of it because they are barred from importing more than 50 percent of raw materials under the current FoC rules.

According to Chowdhury, FoC reduces risk because buyers cover raw material costs and cannot cancel orders abruptly.

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Local consortium commits to $1b US soybean purchase over next year

Apparel exporters say US cotton also holds strong promise if tariff rules clarified

STAR BUSINESS REPORT

A consortium of three Bangladeshi soy crushing companies has committed to purchasing US soybeans worth $1 billion over the next one year, according to a statement from the US Embassy in Dhaka.

The companies are Meghna Group, City Group, and Delta Agro.

US Chargé d'Affaires in Dhaka Tracey Ann Jacobson welcomed the agreement with the US Soybean Export Council (USSEC) -- a trade body representing the interests of US soybean farmers abroad.

At the signing ceremony at a hotel in Dhaka, the senior US diplomat said the deal signals a growing market for US agricultural products in Bangladesh.

BGMEA president said around 10 percent of cotton imported into Bangladesh comes from the US, which could be doubled or even tripled with strategic initiatives

In a separate development, leading Bangladeshi apparel-makers yesterday met a visiting delegation from Cotton USA.

They said imports of American cotton could be "doubled or even tripled" if the US administration provided clearer duty guidelines for apparel exports made with US cotton.

At a meeting at the BGMEA office in Dhaka, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Mahmud Hasan Khan discussed the recently announced US Executive Order, under which apparel made with at least 20 percent US raw materials will receive a proportional exemption from newly imposed additional tariffs when exported to the US.

"This new tariff exemption presents a tremendous opportunity for our industry, making our products even more competitive in the international market," he said.

The BGMEA president said they are yet to receive clear guidelines on how Bangladesh's spinning mills and garment factories can access the benefit.

He urged the US delegation to seek clarification from the US administration and share it promptly with BGMEA.

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BB keeps policy rate unchanged as high inflation persists

STAR BUSINESS REPORT

The Bangladesh Bank (BB) has kept its policy rate unchanged at 10 percent as inflation continues to hover well above the target set by the regulator.

The Monetary Policy Committee (MPC) of BB made the decision in its 10th meeting on Monday, reviewing current economic conditions, recent inflation data, and the near-term outlook, according to officials familiar with the matter.

Governor Ahsan H Mansur, who chairs the MPC, presided over the meeting attended by both internal and external members.

Along with keeping the policy rate unchanged, BB also left the Standing Deposit Facility (SDF) rate at 8 percent—which allows banks to earn interest on overnight deposits with the central bank—and the Standing Lending Facility (SLF) rate at 11.50 percent, which banks pay when borrowing overnight funds from BB.

"The policy rate will remain unchanged as inflation has not come down to our expected level," said Md Habibur Rahman, deputy governor of BB and an internal MPC member.

The central bank had initially aimed to bring inflation down to 7 percent by August and 5 percent by the end of 2025, but recent data show the economy is still some way off these goals. Governor Mansur has repeatedly stated that he would not lower the policy rate until the inflation rate comes down.

Bangladesh's inflation rose slightly to 8.36 percent in September from 8.29 percent in August, according to the latest data from the Bangladesh Bureau of Statistics (BBS).

The increase was driven mainly by non-food prices, which climbed to 8.98 percent from 8.90 percent, while food inflation moved up to 7.64 percent from 7.60 percent.

Inflation in Bangladesh had remained above the 9 percent mark for an extended period; however, it came down to 8.48 percent in June from 9.05 percent in May, data showed.

The MPC on Monday discussed the country's macroeconomic conditions, key challenges, and the

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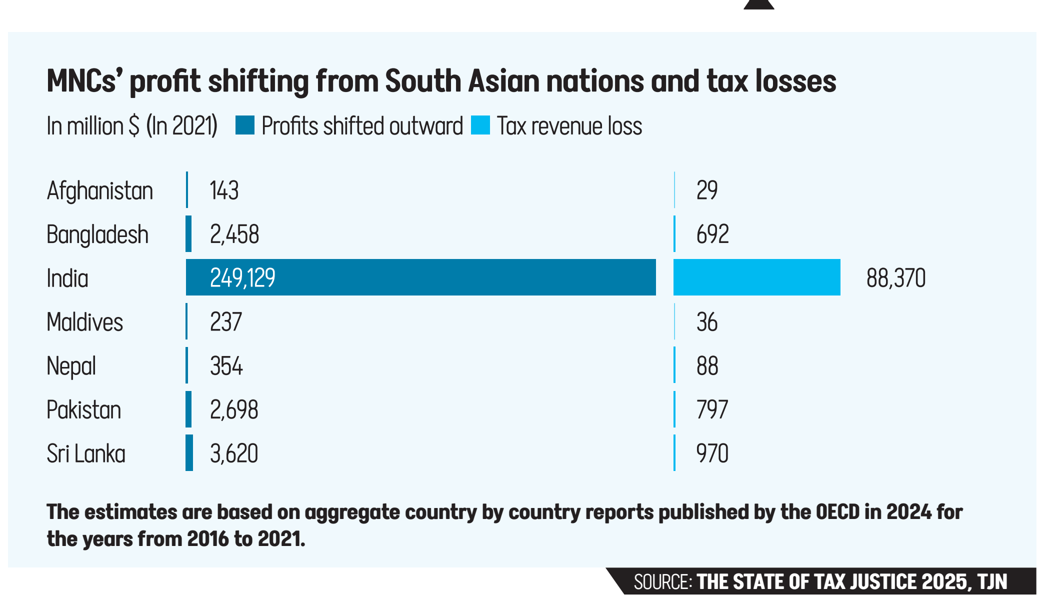
MNCs' profit shifting costs Bangladesh $692m in lost tax: report



STAR BUSINESS REPORT

Bangladesh lost $692 million in tax revenue from 2016 to 2021 due to profit shifting by multinational companies, according to a new report by the Tax Justice Network (TJN) released yesterday.

The report, The State of Tax Justice 2025, says global firms moved $2.45 billion in profits out of Bangladesh to avoid paying local taxes.

Profit shifting is a common tax avoidance tactic where companies transfer earnings from countries with higher taxes to low- or no-tax jurisdictions. They do this through intra-group transactions, such as charging fees between subsidiaries, reducing taxable income in Bangladesh while booking profits elsewhere.

Bangladesh is the fourth-largest country in South Asia—after India, Sri Lanka, and Pakistan—in terms of profit shifting and tax losses.

On average, the South Asian country loses about $397 million each year to global tax abuse, roughly 1.6 percent of total tax revenue, or $2 per person. Of this, $371 million comes specifically from multinational corporations. The report adds that the lost revenue equals nearly a third of Bangladesh's health budget and over 6 percent of its education spending.

The TJN report also states that United States-headquartered multinationals are responsible for revenue losses around the world of $495 billion—about 29 percent of the global total of $1.7 trillion. The US itself has suffered $574 billion of the global total, of which its own multinationals were responsible for $271 billion.

The report, however, points out that US-based multinationals did not shift profits from Bangladesh between 2016 and 2021.

Towfiqul Islam Khan, additional director at the Centre for Policy Dialogue (CPD), said Bangladesh has made strides in various areas of development, but tax justice remains a significant challenge.

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EU firms must not be treated less favourably

Ambassador says

STAR BUSINESS REPORT

The European Union has called on Bangladesh to ensure a level playing field for European companies, especially in key strategic sectors such as aviation, EU Ambassador to Bangladesh Michael Miller said yesterday.

He made the remark while speaking at the "European Dialogue on Bangladesh Aviation Growth" held at the French-German Embassy in Dhaka.

In his speech, Miller underscored the evolving trade and investment relationship between the EU and Bangladesh, noting the EU's longstanding support for the modernisation and diversification of Bangladesh's economy.

Michael Miller

"We have done this by providing preferential access to the EU market under the Everything But Arms (EBA) initiative, offering development cooperation and expertise, and supporting both public and private investment under the EU's Global Gateway strategy," he said.

The ambassador shared that the EU and Bangladesh are nearing the conclusion of negotiations on a comprehensive, upgraded partnership and cooperation agreement.

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IMF, WB urge unified debt office in Bangladesh

STAR BUSINESS REPORT

A joint mission of the International Monetary Fund (IMF) and the World Bank has recommended the creation of a unified debt management office (DMO) in Bangladesh to strengthen the country's public debt framework and reduce fiscal and operational risks.

According to the mission, Bangladesh's debt management functions remain fragmented across multiple agencies, creating coordination gaps, inconsistent data, and difficulties in formulating a comprehensive strategy.

The proposal was presented at a workshop titled "Establishing a Debt Management Office" at the Secretariat in Dhaka on Monday, according to a press release.

The event was organised under the scheme on strengthening the capacity of the Treasury and Debt Management Wing of the Finance Division, as part of the Strengthening Public Financial Management to Enable Service Delivery (SPFMS) programme.

The mission suggested consolidating all government and government-guaranteed debt functions under the Finance Division, beginning with restructuring the Treasury and Debt Management Wing. In its initial phase, the DMO would oversee domestic debt issuance, prepare annual borrowing

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