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BUSINESS



## BB rejects Dutch-Bangla Bank’s Tk 1,000cr HQ purchase plan

MD MEHEDI HASAN and AHSAN HABIB

The Bangladesh Bank has rejected Dutch-Bangla Bank’s proposal to purchase a Motijheel building for more than Tk 1,000 crore to use as its corporate headquarters, saying the price was significantly inflated and the deal posed a conflict of interest involving the bank chairman’s family.

Despite the rejection, the listed bank has yet to make a mandatory disclosure at the Dhaka Stock Exchange (DSE), where any price-sensitive decision must be communicated to shareholders.

“The bank should have issued a counter-disclosure once the central bank turned it down. Otherwise, how will general shareholders know the purchase has been cancelled?” said Saiful Islam, president of the DSE Brokers Association of Bangladesh.

Contacted, Abul Kashem Md Shirin, managing director and CEO of Dutch-Bangla Bank, told The Daily Star that the central bank has not yet formally informed them about the rejection of the private lender’s application. “So, we have not made any disclosure.”

However, he did not comment on the issue of the high price of the building.

**The building is owned by Amina Ahmed, mother of the bank’s current chair, Sadia Rayen Ahmed**

A senior official at the Bangladesh Securities and Exchange Commission (BSEC) confirmed the regulator had also advised against approving the purchase, having found the proposed price excessively high.

On August 27, Dutch-Bangla Bank informed the DSE that its board had agreed in principle to acquire the 21.5-storey building, pending regulatory clearance.

Arief Hossain Khan, executive director and spokesperson of Bangladesh Bank, recently said that the central bank reviewed the application and found the proposed valuation far above market price.

The regulator also noted that the building is owned by Amina Ahmed, mother of the bank’s current chair, Sadia Rayen Ahmed.

Rayen Ahmed’s father, Mohammad Shahabuddin Ahmed, previously served as chairman of the bank.

“Considering these factors, the central bank rejected the application,” Khan said.

The building has a total area of 207,340 square feet, including 176,300 square feet of floor space and 31,040 square feet of basement. The building, proposed to be purchased at a cost of Tk 1,016 crore, was intended to serve as the bank’s corporate headquarters.

According to Dutch-Bangla Bank’s 2024 annual report, its head office is already housed in the same building on rent. The lease agreement sets the initial rent at nearly Tk 2 crore a month, including Tk 130 per square foot for 151,014 square feet and Tk 5,000 per month for each of the 37 parking spaces.

On September 18, the DSE asked the bank to explain the rationale behind the high purchase price. In its

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## Why punish genuine businesses for bonded warehouse misuses by a few

BGMEA and BKMEA accuse a small number of traders of exploiting the facility and ask NBR for visible action

STAR BUSINESS REPORT

Top woven and knitwear exporters have told the revenue board that a handful of unscrupulous traders are exploiting the bonded warehouse facility and walking away unchallenged, while genuine firms are left to face the consequences.

Presidents of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), which together represent more than 80 percent of national exports, said none of their members are involved in the malpractice.

At a “Meet the Business” event organised by the National Board of Revenue (NBR) at its headquarters in Dhaka’s Agargaon yesterday, the two presidents urged the revenue authority to name the offenders and take action against them.

The bonded warehouse facility allows fully export-oriented firms to import raw materials and intermediate goods without duties. Allegations regularly surface that some of these materials are diverted to the domestic market.

Even so, BKMEA President Mohammad Hatem said abusers rarely face consequences.

**“Please specify clearly the names of our members who are misusing the facility,” BGMEA President Mahmud Hasan Khan told the NBR**

“They know exactly whom to manage before their goods arrive. They clear everything instantly. There is no record of them ever facing action,” he said at the programme, chaired by NBR Chairman Md Abdur Rahman Khan.

But businesses which pay taxes, employ workers, and export properly end up shouldering the burden, he added.

Hatem called for visible and exemplary action against at least a few offenders. “Publish their names. Take social and legal action so they can never run businesses again. Only then will misuse decline. We will also get relief.”

BGMEA President Mahmud Hasan Khan also asked the revenue board to take stern action against those who misuse the bonded warehouse facility.

“Please specify clearly the names of our members who are misusing the facility,” he told the NBR. “We are very serious about this. If any of our members misuse the system, we will terminate their membership.”



Apparel exporters have urged the revenue board to avoid policy inconsistency and protect honest businesses to help boost the country’s exports.

PHOTO: STAR/FILE

Khan, however, argued that the abuse is not as widespread as often claimed.

Still, the BGMEA president said the association has already issued warnings to 22 member factories regarding non-compliance.

**‘LIKE EXEMPTIONS, LET PARLIAMENT DECIDE ON REVOKING FACILITIES’**

At the event, Khan criticised “policy inconsistency” by the NBR. He welcomed the decision to place authority for granting exemptions with parliament instead of the chairman or the finance ministry.

At the same time, he said any move to withdraw existing facilities should also go through parliament. “Too often, ongoing facilities are suddenly withdrawn through an SRO [statutory regulatory order],” he told the programme.

He pointed to recent reductions in benefits for economic zones. “This should not happen. It becomes like inviting someone to climb a tree and then removing the ladder.”

Meanwhile, BKMEA President Hatem expressed frustration about longstanding disputes over HS codes – the international product classification system used for customs.

“Even after solving the four-digit issue, the confusion continues. If the foreign supplier makes a mistake, we get accused of false declaration. Why would we give false declarations when we pay duty under bond anyway?”

He also criticised the frequent transfer of revenue officers. “Due to the frequent transfer, files remain stuck for two to three

months. Meanwhile, our goods sit in the port, and we suffer demurrage.”

Hatem recounted several incidents at Chattogram Custom House in which consignments of legitimate exporters were held up for months because officers failed to exercise “basic consideration and judgment”.

In one case, an exporter had three containers returned from Singapore after discovering a fraudulent buyer. The goods then remained stuck for four months because of port demurrage of Tk 96 lakh. “Is this how you support exporters?” he asked.

He also described a case in which a woman entrepreneur saw 12 consignments blocked and her business identification number (BIN) locked despite no evidence of wrongdoing. “For months, her factory was shut. Workers would have come out on the streets. Who is responsible for that?”

He thanked a few “good officers” who intervened in exceptional situations but commented that exports as a whole would suffer unless honest businesses are protected.

**AUTOMATED BOND MANAGEMENT MANDATORY FROM DEC 1**

NBR Chairman Md Abdur Rahman Khan told the event that the Customs Bond Management System will become compulsory from December 1. The automated platform is designed to streamline the duty-free import of raw materials under the bonded warehouse regime.

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## Beximco plans to reopen textile factories in new deal

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Beximco’s textile division, which shut down its factories late last year due to financial problems, is set to reopen with support from Japan-Bangladesh ventures Revival Group Co Ltd and Revival Projects Ltd, alongside state-owned Janata Bank.

The initiative is also supported by US-based financing partner Ecomilli, founded by non-resident Bangladeshi professionals, said a joint statement by Beximco and Revival.

The reopening is expected to pave the way for more than 25,000 workers to regain their jobs.

Under the first phase, Revival and Ecomilli will invest \$20 million through back-to-back letters of credit (LCs). If factory performance and global demand allow, the investment could rise to \$100 million. Production is expected to restart by December 2025.

After last year’s political change, Beximco faced high defaulted loans and limited access to new credit. Its Vice Chairman, Salman F Rahman, former private industry and investment affairs adviser to the previous prime minister, was jailed. The company closed all 16 factories in its Gazipur Industrial Park in December that year, affecting thousands of workers.

In the joint statement issued yesterday, Beximco and Revival said all former employees will be reinstated. They will also re-engage past international buyers and secure new global clients.

Khalid Shahriar, head of HR and compliance for Beximco’s textile and garment division, told The Daily Star that the spinning and fabric units will reopen first, along with some garment lines. Full operations are expected within six months.

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## Swiss firm to run Pangaon container terminal for 22 years

Deal likely today; Laldia terminal pact also expected

### KEY POINTS

- Terminal was constructed in 2013 at a cost of Tk 154cr
- The aim was to reduce pressure from Dhaka-Ctg highway and railroad corridors
- The terminal also promised swift transport of import and export boxes at low costs
- Businesses lost interest due to high freight rates and lengthy clearance times

### PANGAON ICT AT A GLANCE

Yard: **55,000** square metres  
Length of jetty: **180** metres  
Container storage capacity: **1,550** TEUs (laden), **1,100** TEUs (empty)



STAFF CORRESPONDENT, Ctg

The government has finalised the process to appoint Switzerland-based logistics firm Medlog SA to manage and operate the Pangaon Inland Container Terminal in Keraniganj for 22 years.

An agreement is expected to be signed today between the Chittagong Port Authority (CPA) and the Swiss firm, a subsidiary of the global shipping line Mediterranean Shipping Company, CPA Secretary Md Omar Faruk said.

The CPA will also sign a 33-year agreement with APM Terminals BV, a

Dutch subsidiary of the AP Moller-Maersk Group, to develop and operate the Laldia Container Terminal at Chattogram port under a public private partnership framework, he added.

The CPA is signing these deals at a time when different organisations are opposing the government’s plan to lease various terminals of Chattogram port to foreign companies.

The Pangaon terminal was built on the Buriganga River in 2013 by the CPA and the Bangladesh Inland Water Transport Authority to reduce cargo pressure on

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## Garment exports to US rise 5% in Jul-Oct

REFAYET ULLAH MIRDHA

Garment exports to the USA, the country’s largest single export destination, increased by 5.14 percent to \$2.59 billion during July-October, despite facing a 20 percent reciprocal tariff imposed by the US under President Donald Trump’s administration.

The USA accounted for 19.92 percent of Bangladesh’s total garment exports during this period, according to data from the Export Promotion Bureau (EPB) compiled by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

**IPDC ডিজিটাল | ১৬৫১৯**

Local exporters face a 35.5 percent duty on shipments to the USA, which includes the 20 percent reciprocal tariff and the previous 15.5 percent Most Favoured Nation (MFN) tariff.

Bangladesh’s 20 percent reciprocal tariff rate gave local exporters a competitive advantage over other garment-exporting nations, which face slightly higher tariffs.

Ramzul Seraj, managing director of Elite Group, said that although his company’s shipments to the USA were slow in August and October, the inflow of work orders from US-bound retailers and brands started increasing in November.

“The uncertainty is over now, as the tariff rate for Bangladesh is fixed lower compared with a few other countries. I hope the inflow of work orders from US buyers will also increase in the near future,” Seraj told The Daily Star over the phone.

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## Sammilito Islami Bank may bring in foreign investors

Governor says

STAR BUSINESS REPORT

The Bangladesh Bank (BB) wants to bring in strategic foreign investors for the new shariah-based Sammilito Islami Bank, which is being created through the merger of five troubled Islamic lenders, according to BB Governor Ahsan H Mansur.

Days after the central bank gave the preliminary approval for the new bank, the governor said yesterday that the process is underway.

At the inauguration of the Bangladesh Islamic Finance Summit 2025 at Sheraton Dhaka, he said the new bank will be strong after a fresh public fund injection. It will begin the journey as a publicly owned institution.

“We would like to be handing over to strategic international investors as well as an eventual IPO [initial public offering],” he said in his speech as the chief guest. “That process is on.”

Mansur said he expects Sammilito Islami Bank to become the strongest in terms of financial position. It will start with the highest level of capital in the sector, with paid-up capital of Tk 35,000 crore.

He hoped it could turn a profit even in its first year because of the large injection of liquidity.

A week earlier, the central bank sent letters to First Security Islami Bank, Union Bank, Global Islami Bank, Social Islami Bank and Exim Bank, informing them of the decision to merge the five commercial lenders under the Bank Resolution Ordinance 2025.

Administrators have already been appointed to carry out the process, after which the merged entity will operate as Sammilito Islami Bank.

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