

# Business Outlook

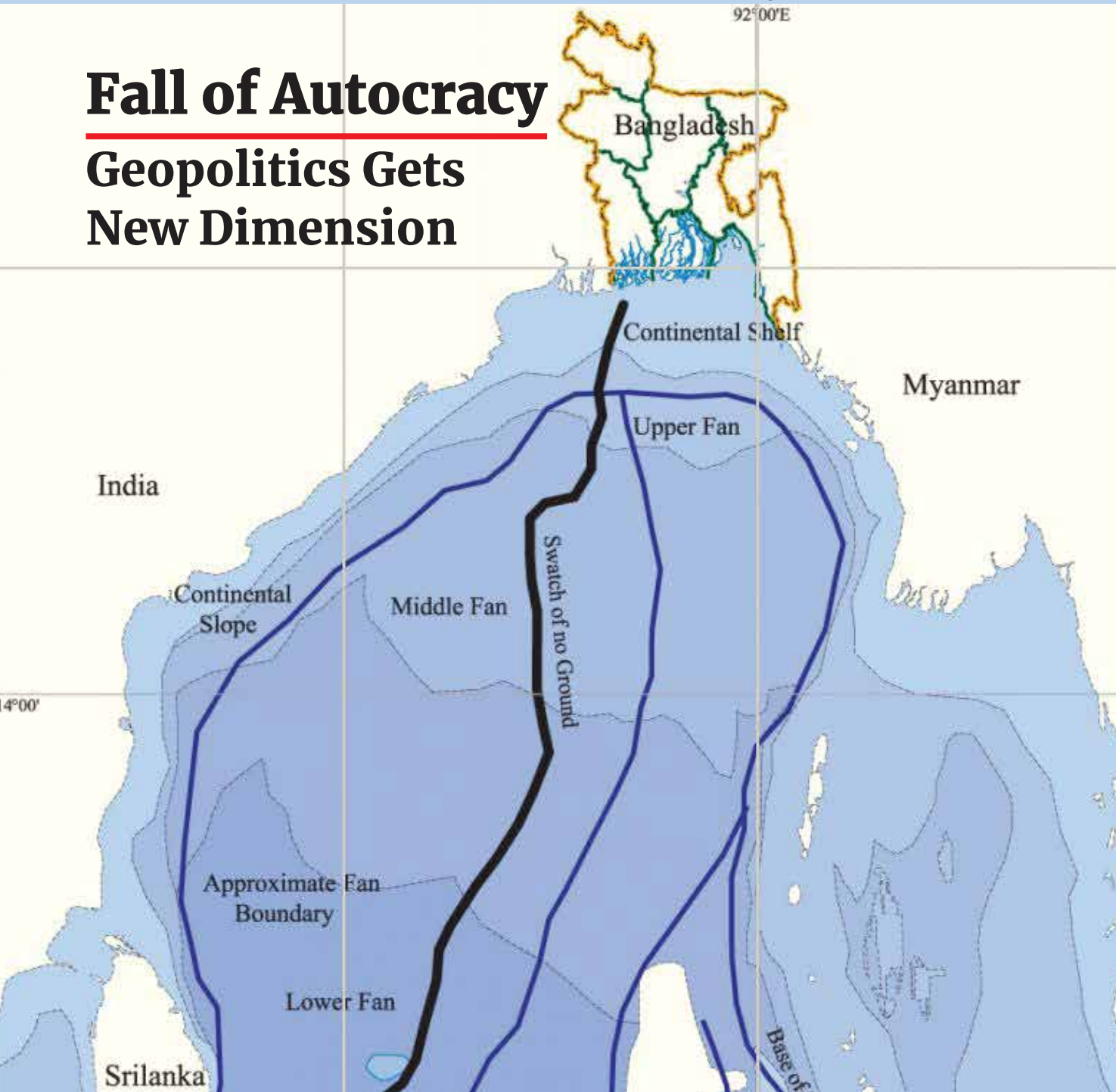
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## Fall of Autocracy Geopolitics Gets New Dimension



**New BB Governor Faces Steep Climb**

**PADMA BRIDGE  
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PROJECT**

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**BSRM STEEL: 90%**



**BANGABANDHU  
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Steel Standard:  
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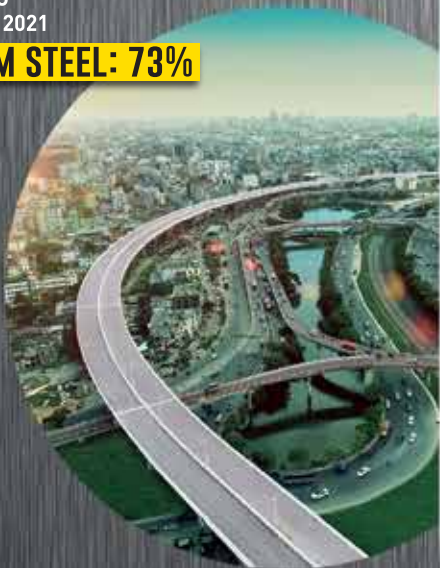
**BSRM STEEL: 72%**



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# Business Outlook

From the Editor

## *Own agenda should be the priority*

In the face of a student-led mass upsurge after a long struggle by Bangladeshi mass people, recent history's most autocratic ruler Sheikh Hasina is finally down. She along with her sister fled to neighbouring India. We welcome the victory of the people. Hundreds of students and common people had to sacrifice their lives to win the democratic movement against the autocracy. We show our deepest respect to them and also to those who have been injured by the brutality of Hasina. Nobel Laureate Prof Muhammad Yunus has taken over the charge and formed an advisory council to run the country. We also congratulate the new interim government and its head. The fall of autocrat Hasina has brought the second time liberation for Bangladeshis to decide on their own issues without the interference of their neighbour. But at the same time, over-dependence by Sheikh Hasina on India for many issues during her regime put the country in great danger. This brings huge challenges for Bangladesh in the regional as well as global arena. The first challenge is to maintain independence to pursue our own policy to protect the interests of our nation rather than any neighbour and also maintain a balanced policy in the regional and global arena. In this case, the geopolitics of the Bay of Bengal is important. We have to pursue our policy carefully so that we don't fall into any further danger. India, China and the US had maintained relations with Dhaka although Washington was critical of the immediate past political regime. The US has already stated that it did not find the last general election in Bangladesh to be free and fair after it had banned the Rapid Action Battalion and imposed visa restrictions on its several members. The growing US activities in Bangladesh have also been tagged with the Burma Act, enacted in 2022 by the US to enhance engagements with Myanmar's government-in-exile. Myanmar has been in a state of political turmoil since the military toppled the democratically elected government in February 2021. One of the major US aims is to assist the Bay of Bengal littorals in reviving democracy and exercising democratic values and norms so that it can make its presence felt amid the growing footprint of China.

But as a regional and global power, China has a major influence in Bangladesh as it is involved in many ways from business to military assistance. So, we should not ignore one and give more importance to another. We have to pursue our own agenda first to protect our own interests without hampering others'. ■



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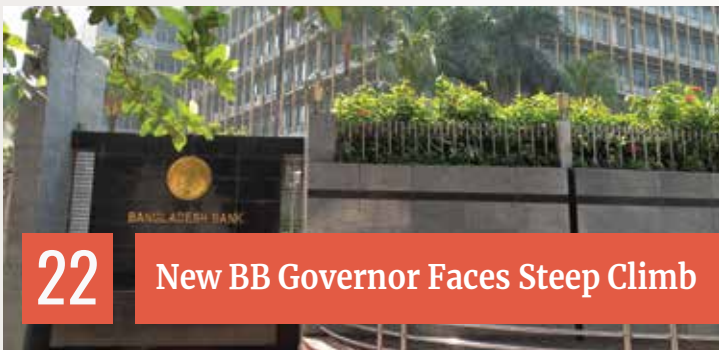
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## Prof Yunus Urges Garment Industry To Aid In Rebuilding Economy

Professor Muhammad Yunus, Chief Adviser of the interim government, called on the country's garment manufacturers on August 14 to support the rebuilding of Bangladesh after 15 years of economic plunder under the dictatorship of Sheikh Hasina. Speaking to the leaders of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) at the State Guest House Jamuna, Prof Yunus emphasized the challenges inherited by the interim government. "All the institutions were broken. We were in a mess. They left us in an economic crisis. But with the cooperation of everyone we can rebuild the nation," he said, according to a statement from the Chief Adviser's Office (CAO). BGMEA acting president Khondoker Rafiqul Islam led the delegation in the meeting, where the Nobel Laureate highlighted the urgency of the situation. The country cannot afford to fail, he



said. "Else, its impact will be disastrous. The nation may face an existential crisis," he warned. Prof Yunus also urged the manufacturers to keep their businesses separate from politics. "You should send a clear signal that you won't mix business with politics. It does not help any cause," he advised. ■

## Protesters Demand NBR Chairman's Resignation

Hundreds of officials of the National Board of Revenue (NBR) on August 8 demonstrated at the office of the tax administrator seeking the resignation of its chairman, Abu Hena Md Rahmatul Muneem. The protesters pressed their nine-point demands and urged the authorities concerned to hire people from customs or income tax cadres instead of the ones from the administration cadre as the chief of NBR. Officials said the protesters stormed the office of the NBR at one stage, which affected the activities of the NBR. NBR Chairman Muneem was absent in the office on the day, officials said. ■



## Bida Gets 254 Investment Proposals In Apr-Jun'24



Some 254 industries were registered with the Bangladesh Investment Development Authority during the April-June period of 2024 with overall investment proposals of Tk773,641.18 million aiming to create some 47,105 employment opportunities. Of the registered 254 industries during this three-month tenure, there were investment proposals to some 220 local industries, as foreign investment proposals to some 19 industries while joint investment proposals in some 15 industries. Analyzing data from Bida, it was found that among the local investment proposals worth around Tk747,157.55 million for this three-month period, the highest amount of Tk573,135.56 million was proposed against the services sector followed by Tk66,296.72 million to the chemical industry sector, Tk38,071.28 million to the engineering industry sector, Tk27,453.84 million to the RMG sector and Tk17,104.47 million to the printing and publication sector. These investment proposals are likely to create employment opportunities for some 41,001 people. ■

## IMF Says It Is 'Fully Committed' To Bangladesh

The International Monetary Fund said it remained "fully committed to Bangladesh and its people" after protests ousted the prime minister. Bangladesh's president dissolved parliament on August 5, clearing the way for new elections a day after Prime Minister Sheikh Hasina resigned and fled the country following student-led protests that left hundreds dead. Long-term lending from multilaterals including the IMF, World Bank and the Asia Development Bank amounts to roughly a quarter of Bangladesh's GDP, according to emerging market experts Tellimer, making their continued backing key to the country's economy. The IMF, which approved a \$4.7 billion loan programme with the country in January 2023, said it was following developments and "deeply saddened by loss of lives and injuries." "We remain fully committed to Bangladesh and its people and support efforts to ensure economic stability and deliver inclusive growth," an IMF spokesperson said in an emailed statement. ■



## MRA Issues Show-Cause To 50 MFIs



The Microcredit Regulatory Authority (MRA) has issued show-cause notices to 50 microfinance institutions (MFIs) to explain why they failed to submit their annual financial reports for 2022-23. MFIs were supposed to submit financial reports for FY23 by September 2023 -- three months after the financial year ends. Initially, 102 of the total 750 non-governmental microfinance institutions failed to submit their annual audited financial reports for 2022-23 to the regulator until January. Subsequently, around 70 MFIs submitted reports, but 50 completely failed to do so. Earlier, both MFIs and the MRA blamed the high fees charged by chartered accountants, which are particularly burdensome for smaller NGO-MFIs. These institutions also claim that CA firms are reluctant to audit smaller MFIs. MFIs are obligated to file these mandatory reports within three months of the fiscal year's end, which is by the last day of September. ■

## Officers' Council Demands Full Autonomy Of Bangladesh Bank

Bangladesh Bank Officers Welfare Council (BBOWC) has urged the interim government to amend 'Bangladesh Bank Order 1972' to ensure full autonomy of the central bank. The organization submitted a memorandum in this regard to the Finance Adviser of the interim government Dr. Salehuddin Ahmed on August 15. The BBOWC sought necessary amendments to 'Bangladesh Bank Order 1972' to ensure the complete autonomy of Bangladesh Bank (BB) including its administrative, operational, and financial expenditure independence. Leaders of the organization in a press conference at the central bank headquarters today explained their demands to the reporters. BBOWC's Acting President Tanveer Ahmed General Secretary AKM Masum Billah and other executives were present in the press conference. Apart from this, the BBOWC has demanded reforms



in various areas of the country's financial sector and the central bank. They demanded abolition of the Financial Institutions Division (FID), a wing of the Ministry of Finance, to prevent conflict of interest and dualism in the banking sector. They demanded amendments related to reforms to bring back the good governance of the banking and financial sector. ■



# Disgraceful Fall Of An Autocrat

*SMS Hasan*

**F**inally, autocrat Sheikh Hasina is down. She fled the country in the face of a mass upsurge after her 15 years of oppressive rule. She was given only a 45-minute time to leave the country after resigning from the post of the prime minister of the country. The Army gave her such time only to save her life from the mob who was approaching her official residence Ganabhaban in the city. Just before she fled, she was involved in a quarrel with top Army officials in her heavily fortified residence as she was unwilling to leave the house and instead ordered police and other security agencies to get tough on people to foil their movement. She was accompanied by her sister Sheikh Rehana and took shelter in neighbouring India.

Thousands of protesters stormed the Ganabhaban just after she fled. They burst into cheers. Millions of people took to the streets to celebrate the victory over the suppressive rule of an iron lady who killed more than thousands of innocent people to cling to power. An interim government was formed with Nobel Laureate Prof Muhammad Yunus after the end of the autocratic regime. People got back their freedom. The students who launched the anti-discrimination movement termed such a victory as second-time liberation. After not getting her, the people's wrath fell on her father. Hundreds of sculptures were broken by the people. Her party men also fled, leaving their homes. Now nowhere Awami League leaders and activists are

available. Still, they are in trauma. All other political parties except Awami League and its partners welcomed the change in regime. They expressed their full support to the Yunus-led interim government. Still, the interim government is in the formation process as initially the government was formed with 16 advisors and later extended to 20. More advisors are likely to be appointed soon. But the most significant incident in the fall of Sheikh's regime is that all her top party men, parliament members, cabinet colleagues and top security officials went into hiding. The police force totally broke down and left the local police stations to save them from the public anger. After huge persuasion, general police and a good number of police officials came back to their

duties and the operation of local police stations resumed. But still some commotions remained as many police officers who committed crimes with the instruction of Sheikh Hasina and her party leaders are still unwilling to join the job.

residence after weeks of deadly anti-government demonstrations in the South Asian nation. In a national address, Bangladesh's army chief General Waker-uz-Zaman confirmed Hasina had resigned. Addressing protesters, largely young

A fledgling student protest against reserved quotas for government jobs that began on July 1 started to gain momentum as the government dealt with them harshly. Despite reassurances of no harassment, the AL government employed excessive force to subdue a campaign leading to over 300 deaths. That protest transformed into a strong anti-government campaign over the last week and culminated in a people's uprising yesterday as the student campaigners called for their compatriots to "march to Dhaka". This was particularly in reply to AL's show of political force on Sunday, which left at least 93 dead in a single day's violence. Another 66 were killed yesterday in Dhaka alone.

Droves of people began gathering in neighbourhoods of Dhaka and its outskirts ready to converge in the capital's Shahbagh from early morning. There were also thousands gathering outside the capital and marching towards it, braving all obstacles. The strong tide turned on the backs of university students. About 43 years after Hasina had flown into Dhaka as the newly elected AL president for the first time, she took off on a military helicopter with her younger sister Sheikh Rehana to India. The five-time prime minister landed in Agartala, the capital of India's north-eastern state of Tripura. Thereafter, the 77-year-old premier was flown to Hindon Air Force Base in Ghaziabad, about 30km from the Indian capital of New Delhi, according to Indian news outlets India Today and NDTV.

Hasina's son Sajeeb Wazed Joy, the former PM's ICT affairs adviser, told BBC that his mother would not "come back" to politics. Back in Dhaka, before he took the podium at the army headquarters to address the nation, flanked by the air chief and naval chief, General Waker-Uz-Zaman met several politicians and members of the civil society, including representatives of



This is unprecedented in the history of any country that the police force disappeared from their duties with the disappearance of a political party's leaders and activists. The students who ousted Sheikh Hasina through a one-point movement are now at the forefront of the change in the state structure. They announced a plan to reform the entire system of the state so that there would be no discrimination and autocracy. The other main party BNP also announced that it will give time to the interim government to implement such reforms. After the fall of Sheikh Hasina, the BNP chairperson who was imprisoned in a false case was released with the order of President Mohammed Shahabuddin. The interim government also announced that they will try Sheikh Hasina and all her associates through an international tribunal for killing thousands of people with excessive use of force by security agencies. CNN reports Sheikh Hasina resigned and fled to neighbouring India on August 5 after protesters stormed her official

Bangladeshis and students, he said: "Whatever demands you have we will fulfil and bring back peace to the nation, please help us in this, stay away from violence."

Millions took to the streets gridlocking the entire capital well into the evening while many found it hard to believe that Hasina's absolute hold on authority and Awami League's fabled political fortress could crumble, faced with a three-week campaign initiated by students. Revellers stormed the prime minister's residence, office and the parliament. They also ransacked Awami League offices and residences of high-ranking ministers across the country.

Even while thousands converged on Shahbagh from early afternoon, there were reports of violence between demonstrators and police officials on the fringes of Dhaka and from around Bangladesh amid the vacuum that was left in the wake of Hasina's hasty departure without so much as a statement or press release.



BNP, Jatiya Party, Jamaat-e-Islami, other politicians and teachers. The AL was not represented. The student campaigners were not present there either. Leaders of the student protest campaign have announced that they will present an outline for the interim government soon. In the context of hundreds of violent deaths, the army chief reassured everyone that justice would be ensured for each. He said it was now everyone's responsibility to remain calm.

"Together, we hope to go towards a better situation," he said addressing the media. "I am taking full responsibility." "The country has suffered a lot, the economy has been hit, many people have been killed. It is time to stop the violence." On his way to the presidential palace, Bangabhaban, the army chief was greeted by a jubilant crowd. Hundreds thronged around the general's convoy and some even rode on his car as the convoy slowly glided through the teeming millions who hailed the army chief like a triumphant hero.

A Bangabhaban press release said that the meeting had unanimously decided to immediately free BNP chief and former prime minister Khaleda Zia. The meeting also decided to form an interim government immediately and urged everyone to show patience and tolerance. The military will strictly maintain law and order and prevent lawlessness. Parliament will be dissolved and all those arrested during the anti-quota protests will be released.

### **Chief Justice Resigns**

Bangladesh's Chief Justice Obaidul Hassan resigned on August 19 following new protests by a group of students and other demonstrators, as the country's interim government. Asif Nazrul, law, justice and parliamentary affairs adviser to the interim government, said in a video message posted on Facebook that his office received the resignation letter and they would forward it to the

country's figurehead President Mohammed Shahabuddin for further procedures. Five other top judges in the Supreme Court also resigned later on Saturday, in an attempt by the new government to reorganise the judiciary. Tensions rose on August 10 morning after the chief justice called for a meeting of the judges of the country's High Court and the Supreme Court to discuss the working of the judiciary under the new government. The protesters thronged the court premises and demanded that the chief justice and other judges of the top court step down.

### **Syed Refaat Ahmed New Chief Justice**

Syed Refaat Ahmed took the oath as Bangladesh's new chief justice on August 11, succeeding Obaidul Hassan, who resigned along with five other Appellate Division judges on August 10. The oath-taking

demanding a revamp of the judiciary, with protesters gathering at the apex court premises and issuing an ultimatum for the judges to step down by 1 pm. Hassan, appointed to lead the Supreme Court last year, was targeted by protesters who considered him a loyalist of ousted Prime Minister Sheikh Hasina.

### **BNP Will Give Time To Interim Govt**

BNP Secretary General Mirza Fakhru Islam Alamgir said the BNP delegation has not talked to interim government chief adviser Dr Muhammad Yunus about the election. He said they are giving time to the government to create an appropriate environment for holding the election. BNP top leaders led by party secretary general Mirza Fakhru held the meeting with the chief adviser at the State Guest House, Jamuna, in the capital on August 12. They talked for about



*BNP secretary general Mirza Fakhru talking to reporters after a meeting with the chief adviser at the State Guest House, Jamuna, in the capital*

ceremony for Chief Justice Ahmed was held at the Darbar Hall of the president's official residence, with President Mohammed Shahabuddin administering the oath in the presence of chief adviser Professor Muhammad Yunus, who heads the interim government following Hasina's ouster. Their resignations came amidst massive street protests

an hour. While the BNP delegation was at Jamuna, a delegation led by Bangladesh Jamaat-e-Islami Ameer Shafiqul Rahman reached there. Mirza Fakhru said, "We have not talked about the election. Earlier, we had said it would require some time to create an environment for the election. We are giving time. We support all of their work." The BNP

secretary general said, "We have said one thing clearly that the people are not confused as an attempt is being made to create unrest and chaos citing communalism. We hope people will support the government maintaining religious harmony and security of the people. We are giving our support in this way."

Mirza Fakhru said the chief adviser invited the BNP leaders to the meeting. The killer of democracy and fascist government deprived people of their rights by unleashing repres-

sion and torture. The students and the masses toppled the government and freed the country. After the formation of the interim government on 8 August, it held the first formal meeting with the BNP leaders. Fakhru said they have given their opinion on what can be done in the current situation and the government also gave its opinion.

He alleged those who deprived people of their rights are conspiring to thwart the victory of Bangladesh. The BNP leader said the party is

unfortunately making various statements despite killing so many people. He feels the government should take steps in this regard. Mirza Fakhru said the interim government should talk to all the parties, but not with the killers.

Among others, BNP standing committee members Khandker Musharraf Hossain, Mirza Abbas, Dr Abdul Moyeen Khan, Nazrul Islam Khan, Salahuddin Ahmed, Amir Khasru Mahmud Chowdhury and Selima Rahman were also present. ■

## Khondoker Rashed Becomes New BSEC Chairman



The Financial Institutions Division (FID) today issued a notification appointing him as chairman with a four year term.

Rashed Maqsood, a prominent banker having 30 years of experience both in Bangladesh and abroad, was serving as adviser for Strategy and Business Development of the International Finance Corporation (IFC) from

May 2023. Prior to that, he was the managing director and CEO of Standard Bank Limited till January 2023. He also served as the MD of NRBC Bank and worked as Citi Country Officer (CCO) for Citibank NA, Bangladesh.

Rashed completed his MBA in finance from the Institute of Business Administration (IBA) of University of Dhaka and

started his career with American Express as a management trainee in 1992.

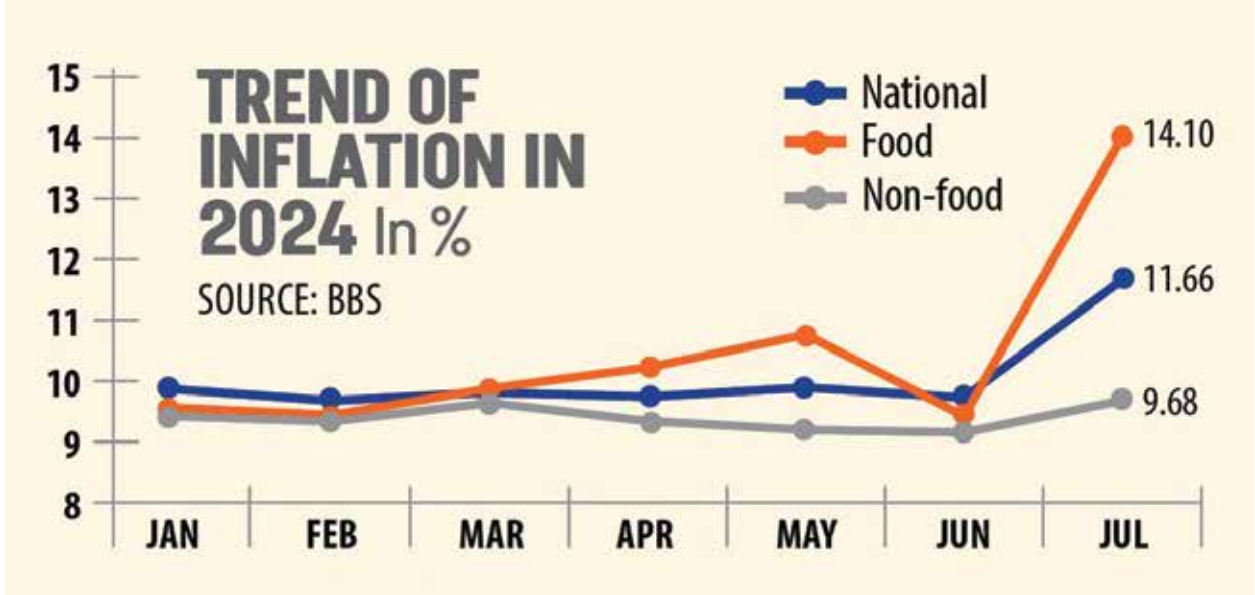
Professor Shibli Rubayat-Ul Islam resigned from the BSEC chairmanship on 10 August after just five days of fall of the Sheikh Hasina government. Following Shibli's resignation, the government earlier on 13 August appointed M Masrur Reaz

as a chairman of the BSEC. However, Masrur Reaz, who is the chairman of Policy Exchange of Bangladesh, declined to join in the post on Saturday amid protests and dissatisfaction by BSEC officials. He expressed a preference to work on broader national issues with the new government.

The protesting BSEC Officers' Welfare Association took an instance not to welcome Masrur Reaz, alleging that he had connections to the ousted Sheikh Hasina government.

Later, amid the reciprocal reaction among executive members of the association, finally they decided to welcome Masrur Reaz, who still declined to take the post.

A day after the decision not to join the BSEC, the government appointed Rashed Maqsood as the new BSEC chairman. ■



# Food Inflation Tops 14pc For First Time In 13yrs

## Business Outlook Report

**P**art of the reason was a nationwide supply chain disruption caused by weeks of deadly protests that led to the fall of the Sheikh Hasina-led government. The consumer price index that includes food and non-food inflation rose 1.94 basis points to 11.66 percent in July from the previous month, according to data released by the Bangladesh Bureau of Statistics yesterday.

Moderate inflation is a fact of life, but higher inflation hurts fixed-income people badly. Consumers lose purchasing power faster at a higher rate of inflation. People are forced to chip away at precious savings. "July was a month of turbulence and economic disruption. Supply chains broke down because of shutdowns, curfew, and internet blockage. These adversely affected the supply of goods in various markets," said Zahid Hussain, a former lead economist of the World Bank's Dhaka office. The statistical agency published inflation data after

Bangladesh formed an interim government following the end of Hasina's 15-year regime. Hasina fled the country in the face of mass protests led by students. Elevated consumer prices have a long life in Bangladesh. Since March 2023, the overall inflation has stayed over 9 percent. While economists blamed the price surge in July on the supply chain breakdown, they also raised questions over the statistical agency's past shoddy data that kept inflation relatively subdued. The actual data could be much higher. The economists have now urged the government to reveal the real inflation data as Hasina's rule ended.

The price spike came largely from food inflation in both urban and rural markets. Non-food inflation also increased, albeit at a much slower pace than food inflation. Hussain said the increased uncertainty due to political turmoil may have created a "precautionary demand" for essential items. "It is natural for people to try to stock up when they are not sure about the

functioning of markets and the availability of goods even if markets are open. This may have created additional pressure on prices." The "fearless disclosure of the truth" may be another reason for higher inflation, he said. "The BBS may have felt no inhibition in releasing the numbers without massaging under the changed political circumstances." Prof Selim Raihan, executive director of the South Asian Network on Economic Modeling, concurred with Hussain and accused Hasina's government of manipulating inflation data.

"The statistical agency didn't publish the real data and showed the 'reduced value' to give political advantages to the government," Raihan said. "We raised the issue with the government as well." He also pointed to the supply chain disruption since mid-July when student protests turned deadly. As a result, the low- and fixed-income people were the first to take a hit from a sudden price spike. ■

# WB Stands Ready To Work With Bangladesh's Interim Govt



## Business Outlook Report

**C**ountry Director of the World Bank in Bangladesh and Bhutan Abdoulaye Seck on August 13 renewed the World Bank Group's commitments to Bangladesh saying they are ready to work with the interim government led by Nobel Laureate Prof Muhammad Yunus as the chief adviser.

"We renewed our World Bank Group's commitments and we stand ready to work with the interim government to continue the long standing strong

partnership between the World Bank and Bangladesh with a commitments of over \$42 billion since 1972," he said after meeting the adviser to the interim government on the Ministries of Finance and Planning Dr Salehuddin Ahmed at the latter's ERD office.

Seck said they renewed their commitments to the people of Bangladesh to make sure carrying out reforms which are critical for the country, the financial sector, important trade reforms, business climate and so to the

agenda of private-sector led jobs creations for young people, the agenda of inclusion, agenda of resilience to climate risks. Asked whether there is any concern over the repayment capacity of Bangladesh's foreign loans, Seck said it has never been a concern for Bangladesh over the last 50 years since Bangladesh has been a reliable partner.

"It has never been a concern for Bangladesh as I've worked in various capacities in different countries. So, I think this country will be proud of

it." Replying to another question on the struggling financial sector, the World Bank Country Director said that since it has been a critical agenda, the World Bank Group has been supporting in many of the agenda which were critical like the policy-based lending and the Bank Company Act.

"But, still there are a number of issues like how to reduce the NPLs and we're very much encouraged on how we can work together," Seck also expressed heartfelt condo-





## Bangladesh Bank

# Interim Govt To Decide Fate Of Top Officials

*Business Outlook Report*

**T**he interim government will decide regarding the resignation of top Bangladesh Bank officials, a spokesperson said amid growing demand from employees for them to quit. “Those top officials were appointed on a contractual basis by the government that just fell. As a result, a new government will have to decide about them,” said Md. Mezbaul Haque, the spokesperson of the central bank.

He said this at a press conference at BB headquarters following a meeting of executives and directors of the central bank. “The BB will present the demands of employees to the new government,” he added. Two deputy governors resigned under pressure from employees as unrest

gripped the central bank building in the morning. On the resignation of the deputy governors under pressure from the central bank employees, Mezbaul said, “Government appointed them; if you want to submit a resignation letter, you have to give it to the government. They cannot give resignation letters to anyone else.” Regarding the BB governor, the spokesperson said, he is on leave.

In the absence of the governor, the deputy governors can take the decisions in their respective cases. But as the employees demanded the resignation of the deputy governors, they tendered their resignations on plain (white) paper. However, major policy decisions do not take place without the government. Now

basically the daily activities will continue, he said in explanation. Asked about seven banks owned by S Alam Group, “These seven banks have a current account deficit. It can be seen that there is no precedent anywhere in the world that a bank can run with a current account deficit. In Bangladesh, the central bank has given the option to run this bank.”

In response, the BB spokesperson said that these issues now depend on the interim government. “We follow what instructions they will give us. We have talked about legal reforms. Those who (employees) demanded their resignations have been tasked with finding loopholes within the law,” he pointed out. ■

# How Flawed Strategies Fuel 8-Fold Surge In NPLs In 15 Yrs



## Business Outlook Report

**I**n December 2008, just before the Awami League-led Grand Alliance came to power in January 2009, non-performing loans (NPLs) in the country's banking sector was Tk22,481 crore.

By the end of the first year of the Awami League (AL) government, NPL slightly increased to Tk22,482 crore. Currently, it stands at Tk1,82,295 crore, which means NPLs have soared 811% or eight-fold over the last 15 years of the AL regime. Even this shocking figure does not fully

illustrate the banking sector's bad loan situation as the actual amount of hidden NPLs is likely to be much higher. Considering write-offs, courts' stay orders, and funds under special directives, the total NPLs in the banking sector could range between Tk4.5 lakh crore to Tk5 lakh crore, said people involved in this sector.

Dr Zahid Hussain, a former lead economist of the World Bank's Dhaka office, said, "The Bangladesh Bank implemented a liberal model to control NPLs for a number of years. Oppor-

tunities like loan rescheduling and default loan regularisation for paying a small amount once were given again and again, but defaulted loans increased instead of decreasing. If we do not come out of this policy, defaulted loans cannot be reduced."

"Time has come to be strict with large and repeat defaulters. The law must be applied even-handedly to all. No new loan should be given to the defaulting individuals and institutions. The Bangladesh Bank needs to actively engage with banks that have a high

NPL to work out a resolution strategy and roadmap," he added. Former Bangladesh Bank governor Dr Salehuddin Ahmed said, "The banking sector is facing a challenging time. Currently, the primary issue in this sector is the lack of good governance. This has led to various irregularities, including fraud.

"Loans granted through irregularities are all turning into non-performing loans. For some businessmen, defaulting loans has become a 'business model'. If strong decisions are not

made now, the disorder in the banking sector will not come to an end.”

### So Many Faces Of Default Loans

According to the Bangladesh Bank data, banks invested extensively in the stock market in 2010. Halfway through that year, the stock market experienced a crash, which caused the banks’ investments in the capital market to become stuck, leading to a rise of NPLs to Tk22,710 crore by December that year. In 2011, the overdue funds invested in the stock market became increasingly non-performing. Consequently, a policy was adopted to regularly limit banks’ investments in the stock market, which brought down NPLs slightly to Tk22,644 crore by December that year. At the end of 2012 NPLs nearly doubled to reach Tk42,725 crore, which marks the biggest jump in bad loans in a year. With some recovery in import trade, NPLs slightly decreased to Tk40,583 crore in 2013, but in 2014 it rose again to reach Tk50,155cr. From 2015, the negative impact of BASIC Bank fraud and other loan scandals began to be felt. In 2015 and 2016, NPLs increased significantly to stand at Tk51,371 crore and 62,172 crore, respectively. In the following years, some major loan scandals worsened the situation. Consequently, default loans reached Tk80,307 crore in 2017, and Tk99,911 crore in 2018. The amount of NPLs slightly dropped to

Tk94,313 crore in 2019, and Tk88,734 crore in 2020. The banking sector’s default loans crossed Tk1 lakh crore in 2021 and reached Tk1,03,273cr by the end of that year. It stood at Tk1,20,656 crore in December 2022, and Tk1,45,633 crore in December 2023. In the first quarter (January–March) of 2024, NPLs hit historic high Tk1,82,295 crore.

### Repeated Concessions Over The Years Futile

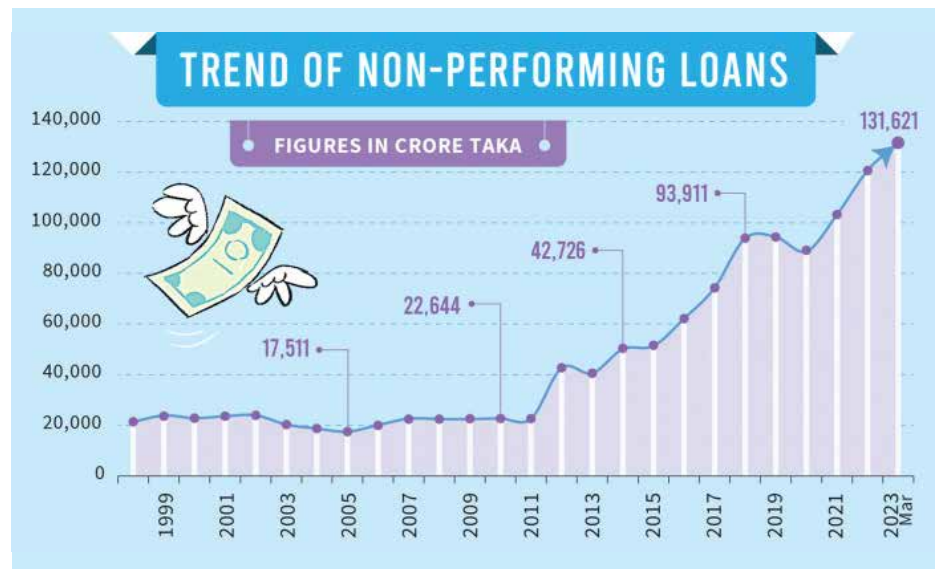
Over the past 15 years, a series of concessions has been granted to loan

loans with just a 2% installment.

When the COVID-19 pandemic started in 2020, the central bank provided relief to all types of loan borrowers, allowing them to defer loan repayments. During this period, even some good borrowers became reluctant to repay their loans.

Abdur Rouf Talukdar was appointed as the Bangladesh Bank governor in July 2022. Upon taking office, he issued a new policy that granted widespread relief to loan defaulters. The new

allowed was two years. Under the new policy, the central bank has delegated the authority to provide concessions on non-performing loans and to reschedule them to the boards of directors of the respective banks. Consequently, it is now up to the bank owners to decide which loans will receive rescheduling benefits. Previously, rescheduling loans required approval from the central bank. This change has further increased the opportunity to conceal non-performing loans. The concessions did



defaulters, which damaged the banking system heavily. Immediately after 2009, the definition of NPLs was relaxed, extending the grace period by three months. In 2015, special privileges were given to defaulters under the guise of loan restructuring. Special concessions were also provided for loan write-offs. In 2019, a special facility allowed defaulters to regularise their

policy allowed for regularising non-performing loans by depositing between 2.5% to 6.5% of the due amount. Previously, regularising non-performing loans required depositing 10% to 30% of the outstanding amount. Additionally, the new policy extended the repayment period for non-performing loans to five to eight years, whereas previously the maximum time

not stop there. In February of this year, the policy on loan write-offs was relaxed. Most recently, in April, amendments were made to the Bank Companies Act, providing yet another round of concessions. The central bank then issued a new directive stating that if a business group has one defaulter company, other companies of the same group will still be eligible to obtain loans. ■



# Businesses, People Struggle Amid Cash Crunch



## Business Outlook Report

**A**mid the ongoing instability and recent changes in government, the already troubled banking sector of the country is encountering a fresh crisis due to the shortage of cash at ATM booths and a restriction regarding cash withdrawal from banks.

General people and traders are grappling with a cash crunch as the Bangladesh Bank on August 10 instructed the commercial banks to limit daily cash withdrawal to Tk2 lakh per person for the current week. Rizwan Rahman, a former president of Dhaka Chamber of Commerce and Industry (DCCI), said the country is still facing challenges due to the central bank's cash withdrawal restrictions. This

has made paying salaries difficult. He urged all to be patient with the new government's efforts for economic recovery. Rahman also expressed his hope that the new administration will facilitate smooth business operations and prevent disruptions in foreign trade. Bankers said the crisis will soon be resolved and customers will receive services as before.

Meanwhile disruptions in ATM services have been recurring since last week and currently most of the booths have no money. The shortage has occurred due to insufficient security in the past few days, which has prevented the replenishment of cash in ATM booths. Emdadul Haque, a resident of Mirpur, said he had been visiting a number of ATM

booths since August 6 afternoon to withdraw money for shopping, but found most of them closed or out of cash. "I usually do not carry much cash with me as I always use ATMs. But since all the booths were closed, I had to go home to get money and do my shopping. Who knows how long this situation will last?" he said.

A senior official of Securix Limited, which transports cash to ATM booths, said that carrying large amounts of cash has become risky in the current situation. So, it is not possible to supply cash to the ATM booths as needed. Previously, they supplied Tk30 crore to ATMs of four banks per day, but currently they supply only Tk10 crore. ■

# We Could Not Speak Freely In Last 15 Years



## Business Outlook Report

**B**usinesses have claimed that they had been unable to speak freely during the last 15 years under the premiership of fallen dictator Sheikh Hasina.

They also alleged that major business associations, including the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), Bangladesh Garment Manufacturers and Exporters Association (BGMEA), and Bangladesh Textile Mills Association (BTMA), had been

turned into political platforms during Hasina's regime, preventing businesses from expressing their own opinions to address industrial issues.

The business community made these remarks at a view-exchange meeting organised by the Bangladesh Garments Accessories and Packaging Manufacturers and Exporters Association (BGAPMEA) at a Dhaka hotel on August 12.

They also highlighted the harassment faced by businesses from officials of

the National Board of Revenue (NBR), which they claimed led to a significant slowdown in business activities. Despite this, false export data was released by the Export Promotion Bureau (EPB), they added.

The speakers called for the resignation of the NBR chairman, citing rampant corruption and money laundering due to the absence of accountability during Hasina's regime.

Speaking at the event as the chief guest, former FBCCI president Abdul

Awal Mintoo said that the lack of accountability in the country had allowed a vested group to accumulate wealth without creating assets or engaging in hard work.

He argued that the absence of democracy prevented the public from protesting against these injustices.

“A government truly representative of the people is crucial now to ensure accountability as soon as possible. It's time for everyone to speak the truth. I did not earn any

money from the government during my tenure as FBCCI president, so I urge businessmen to conduct their businesses honestly,” Minto stated.

Former FBCCI vice president Abdul Quasem Haider echoed these sentiments, lamenting that they had been unable to voice their concerns over the past 15 years. He stressed the need for FBCCI to be an organisation for businesses, not a political platform. Haider criticised the previous government for significantly increasing gas and electricity bills and raising

bank interest rates, without allowing the business community to raise their voices in protest. He also decried the widespread corruption and money laundering that occurred during this period.

While speaking at the event, BGMEA Vice President Abdullah Hil Rakib emphasised that they wanted to focus on business and contribute to the economy without being aligned with any political party. He noted that some businessmen’s properties had been destroyed, yet they were

unable to speak out. “We want safety and security to operate our businesses and factories. During this crisis, we need soft loans. Export data was fabricated to hasten the country’s graduation from the Least Developed Countries (LDC) status, creating an export gap of around \$16 billion. The LDC graduation should be deferred,” he stated.

He also said that interim government head Dr Muhammad Yunus is a global brand and that this opportunity should be used to enhance Bangladesh’s international

image. Newly elected BTMA President Showkat Aziz Russell claimed that the industry had not seen significant improvement over the last 15 years.

Executive President of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) Mohammad Hatem remarked that businesses have no political affiliations and need support from all quarters to contribute effectively to the economy. ■

## Six Top Officials Resign Amid Protests At Central Bank



Six top officials, including all the four deputy governors of Bangladesh Bank, have resigned following protests by bank employees accusing them of facilitating corruption, unethical practices, and misappropriation within the banking sector.

The protest began on August 7 when a group of aggrieved bank employ-

ees gathered at the Governor Building of Bangladesh Bank, chanting slogans—‘fraud, fraud’—and demanding the removal of the accused officials.

According to the eyewitnesses, four deputy governors, the head of the Financial Intelligence Unit and Policy Advisor Abu Farah Md Nasser

resigned under pressure from the protesting employees. Other top officials including the five left the central bank premises under military protection to ensure their safety.

The Governor of Bangladesh Bank was absent from his office on Wednesday, as he was the previous day. The protests

were fueled by allegations that these officials had approved anonymous loans worth billions of taka to several groups, including the S Alam Group. The bank employees entered the office of Deputy Governor Kazi Saidur Rahman, compelling him to write and sign his resignation on a blank sheet of paper. Following this, he left the bank.

The unrest at Bangladesh Bank highlights the growing dissatisfaction and demand for accountability within the country’s financial institutions. As the situation unfolds, the future leadership of the central bank remains uncertain, with calls for transparency and integrity echoing throughout the financial sector. ■

# New BB Governor Faces Steep Climb

*Apu Ahmed*

**T**he newly appointed governor of the Bangladesh Bank, Ahsan H Mansur, is facing daunting challenges to bring the central bank on track after its rules and regulations were grossly violated by a number of groups close to the immediate past political regime under deposed Prime Minister Sheikh Hasina to plunder funds and send the overall banking sector into nadir. While Hasina who was called Asia's iron lady for her iron fist and controversial rule spanning over one and a half decades fled to India on August 5 in the face of student-led mass protests that led to the deaths of over 400 people, the whereabouts of immediate past BB governor Abdur Rauf Talukder are still unknown.

## *Humiliating Exit*

In fact, Rauf Talukder is the only governor in the country's history who had to submit his resignation

Bangladesh Financial Intelligence Unit of facilitating the plundering of the country's financial resources by cronies of the immediate past political regime. Ahsan H Mansur, a seasoned economist, has been appointed by the interim government as the new BB chief after suspending the age limit of the BB governor at 67 years. The limit created obstacles for the interim governor, led by Nobel laureate Prof Muhammad Yunus, to take charge. Ahsan H Mansur who is now at the age of 72 years has to shoulder heavy loads to reinstate prudent rules for which BB had emerged as a credible state entity in the past. Finance Adviser Salehuddin Ahmed, also a former BB governor, has already stated that all ministries, divisions and autonomous bodies under his ministries should carry out their duties as per the rules and regulations. He added that existing rules and regulations were adequate to

regulations for which the financial sector has been struggling over the years.

## *Janata Bank Was Made ATM*

Being at the centre stage of the financial sector, restoration or maintenance of rules and regulations is a



*Abdur Rouf Talukder  
Former Governor of Bangladesh Bank*



amid protests from the junior central bank officers and employees who accused him and four deputy governors, advisers and head of the

maintain discipline in the overall financial sector. Through the statement, Salehuddin highlighted the issue of violation of the rules and

must. Ahsan H Mansur has to do the much-needed work while reports about last-minute irregularities by BB in addition to old ones hit the headlines. One such report published by the New Age, a national English daily, said deposed Prime Minister Sheikh Hasina's former Adviser on Private Industry and Investment Salman F Rahman and his associated companies have defaulted on around Tk 18,000 crore loans alone from state-owned Janata Bank. The group had withdrawn approximately Tk 25,000 crore in funded and non-funded loans, including Export Development Fund loans, from Janata. Out of the amount, Tk 18,000 crore became classified due to non-payment of instalments. In addition to loans from Janata, Salman and his associates have borrowed Tk 11,000 crore

from IFIC Bank, where Salman also serves as chairman. Other loans include Tk 1,838 crore from Sonali Bank, Tk 965 crore from Rupali Bank, Tk 1,409 crore from Agrani Bank, Tk 2,952 crore from National Bank, Tk 661 crore from EXIM Bank and Tk 605 crore from AB Bank. Most of these loans were reportedly taken without adequate collateral, raising concerns about recoverability. The BB has failed to maintain its due role to check one of the controversial persons who is also



*Ahsan H. Mansur  
Governor of Bangladesh Bank*

involved in share market manipulation.

### ***S Alam's Aladdin's Lamp***

Another government entity- the National Board of Revenue- has broken its long hibernation by asking banks and financial institutions to provide account details of Mohammed Saiful Alam, commonly known as S Alam, his family members and business organisations. Numerous allegations against S Alam Group have surged in recent times, including money laundering and default on bank loans. According to the recent media reports, the group withdrew around Tk 55,000 crore from Islami Bank alone while it took more than Tk 1 lakh crore from several banks the group controlled. The S Alam group directly and indirectly controlled

seven banks in the country. The group started to take over these banks in 2017 with the backing of the immediate past political regime. S Alam and his family members assembled huge assets in foreign countries without obtaining permission from the central bank.

### ***Rauf Talukder's Last Resort***

It has also been reported that the central bank had been providing liquidity support to cash-strapped S Alam-dominated banks by printing



*Salman F Rahman  
Vice Chairman, BEXIMCO Group*

money, which is a gross violation of the central bank's prudent rules against the backdrop of decade-high inflation for the past two years. Deposed central bank governor Rauf Talukder, however, called the assistance as the last resort to salvage the banks from bankruptcy. Here too, the BB failed to protect the interest of the depositors. Such undue assistance to a group has surpassed even its humble attitudes towards the errant loan defaulters. Since 2016, Bangladesh Bank has been offering easy scopes one after another for the loan defaulters which has been blamed for the precarious situation in the banking sector. In 2016, BB introduced a special loan rescheduling facility allowing defaulters to regularise their loans for 10 years by paying just a 2 per cent down payment, a policy

reportedly influenced by Salman F Rahman. In 2022, the policy was further relaxed, allowing defaulters to repay their loans over 29 years. In 2022 alone, a record Tk 63,720 crore in loans was rescheduled, up from Tk 26,810 crore in 2021.

### ***Sick Banks All-Around***

So, recovering the bad loans is one of the major tasks for the new governor. However, his major headache is dealing with the sick banks. The interference by the



*Mohammad S. Alam Masud Chowdhury  
Chairman, S. Alam Group of Industries*

immediate past political regime on the extension of loans and pressure for undue benefits should largely be blamed for the growing number of sick banks. However, the economic policymakers of the immediate past political regime were against the view of closing down any bank. They believed that closing down banks would bring disrepute for them like the Bangladesh Nationalist Party faced for dissolving Oriental Bank in 2006. The current finance adviser who was at the helm of BB had to make the unwanted but much-needed decision in June 2006. That was all about a bank only. However, the new governor has confronted at least half a dozen sick banks. ■

# Interim Govt Faces Steep Challenges To Resuscitate Economy



The interim administration must work to resolve high inflation, loan default and problems in the financial sector, employment and investments

**Zahid Hussain**  
Former Lead Economist  
WB's Dhaka office



A comprehensive and time-bound reform is required to reconstruct the economy

**M Masrur Reaz**  
Chairman of Policy  
Exchange Bangladesh

*Improving business confidence key to attracting FDI, say experts*

## Business Outlook Report

**T**he interim government faces a tall task of reviving the country's ailing economy with economists and businessmen describing low business confidence, economic mismanagement and rampant corruption as key challenges.

Nobel laureate Dr Muhammad Yunus has been named the head of the interim government, which took oath on August 8, following the fall of the Sheikh Hasina government on August 5 in the face of a mass upsurge. The experts said the country needs immedi-

ate restoration of the law and order to improve business confidence and stabilise the macro-economy for attracting foreign direct investment (FDI).

Dr Zahid Hussain, former lead economist at the World Bank's Dhaka office, said the most important task right now is to restore peace, and law and order in the country. "To attract FDI, the country needs to normalise the macro-economy after rebuilding its image." "The primary task of the interim government will be to reorganise the country's institutions. The country's image has suffered a great

blow. Improvement of the law and order is important to rebuild the image," he said. The economist said foreign investors are facing problems due to the dollar crisis. "It should be resolved," he said, underscoring the need for prioritising economic management.

The interim administration must work to resolve high inflation, loan default and problems in the financial sector, employment and investments, he said. As the students' movement for quota reform dealt a heavy blow to the already ailing economy, Dr Zahid Hussain said foreign

investments can play a pivotal role in putting the economy back on track. "The interim government should work actively here," he said. According to the Bangladesh Bank, the country received \$3 billion FDI in 2023, \$3.5 billion in 2022, \$2.9 billion in 2021, \$2.6 billion in 2020 and \$2.9 billion in 2019.

Chairman of Policy Exchange Bangladesh M Masrur Reaz told the Daily Sun that the interim government will need to reform various sectors after identifying problems to reconstruct the country's economy. ■



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Nobel laureate Muhammad Yunus, who was recommended by Bangladeshi student leaders as the head of the interim government in Bangladesh, speaks during a press briefing, as he arrives at the Hazarat Shahjalal International Airport, in Dhaka, Bangladesh, August 8

# Fall of Autocracy Geopolitics Gets New Dimension

*Apu Ahmed*

**T**he geopolitics on the Bay of Bengal is expected to go through major changes against the backdrop of the fall of the Sheikh Hasina-led autocratic regime in Bangladesh and the deepening civil war in its neighbour Myanmar.

## *Humiliating Exit*

The humiliating exit of Hasina as she was forced to flee to India on August 5 in a military cargo aircraft amid deadly student-led mass protests originated from the demand for quota reform in public jobs leaves major players of the region and the global superpowers to redesign their strategies regarding Bangladesh and its maritime gateway in the Bay. An interim government has been appointed to run the country in the absence of the parliament that was dissolved with the resignation of Hasina. The interim government, an outcome of the student-led mass revolution, has

been tasked with the responsibility of creating a proper environment for holding a free and fair election. It has also got an almost automatic mandate to make reforms in the overall state affairs as changes in the country's constitution have been one of the major demands of the successful movement that emerged at the cost of at least 500 lives, mostly students and youths.

## *Institutions Broken*

Students have made it clear that the abuse of power by the immediate past political regime for the past one and a half decades had been possible due to the absence of democracy. Holding non-participatory elections on three consecutive occasions every five years since 2014 by undermining the rule of law and manipulating the state organs were the basis of the dictatorial rule. The interim government has already understood the necessity of reactivating the state organs that play a

vital role in the checks and balances of the parties in power. However, the checks and balances of the immediate past political regime were completely broken because of the appointment of politically motivated persons in key state organs such as the Bangladesh Bank, Anti-Corruption Commission, National Human Rights Commission and the higher and the lower courts.

## *Movement Exposes Autocratic Regime*

The toppling of Hasina by the mass protests exposed the autocratic regime in Bangladesh to the global audience. It has been reported that the police were abused excessively by the deposed prime minister during the month-long movement like they had been used since the beginning of the second tenure in 2014 to silence the opposite political views and critics on human rights violations and white-collar crimes.



However, the abuse of police to tackle political protests and rallies surpassed any past degree in the recent movement. The world audience had seen how the police force carried out the order of firing at unarmed protesters. For the first time in the country's history, choppers were used by police to defuse the protests turning the whole affairs almost to an urban warfare between an oppressor with full riot gear and the oppressed with baton and brick chips.

### External And Internal Forces

Soon after the television media televised the scene of Hasina fleeing the country, police across the coun-

try has also been extending support to Sheikh Hasina's government. However, Beijing's support faced less criticism than India's. Beijing somehow managed to protect its impression that it does not meddle with politics but confine itself to economic development in other countries for its aspiration to emerge as the global economic superpower.

### The US Activities

The United States had been engaged both with the immediate past political regime and the private groups, civil society and students. Washington had maintained a delicate balance between its roles towards the immediate past government and

Ambassador ended due to security concerns. The meeting was interrupted by protesters, who attempted to enter the building where the Ambassador was located.

### Burma Act

India, China and the US had maintained relations with Dhaka although Washington was critical about the immediate past political regime. The US has already stated that it did not find the last general election in Bangladesh to be free and fair after it had banned the Rapid Action Battalion and imposed visa restrictions on its several members. The growing US activities in Bangladesh have also been tagged with the Burma Act, enacted in 2022 by the US to enhance engagements with Myanmar's government-in-exile. Myanmar has been in a state of political turmoil since the military toppled the democratically elected government in February 2021. The coup sparked mass protests, which evolved into a major anti-junta uprising, particularly in regions dominated by ethnic minorities. Those opposing the military regime have formed alliances comprising ethnic groups and civilian-led defence forces. The civil war is estimated to have claimed the lives of over 5,000 civilians since 2021. Millions have been internally displaced and the country's economy lies in tatters. According to Myanmar's National Unity Government, which was formed by a coalition of ousted democratically elected lawmakers who sought to establish a parallel or exile government, over 60 per cent of the nation's territory was controlled by the resistance forces at the end of June.

### Containing China

One of the major US aims is assisting the Bay of Bengal littorals in reviving democracy and exercising democratic values and norms so that it can make its presence felt amid the growing footprint of China. ■



try came under attack by angry protesters. Two-thirds of police stations and outposts were vandalised while police skipped duties for more than a week. Besides police, some over-loyal bureaucrats and unprofessional law experts were the main source of power for the deposed prime minister on the internal front. On the external front, the autocratic past political regime had been receiving almost ready support from India, the biggest democratic country on the earth. New Delhi hardly considered the falling democracy in Dhaka and the unpopularity of the immediate past political regime. Like India, China

the civil society while Sheikh Hasina was busy striking a balance between India and China. China and India also maintain engagements with civil society, but those are listless compared to engagements maintained by the US. The engagement of the US embassy in Dhaka with Mayer Daak, an organisation of the relatives of the victims of enforced disappearances, showed the US commitment towards the people. Activities by Mayer Daak over the last decade have proved to be a bane for the immediate past political regime. On December 14, 2022, a pre-scheduled meeting between Mayer Daak and the then US

# Disruption To Export-Import Business: Situation Gradually Improving



## Business Outlook Report

**T**he disruption in export-import business caused by the non-cooperation movement, curfew, and the subsequent situation in the country has been gradually improving after three days of turmoil. Activities at the Chattogram Customs House, which had been suspended since 2:00 pm on August 7 for security reasons, resumed on August 8 morning.

Chattogram Port Authority (CPA) Secretary Omar Faruq reported that a

significant number of vehicles began arriving with and for goods as the overall situation in the country improved. Consequently, deliveries were expedited on Tuesday and Wednesday compared to the previous days.

According to data from the CPA, 4,971 Twenty Equivalent Unit (TEU) containers were handled within the port in the 24 hours leading up to 8am on August 8. Additionally, 2,238 containers were delivered to consignees and private Inland

Container Depots (ICD), against the average daily delivery of around 4,000 containers.

As of August 8, a total of 42,638 containers were stored in the port yards, against a total storage capacity of 53,581 TEUs, according to sources. Chowdhury Zafar Ahmed, Secretary General of the Bangladesh Covered Van-Truck-Prime Mover Goods Transportation Owners Association, said that the situation is gradually improving. "The restoration of security to

and from Chattogram will help regain the usual pace," he expressed optimism.

It is worth mentioning that the transportation of containers to and from the country's premier seaport had come to an almost complete halt due to the non-cooperation movement, curfew, and the resulting situation in the country, severely hampering export-import businesses. Only 329 containers were delivered in the 24 hours leading up to 8am on August 7. This disruption increased the

number of containers lying in the port yards, reducing the required operational space. A total of 44,117 containers were stored in the port yards as of Tuesday morning.

### **Export-Import Through Banglabandha Port Resumes**

The import-export operations resumed through the

Banglabandha land port in Panchagarh on August 8 morning after being suspended for two days.

Some 145 trucks carrying stones arrived here from India and Bhutan, while 27 trucks carrying various goods went to India.

Abul Kalam Azad, in-charge of Banglabandha port, said the security

has been strengthened in the port area. The export and import activities at the Benapole land port in Jashore remained suspended practically as no trucks carrying goods arrived here from India or went to the Petrapole port from Bangladesh on August 8. Although goods were unloaded at Benapole, importers were

reluctant to release those due to security concerns. Rezaul Karim, director (traffic) of Benapole port, hoped that the import-export activities would return to normalcy gradually from August 9. Meanwhile, goods were cleared at the customs house of Hazrat Shahjalal International Airport on a limited scale on August 8. ■

## **Overhaul BFIU, ACC, CID, NBR Urgently**



**TRANSPARENCY  
INTERNATIONAL  
BANGLADESH**

*Social movement against corruption*

Transparency International Bangladesh (TIB) has urged the interim government to make immediate reforms in four regulatory bodies to ensure the accountability of public entities.

The Berlin-based organisation in a statement on August 13 emphasised the urgency of restoring transparency at the Bangladesh Financial Intelligence Unit, the Anti-Corruption Commission (ACC), the Crim-

inal Investigation Department (CID) and the National Board of Revenue (NBR).

“Despite substantial evidence of undeclared assets of former Land Minister Saifuzzaman Chowdhury Javed and his wife, Rukhmila Zaman Chowdhury, the authorities failed to take action for an extended period,” the TIB has highlighted this case as a clear example of ineffectiveness within important institutions.

TIB has emphasised that there is no alternative to strengthening and comprehensively reforming these institutions to effectively combat corruption and money laundering and ensure accountability by identifying those involved in such crimes.

No progress has been made since December last year, despite the disclosure of specific information about the former minister's secret assets abroad

and widespread public concern. Terming this as very disappointing, TIB Executive Director Dr Iftekharuzzaman said the anti-graft institutions are failing to take any observable action against the former land minister despite authentic information.

“The TIB report shows that Saifuzzaman Chowdhury has investments worth Tk23 billion in various offshore companies in the UK. The regulators have not taken any action despite sufficient evidence being revealed by TI UK and TIB,” he said.

Dr Iftekhar further said that the abuse of authority has legitimised money laundering and the acquisition of undeclared assets.

“The nation has promoted corruption and itself opened the door to corruption by hiring, promoting, and offering unscrupulous benefits to party members, which is a cause for concern,” he said. ■



Mutual Trust Bank (MTB) PLC has signed an agreement of financing the suppliers of Pran-RFL Group at the bank's corporate headquarters. MTB's AMD & Chief Business Officer Md Khalid Mahmood Khan and the Director-Finance of Pran-RFL Group, Uzma Chowdhury, signed the agreement. ■



Concord Architects and Interior Decor Limited has recently signed a Memorandum of Understanding (MoU) with Este Aesthetic Hospital Limited. Mohammed Faisal, Managing Director of Este Aesthetic Hospital Ltd, and Anup Kumar Sarkar, Chief Marketing Officer of Concord Group, signed the MoU on behalf of their respective organisations. ■



National Credit and Commerce (NCC) Bank has approved a 12 per cent cash dividend for the year 2023 at its 39th Annual General Meeting held at a virtual event on August 1. Among others, NCC Bank Chairman Md Abul Bashar and Vice-Chairman Mrs Sohela Hossain were present. ■



BRAC Bank signed a Payment Gateway Agreement with Foodi Express Limited. BRAC Bank's DMD and Head of Retail Banking, Md Mahiul Islam, and COO of Foodi Express Limited, Shahnewas Mannan, signed the agreement at the bank's head office. Foodi will be able to accept customer payments for online food delivery using VISA, MasterCard, and bKash through its official website (foodi-bd.com) and mobile app. ■



Southeast Bank PLC signed a Memorandum of Understanding with Travel Business Portal at the bank's head office for providing Payment Gateway Service, Payroll Banking Service, Collection Service, Payment Services, and other banking services on August 7, 2024. The bank's Managing Director Nuruddin Md Sadeque Hossain, and Proprietor Md Monzurul Alam of the travel agent company exchanged documents on behalf of their respective organisations. ■



Southeast Bank PLC organized a Foundation Training Course for its newly appointed 31 Trainee Assistant Officer (Gr.-II). Nuruddin Md Sadeque Hossain, the Managing Director of Southeast Bank made the closing remarks bringing the course to a conclusion. ■



Janata Bank PLC Managing Director Md Abdul Jabbar inaugurated a 30-day foundation course for its officers (batch 07/24) organised by Janata Bank Staff College (JBSC) in the capital. Some 50 senior officers participated at the training course. JBSC DGM (in-charge) Ahmad Mukhlesur Rahman and other executives were present at the event. ■



The 24th Annual General Meeting of Takaful Islami Insurance Ltd was held virtually. Chairman of the company Tahmina Afroz presided over the meeting. The AGM unanimously approved 10 per cent cash dividend for the year 2023. ■



BRAC Bank signed a partnership agreement with VisionSpring to extend complimentary eye care through the bank's flagship corporate social responsibility initiative. BRAC Bank's DMD Sabbir Hossain and VisionSpring Country Director Misha Mahjabeen endorsed the agreement. ■



Bank Asia PLC, as part of its corporate social responsibility, encouraged Gulshan Society with Tk 1 million for cleaning and desilting Gulshan Lake. ■



In the presence of BEPZA Executive Chairman Major General Abul Kalam Mohammad Ziaur Rahman, Member (Investment Promotion) of BEPZA Md Ashrafur Kabir and Managing Director of Meigo (Bangladesh) Ltd Lee Chin Hung signed the agreement on behalf of their respective organisations in the city. ■



Enamul Hoq, Chairman of Federal Insurance Co. Ltd., presided over the 36th Annual General Meeting held at the head office of the company at Panthapath in Dhaka through a hybrid system. Managing Director and Chief Executive Officer A M M Mohiuddin Chowdhry was also present in the meeting, among others. The meeting approved 10 per cent cash dividend. ■

# Initiatives Taken To Reduce Container Congestion At Ctg Port



## *Business Outlook Report*

**T**he Chattogram Port Authority and Chattogram customs have taken the initiative to maintain activities round the clock, even on weekends and public holidays, in a bid to reduce container congestion.

These measures were agreed upon after talks with key stakeholders at the Chattogram port building. The move is designed to clear the container backlog and speed up import-export processes, which slowed to a snail's pace during the

nationwide violence and curfew centring the quota reform protest and subsequent five-day internet shutdown. According to port officials, the Chattogram port usually has 30,000 to 32,000 TEUs (twenty-foot equivalent units) of containers.

However, on August 13 that figure stood at 43,578 TEUs, which is over 81 percent of the port's total capacity of 53,518 TEUs. According to port data, 4,338 TEUs of import containers were discharged while 3,955 TUE containers were

shipped for export in the 24 hours till 8:00am on August 13. Md Omar Faruk, secretary of the Chattogram Port Authority (CPA), said: "Import and export container congestion is decreasing day by day. We still have fewer containers than capacity".

"However, efforts are underway to bring it to below 40,000 TEUs. We have taken several steps and hope to bring it under control in the next three to four days." Container congestion is also being witnessed at the 19 private

inland container depots, which handle around 90 percent of the Chattogram Port's exports. Although these depots normally have around 6,000 to 7,000 TEUs of export containers, they are currently storing nearly double the amount, averaging around 15,400 TEUs.

These depots, constructed to alleviate the pressure on the Chattogram Port, release 38 different types of imported goods and store empty containers. Additionally, the port's dedicated space to store

containers to be transported through freight trains is now being clogged by 2,470 TEUs, which is nearly three times greater than its capacity of 876 TEUs.

The congestion is not only causing financial losses to importers but also disrupting the port's operations, especially as around 30 percent of the yard should be kept clear

to ensure the smooth transfer of containers. To release some pressure, the port and customs authorities will give importers the opportunity to release their goods through the Chattogram port and Pangaon port instead of the Kamalapur ICD.

The customs and port authorities also demanded that the railway authority ensure at least 200 TEUs

of containers are transported from the port daily, up from the existing 80-100 TEUs. To this end, they said the number of railway engines as well as the number of wagons should be increased.

Mohammad Fyzur Rahman, commissioner of Chattogram Customs House, told The Daily Star: "Container transport to the Kamalapur ICD has

been delayed by the shutdown of railway wagons over the past 22 days. The railway authority resumed container transportation last Monday. They also assured us they are working to increase the number of wagons and locomotives. "We hope the condition will return to normal within the next few days." ■

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# Export Development Fund \$600m Loan Default

## Business Outlook Report

**L**oans amounting to nearly \$600 million, or Tk 7,000 crore, disbursed from the Export Development Fund (EDF), which was formed based on the country's foreign exchange reserves, have been defaulted, according to a Bangladesh Bank (BB) document. Firms based in Dhaka defaulted on most of the amount, accounting for \$558.7 million.

Besides, Chattogram-based companies did not return \$29.7 million, the BB data showed. Among Dhaka's top 20 entities that defaulted on these loans are Crescent Group's Rimex Footwear with \$64.7 million and its other concern Crescent Leather Products with \$58.1 million, and Rupali Composite Leatherwear with \$51.7 million.

Bismillah Group's Alppa Composite Towels Ltd defaulted on \$58.1 million and Bismillah Towels Ltd \$41.4 million, and Hindulwali Textile \$14.5 million, according to

the data of the central bank. And due to weak control, the BB could

defaulted in repaying loans, Lenny Fashions did not repay \$32.5



not create any pressure to realise the loans even though the foreign exchange reserves have been falling, deepening pressure on the country's external account. Bangladesh Bank Executive Director and Spokesperson Md Mezbaul Haque could not be reached for comment. Among other firms that

million and SB Exim Bangladesh defaulted on \$31.7 million.

### **\$600 Million Taken In Loans From Export Development Fund Defaulted**

MS SQ Celsius Ltd defaulted on repayment of \$27.3 million and International Knitwear and Appar-

el had overdue loans of \$25.2 million. Esses Fashions, a concern of Beximco, had overdue loans of \$24.4 million taken from the EDF formed by the central bank in 1989 to provide low-interest loans to exporters and import raw materials.

After the coronavirus pandemic, the size of the EDF was \$3.5 billion until April 2020. Later, it was hiked to \$7 billion in phases. Earlier, the BB used to disclose the amount of reserves adding the

million and \$24 million include Bextex Garment, a concern of Beximco.

Another is Crescent Group, which also operates various industries including leather, textiles and real estate. The company has been embroiled in significant corruption allegations brought on by the Bangladesh Financial Intelligence Unit and the Anti-Corruption Commission in the past. It is also accused of laundering large sums of money through fraudulent

On September 11, 2028, nine top executives of Bismillah Group, including Managing Director Khaza Solaiman Anwar Chowdhury and Chairperson Nowrin Hasib, were sentenced to 10 years of rigorous imprisonment in a case filed over laundering Tk 15.33 crore.

It was tried to contact multiple numbers posted on the websites and social media platforms of Crescent Group, Rimex Footwear, Crescent Leather Products, and



amount of loans disbursed from the EDF. However, from July 2023, it published information regarding the reserves as per a calculation method of the International Monetary Fund (IMF).

At the end of July this year, Bangladesh's forex reserves stood at \$20.48 billion, down from \$23.30 billion a year ago, showed the BB data. The remaining top 20 Dhaka-based companies with overdue loans ranging between \$9

export-import transactions. There is an allegation of the group's involvement in securing loans from multiple banks using fake documents and inflated export bills, and these funds were allegedly siphoned off to offshore accounts.

Likewise, Bismillah Group, owner of Bismillah Towels Ltd, has become infamous for its involvement in corruption and money laundering scandals in the country.

Bismillah Group for comment. However, they could not be reached by the time this report was filed.

Contacted, Md Abu Shafullah, managing director of Esses Fashions and Bextex Garments Ltd, did not want to comment.

"Our finance officials can talk on the issue," he added. ■



# Bangladesh's Apparel Exports To US Fall In 6 Months



## Business Outlook Report

**B**angladesh performed worse than other competing countries in terms of growth of readymade garment exports to the United States in the first half of 2024.

The country's apparel exports to the US, the largest export destination for Bangladesh, declined by 10.97 per cent to \$3.40 billion in January-June period of 2024 compared with that of \$3.82 billion in the same period of 2023, according to data released by the Office of Textiles and Apparel under the US Department

of Commerce. In terms of volume, Bangladesh exported 1.11 billion square metres of apparel from January to June period of 2024, a 5.0 per cent decrease from 1.17 billion square metres exported during the same period of the previous year.

Exporters attributed the decline in market share in the US to long lead times, unreliable energy supplies and high business costs. The US' apparel imports from Vietnam totalled \$6.58 billion in January-June 2024, reflecting a 2.31 per cent year-over-year decrease,

according to the OTEXA data released on August 6. During the same period, China's apparel exports to the US fell by 6.37 per cent to \$6.81 billion. The OTEXA data also showed that overall US apparel imports declined by 6.04 per cent to \$35.74 billion in the first half of 2024, down from \$38.04 billion in the same period of 2023.

Exporters said that they were facing gas and electricity issues, which was hindering factories from operating at full capacity. Additionally, increased Chinese investment in Vietnam has

enabled the country to benefit from China's shifting focus, resulting in a rise in Vietnamese exports to the US market, they said. The OTEXA data revealed that the US' apparel imports from Cambodia grew by 4.45 per cent to \$1.52 billion in January-June 2024 compared to the same period in 2023.

Conversely, India's RMG exports to the US market decreased by 2.64 per cent to \$2.44 billion, while that of Indonesia experienced a 9.75 per cent drop to \$1.91 billion during the same period. ■

# Press Conference Current Situation in Bangladesh

Wednesday, 7 August



## Business Leaders Urge Army To Ensure Security Of Industries

### Business Outlook Report

**B**angladesh's business leaders called on the Chief of Army Staff to take steps to ensure the safety of factories as the incidents of arson attacks created anxiety and fears. They made the call at a press conference organised by the International Chamber of Commerce, Bangladesh (ICC-B) at a hotel in Dhaka on August 8.

Speaking there, ICC-B President Mahbubur Rahman said Bangladesh achieved a significant reputation in the global market of ready-made garments (RMG). "We cannot damage this reputation. Law and order must be restored right now to make industries run." Praising the students community, ICC-B president said, "The students of the country have accomplished a task which will be remembered." "Now,

we must stop the miscreants doing destruction and help the economy back on track." Mahbubur Rahman said, "We know that students are not involved in these heinous activities. We all have to stop the perpetrators now, or the situation will worsen." "We urge the Army Chief to intervene to stop the destructive activities.

He also said the businessmen always want proper policy and security to run business peacefully for the sake of the country's economic development. The business community is not concerned about the government change, ICC-B president added. Managing Director of Ha-Meem Group AK Azad said the presidents of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and Bangladesh Garment Manufacturers and

Exporters Association (BGMEA) could not attend to talk about the situation of the country's business. Azad said the ICC-B had to take the initiative to speak on the situation so the businesses could be run smoothly. He said, "Business people are worried because of the arson attacks on factories. Many factories were burnt and vandalised. Around 40 lakh people work in the garment industry. We must protect our lives and factories."

Azad informed that the miscreants attacked the business units of Ha-Meem Group, Beximco, Gazi Group, Square and Ananta Group. "The factories in Ashulia areas are at high risk of attacks." Ha-Meem Group president said, "Every day, buyers want to know about the products' delivery, but we cannot confirm them due to the current

situation in the country.” “Safety and security is crucial to operate factories. Our main goal is to restore normal economic activities,” he said.

AK Azad, also former FBCCI president, said Bangladesh’s global image is deteriorating further and “now, we must restore law and order, run factories, ensure safety of general people and activate police to put the economy back on track.”

President of Bangladesh Chamber of Industries (BCI) Anwar-ul Alam Chowdhury welcomed the Nobel Laureate Prof Muhammad Yunus as the chief of the interim government. He urged the Army to take appropriate measures to avoid any further

damage to business and economy. Former president of the Bangladesh Textile Mills Association (BTMA) MA Matin Chowdhury said they could not export properly for the last two months due to different problems including shipments and unloading raw materials at the port.

“Factories are stockpiling products. Buyers are shifting about 30% of their orders elsewhere.” He said, “Our exports will be okay if industrial problems are resolved soon. Business environment will stabilise if the situation improves quickly.”

FBCCI senior Vice-President Amin Helaly said the country’s businesses are going through a tough time.

The private sector contributes 85% to the country’s economy, law and orders must be improved to activate the economic activities, he stressed.

MA Jabbar, Managing Director of DBL Group, said “Global buyers have confidence in Bangladesh. We received over-capacity orders this year. But we are not now able to deliver products as the problems including production and shipments arise.”

“As a result, the country has to face irreparable economic losses. We need to improve the situation rapidly to avoid further losses,” he emphasised. ■

## BB Lifts Ban On Journalists



Bangladesh Bank Governor Abdur Rouf Talukder was absent at his office on the first day the office reopened August 7 after the fall of the Sheikh Hasina-led government.

However, in a significant development, the central bank lifted long-standing restrictions on journalists’ entry to its headquarters on the day. The announcement was made by Deputy Governor Kazi

Sayedur Rahman during a meeting with the Economic Reporters’ Forum (ERF) at the BB office in the capital.

The meeting was led by ERF President Refayet Ullah Mirdha, who urged the central bank to investigate defaulted loans and take action against money launderers and corrupt individuals in the banking sector. Deputy Governor Rahman explained that

the governor was currently not working due to stress but assured everyone that work would continue as usual.

He emphasised that the Bangladesh Bank is actively working on restructuring the banking sector and is prepared to collaborate with the new government. He also reaffirmed that journalists would have unrestricted access to information,

marking a return to the previous policy. The lifting of the ban on journalists is seen as a positive step, with many expressing satisfaction over this development. Kazi Sayedur Rahman also extended his well-wishes to the students who celebrated the change and expressed deep condolences for the martyrs, wishing a speedy recovery to those who are ill. Three other deputy governors were also present at the meeting, showing a unified front in the bank’s administration.

Earlier, on 25 April, the banking regulator had imposed strict restrictions on journalists’ access, allowing visits only to the spokesperson of the bank with a specific permit. This policy has now been reversed, restoring full access to journalists. ■



# Financial Sector Stability To Get Top Attention

## *Business Outlook Report*

**D**r. Ahsan H. Mansur, newly appointed governor of Bangladesh Bank, has said his priority will be to check the high inflation and restore stability in the financial sector.

Expressing satisfaction over his new responsibility Dr. Mansur said on August 13 that he will work with all stakeholders in the financial sector to bring back stability and put it on a solid foundation. On Tuesday night the interim government's law ministry hurriedly waved the age limit of 67 years for anyone to be appointed as governor of the central bank. Econo-

mist Mansur is now 72 years old. The last time the age limit provision got amended from 65 years to 67 years was in July 2020 to accommodate the reappointment of then-governor Fazle Rabbi.

He believed that despite high inflation - it hit 11.66 in July in a 13-year high - the central bank under the previous administration did not give full attention to curb it. Controlling inflation remains a top priority for any central bank. However, money supply, exchange rate stability, and inflation control all depend on the decision of the governor.

Besides, the standard of

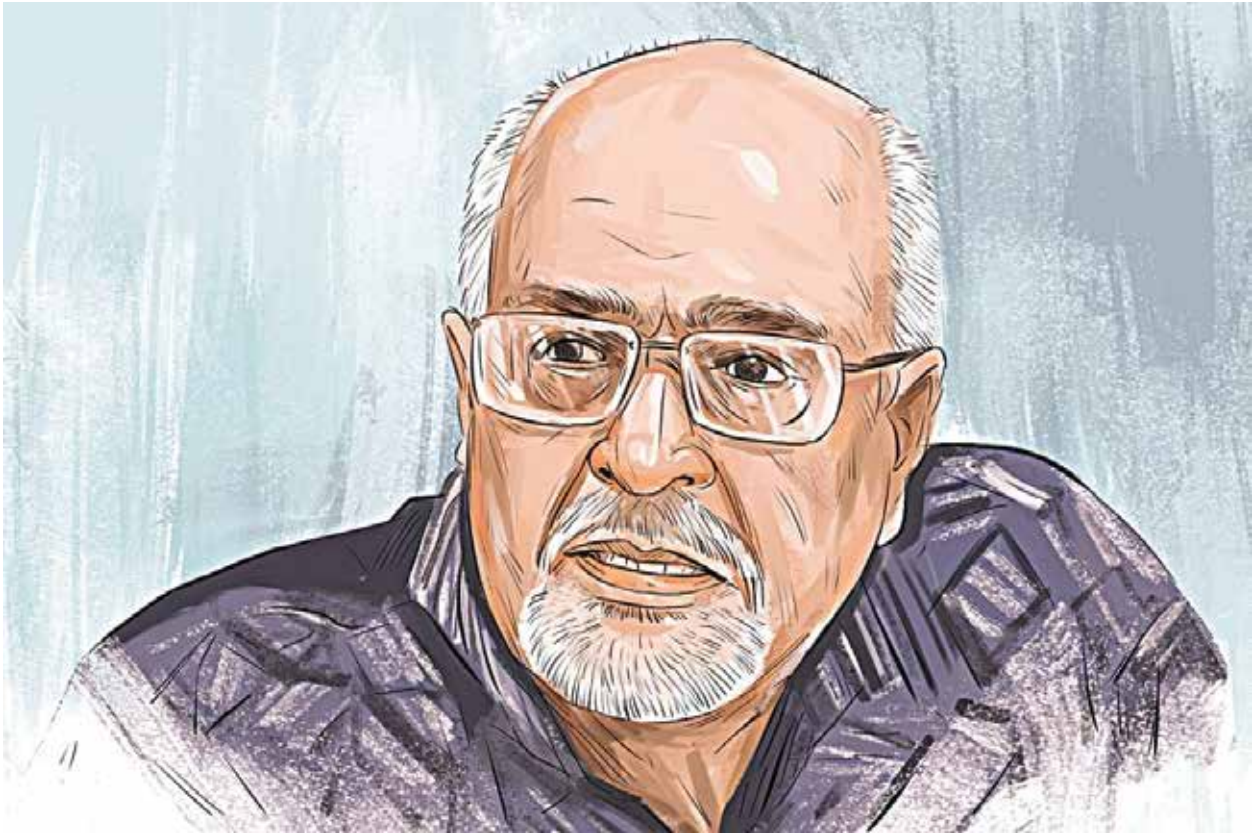
living, international trade, investment, and employment depend a lot on the decisions of the central bank of any country, he said.

Dr. Mansur started his career as a lecturer, at the Department of Economics, Dhaka University in 1976. He left for Canada for higher studies in economics the same year. As a graduate student and research assistant, he was also offering regular economics courses at the undergraduate level at the University of Western Ontario, Canada (1978-81). Dr. Mansur joined the International Monetary Fund under its Economist Program in 1981 and thereafter

completed his PhD in Economics (on general equilibrium analysis) from the University of Western Ontario in 1982. During his long career at the IMF, he worked in Middle Eastern, Asian, African, and Central American countries. He worked in important functional departments (Fiscal Affairs and Policy Review and Development departments) and area departments (Middle East and Central Asia and Asian departments) of the IMF.

He also served as the IMF Senior Resident Representative to Pakistan from 1998-01 and as the Fiscal Advisor to the Minister of Finance, Government of Bangladesh (1989-91). ■

# Prioritise Immediate Economic Concerns



**Interim Govt Should Prepare A White Paper**

## *Business Outlook Report*

**T**he interim government should prepare a white paper on the economy and identify sectors that require immediate attention, according to Dr Debapriya Bhattacharya, an eminent economist and public policy analyst. "It should prioritise mitigating recent shocks to stabilise the economy before going for structural reforms to the banking sector, capital market, energy sector, revenue collection and public expenditure," he said.

A white paper is an assessment report that features potential plans and policies to address the identified issues. Bhattacharya suggested that such an initiative would help the interim government, headed by Nobel Peace Prize laureate Muhammad Yunus, to better understand the magnitude of existing challenges.

"The interim government needs to understand the state of the economy because if it does not establish a starting point, it cannot be credited for any improvement or blamed for deterioration." In an interview with a local daily, Bhattacharya said an advantage of preparing a white paper is that it engages stakeholders through an open consultative process. This not only informs them about the state of affairs but also raises awareness about what to expect.

Another benefit is that the planning and policy options provided are not official commitments and may be amended if necessary, Bhattacharya said.

### ***How It Can Be Prepared***

Bhattacharya said it is expected that a white paper will be drafted by a

group of competent people within a certain timeframe, which may be a maximum of two months. The voluntary engagement of experts through such an inclusive process will also show the convening power of the government and generate confidence, particularly in the private sector. Citing that Bangladesh's international development partners and investors should be consulted as well, Bhattacharya said the process may assuage concerns centring the economic uncertainty.

He also said that the concerned ministries should provide their input. "The energy ministry has already prepared a note for the new government. Among others, similar notes have come from Bangladesh Bank and the ministries concerned with finance, commerce, agriculture and social welfare," he added. A

review of available real-time technical data inputs and consultation with stakeholders would provide a good basis for a much-required benchmark analysis of the economy.

### **Major Challenges And Urgent Priorities**

"As the country has settled down with the coming of an interim government, it is now time to give attention to economic issues," said Bhattacharya, also a distinguished fellow at the Centre for Policy Dialogue.

"I see three types of priorities in the

quality of public expenditure, and so on. "Mitigating the most recent shocks should be the immediate concern. This would entail the functional restoration of supportive institutions for the economy," Bhattacharya said. Also, ensuring smooth port operations and clearing the container backlog will be critical.

"Once we have dealt with immediate shocks, we can move to the stabilisation issues. However, there is no silver bullet to solve inflation," he added. Bhattacharya said it is more important for now to ensure

reduce the forex crisis to not only facilitate imports but also debt payments. Bhattacharya urged the authorities to take a closer look at the financial sector to ensure that bad loans stop rising. Regarding structural reforms, Bhattacharya said this demands a bit more preparation by the government as it has to take only those it can fulfil during its tenure.

So, since the tenure of the interim government remains a bit uncertain, it is very difficult to say how ambitious the structural reform programme should be, he added.



economy at this moment. The first is mitigating the economic shock caused by the recent movement. This is a key issue that should be dealt with to get the economy back up and running," he said. The second is stabilising the adverse economic trends seen in the recent past, particularly inflation and supply chain disruptions as well as rising exchange and interest rates.

The last is initiating much-awaited wholesale structural reforms. It concerns on a priority basis the banking sector, revenue collection,

an adequate supply of essential commodities in the domestic market. "Maintaining the commodity supply from both domestic sources and international sources is very important in this case," the economist added. However, related issues include the rising exchange rate for US Dollars and poor market monitoring.

Most importantly, remittance flow must be enhanced and whether the price of foreign currency is appropriate, Bhattacharya said. He added that these measures could help

Nonetheless, reforms in the financial sector and capital market should be prioritised. Following that, the most important will be reforms to the energy sector. The third priority is public finance management, with its two components being revenue mobilisation and impactful public expenditure.

"Indeed, the economic ambition of the interim government will be tampered with by the reality on the ground and its deployable capacity," Bhattacharya said. ■



# Govt To Prioritise Projects That Boost Business, Jobs

## Business Outlook Report

**T**he interim government will prioritise the ongoing projects that will help to increase business activities involving the people's livelihood, according to Finance and Planning Adviser Salehuddin Ahmed. Besides, steps will be taken to stop the wastage of money at any cost as money supply and its utilisation is very important, he said.

"Relatively important projects alongside those involved with the people's livelihood, employment and trade will get top priority under the annual development programme (ADP)," Ahmed said. He made the remarks at a briefing with journalists following a meeting with officials of the planning

ministry in the capital's Agargaon on August 13. "The government will continue the mega projects, but it will rethink new and less important ones," Ahmed said. "We must be careful about the utilisation of both domestic and foreign funds. Spending foreign loans any way you want will be unacceptable."

He called this year exceptional and stressed the implementation of ADP on time in the future. "Having a single project director in charge of four projects should not be accepted." He further outlined the interim government's intention to prioritise funds for health and education rather than for ports and roads. The Finance and Planning Adviser will hold an

inter-ministerial meeting today regarding record levels of inflation to come up with steps to bring it down to a tolerable level. "Taming inflation is now one of the prime concerns and I hope it will come down. We will review the current high inflation and food supply situation in the country."

In his instructions to the Bangladesh Bureau of Statistics, he emphasised collecting timely data and producing accurate figures. The adviser also met with Abdoulaye Seck, World Bank country director for Bangladesh and Bhutan, and Martin Holtmann, International Finance Corporation country manager for Bangladesh, Bhutan, and Nepal, yesterday. "The development partners

have assured the continuation of existing cooperation in project financing. "They have no confusion. They will do whatever they can for the people of Bangladesh while maintaining rules and procedures," Ahmed said. Ahmed was optimistic about Bangladesh's bright image globally in terms of repayment.

Seck said: "We renewed our commitment to Bangladesh, and we stand ready to work with the Finance and Planning Adviser to continue the long-standing, strong partnership between the World Bank Group and Bangladesh." Ahmed added: "The main goal is to revive the sluggish economy. We can't completely replace a car, but we can repair it." ■

## WEEKLY SELECTED ECONOMIC INDICATORS

Chief Economist's Unit  
(Policy Support Wing)  
15 August 2024

	31 July 2023	30 June 2024	30 June 2024 <sup>R</sup>	31 July 2024	15 August 2024
1. Foreign Exchange Reserve (in million US\$)	29732.07	26815.23	26815.23	25921.35	20488.25 (BPM6)
	14 August 2023	30 June 2024	30 June 2024	14 August 2024	
2. Interbank Taka-USD Exchange Rate (average)	109.5000	118.0000	118.0000	118.0000	118.0000
3. Overnight Call Money Rate	14 August 2023	30 June 2024	30 June 2024	14 August 2024	14 August 2024
Weighted Average Rate (in Percent)	6.28	9.01	8.78	8.79	8.79
<b>Broad/Overall Share Price Index</b>	14 August 2023	30 June 2024	14 August 2024	Percentage change	
			14 Aug 23 over Jun 24	14 Aug 24 over Jun 24	14 Aug 23 over Jun 24
4. a) Dhaka Stock Exchange (DSE) <sup>@</sup>	6257.14	5328.40	5952.77	11.72	-1.37
b) Chittagong Stock Exchange (CSE)	18503.35	15066.82	17142.04	13.77	-1.06
	July, 2023	FY23	July, 2024 <sup>P</sup>	FY24 <sup>P</sup>	FY23
5. a) Wage Earners' Remittances (in million US\$)	1973.15	21610.73	1913.35	23912.22	21610.73
b) Annual Percentage Change	-5.88	2.75	-3.03	10.65	2.75
	May, 2023	July-May, FY23	May, 2024 <sup>P</sup>	July-May, FY24 <sup>P</sup>	FY23
a) Import (c&f) (in million US\$)	6465.00	69965.00	5524.40	60737.00	
b) Annual Percentage Change			-14.55	-13.19	
6. a) Import (f.o.b) (in million US\$)	6148.00	65888.00	5189.00	57567.00	
b) Annual Percentage Change	May, 2023	July-May, FY23	May, 2024 <sup>P</sup>	July-May, FY24 <sup>P</sup>	FY23
			-15.60	-12.63	
7. a) Export (f.o.b) (in million US\$)	3547.00	39686.00	3672.00	37345.00	
b) Annual Percentage Change	May, 2023	July-May, FY23	May, 2024 <sup>P</sup>	July-May, FY24 <sup>P</sup>	FY23
			3.52	-5.90	
8. Current Account Balance (in million US\$)	July-May, FY23	July-May, FY24 <sup>P</sup>	July-May, FY24 <sup>P</sup>	FY23	
	-12020.0	-5982.0	-5982.0		
9. a) Tax Revenue (NBR) (BDT in crore)	May, 2023	July-May, FY23	May, 2024 <sup>P</sup>	July-May, FY24 <sup>P</sup>	FY23
b) Annual Percentage Change	32122.16	282416.80	35001.98	324378.20	331454.89
	28.65	9.22	8.97	14.86	9.89
<b>Investment in National Savings Certificates</b>	June, 2023	FY23	June, 2024 <sup>P</sup>	FY24 <sup>P</sup>	FY23
(BDT in crore)					
10. a) Net sale	-267.23	-3295.93	-3381.43	-21124.38	-3295.93
b) Total Outstanding	360705.04	360705.04	346269.05	346269.05	360705.04
	June, 2023	June, 2023 <sup>R</sup>	June, 2024 <sup>P</sup>	Percentage change	
				June 24 over June 23	June 23 over June 22
11. a) Reserve Money (RM) (BDT in crore)	383585.20	383585.20	413644.60	7.84	10.49
b) Broad Money (M2) (BDT in crore)	1887167.90	1887167.90	2033231.60	7.74	10.48





**Weekly basis commodity Statement of LCs Opened and Settleed for the month of August/2022**

In million US \$(Provisional)

Sl. No.	Name Of The Commodity	First week		Second week		Third week		Fourth week		Fifth week		Total	
		Opened	Settled	Opened	Settled	Opened	Settled	Opened	Settled	Opened	Settled	Opened	Settled
1.	Rice	6.54	2.75	6.74	6.05	16.40	4.26	8.36	3.21	4.98	0.51	43.03	16.78
	i) Private Sector	6.52	2.75	6.74	6.05	16.37	4.26	8.36	3.21	4.98	0.51	42.97	16.78
	ii) Public Sector	0.02	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.06	0.00
2.	Wheat	35.70	11.42	0.91	12.04	0.68	6.45	18.73	10.57	119.26	3.62	175.29	44.10
	i) Private Sector	13.28	11.42	0.91	12.04	0.68	6.45	18.73	10.57	119.26	3.62	152.87	44.10
	ii) Public Sector	22.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.42	0.00
3.	Sugar	3.36	10.09	0.07	10.78	0.02	5.27	2.53	24.36	0.04	10.33	6.02	60.83
	a. Raw	0.00	5.09	0.04	5.78	0.02	5.27	2.53	14.36	0.00	10.28	2.59	40.78
	i) Private Sector	0.00	5.09	0.04	5.73	0.02	5.27	0.00	14.36	0.00	10.28	0.06	40.73
	ii) Public Sector	0.00	0.00	0.00	0.06	0.00	0.00	2.53	0.00	0.00	0.00	2.53	0.06
	b. Refined	3.36	5.00	0.03	5.00	0.00	0.00	0.00	10.00	0.04	0.06	3.43	20.04
	i) Private Sector	0.00	5.00	0.00	5.00	0.00	0.00	0.00	9.98	0.04	0.06	0.04	20.03
	ii) Public Sector	3.36	0.00	0.03	0.00	0.00	0.00	0.00	0.02	0.00	0.00	3.39	0.02
4.	Milk Food	10.02	10.82	3.15	6.34	1.93	1.75	4.01	8.15	0.09	0.53	19.21	27.60
5.	Edible Oil (Refined)	47.55	36.81	49.28	51.78	91.38	46.41	57.07	17.37	0.00	4.03	245.29	156.40
	a) Soyabean	2.93	18.50	14.18	0.00	4.81	2.49	0.00	8.66	0.00	0.00	21.92	29.65
	b) Palm Oil	4.77	13.76	0.01	28.85	19.57	16.25	57.07	4.86	0.00	4.03	81.42	67.75
	c) Others	39.85	4.55	35.09	22.93	67.00	27.67	0.00	3.85	0.00	0.00	141.95	59.00
6.	Edible Oil (Crude)	39.50	40.14	9.36	15.78	44.59	54.37	51.72	23.16	0.01	17.45	145.17	150.91
	a) Soyabean	10.23	13.30	6.52	10.69	17.56	45.18	21.30	22.74	0.00	11.50	55.60	103.41
	b) Palm Oil	0.00	0.00	0.00	5.10	0.00	9.17	30.40	0.37	0.00	0.00	30.40	14.63
	c) Others	29.27	26.84	2.84	0.00	27.04	0.02	0.02	0.05	0.01	5.95	59.17	32.86
7.	Dry Fruits	0.60	0.32	0.32	0.52	0.41	0.14	0.57	0.24	0.07	0.03	1.97	1.25
	a) Dates	0.09	0.06	0.11	0.29	0.22	0.03	0.40	0.06	0.04	0.01	0.86	0.45
	b) Others	0.50	0.26	0.21	0.24	0.19	0.10	0.17	0.18	0.03	0.03	1.10	0.80
8.	Pulses	0.57	0.82	1.27	0.71	1.06	15.39	8.53	7.58	2.06	2.56	13.49	27.05
	a) Masur Dal	0.44	0.70	1.14	0.71	1.01	15.06	8.43	7.14	2.02	0.58	13.03	24.19
	b) Chola Dal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	c) Others	0.12	0.12	0.13	0.00	0.06	0.32	0.10	0.43	0.04	1.98	0.46	2.86
9.	Onion	3.46	3.32	3.30	3.86	2.78	2.19	3.44	3.55	0.87	0.65	13.85	13.58
10.	Ginger	0.16	0.44	0.64	0.51	0.26	0.21	0.18	0.50	0.03	0.07	1.27	1.73
11.	Drugs & Medicines	2.48	1.72	1.03	2.37	0.20	1.62	1.22	0.81	2.07	0.12	7.01	6.63
12.	Poultry Feeds	7.98	17.10	2.67	22.62	4.17	3.44	3.06	17.58	2.51	3.41	20.38	64.15
13.	Coal	14.98	2.96	13.32	0.59	8.39	0.16	0.45	0.28	0.11	0.21	37.25	4.19
14.	Cement	2.73	4.39	4.33	0.53	1.07	4.29	2.40	4.86	0.00	1.31	10.53	15.38
15.	Clinker	15.81	8.51	24.36	12.69	20.46	4.70	20.95	19.74	2.33	6.72	83.90	52.36
16.	B.P Sheet	2.64	1.11	3.42	1.41	0.29	0.81	0.92	0.57	0.70	0.35	7.98	4.25
17.	Scrap Vessels	12.06	8.88	22.93	2.72	0.00	3.31	1.66	6.09	0.00	11.82	36.66	32.82
18.	Paper	2.11	2.68	1.16	2.31	0.86	2.96	0.83	3.71	0.29	0.93	5.24	12.60
	i) Newsprint	0.01	0.24	0.00	0.09	0.54	0.15	0.00	0.06	0.00	0.00	0.55	0.55
	ii) Others	2.10	2.44	1.16	2.22	0.32	2.81	0.83	3.65	0.29	0.93	4.69	12.05
19.	Zinc Ingot	0.61	0.79	1.91	4.89	0.00	2.11	5.75	0.95	1.85	0.08	10.13	8.83
20.	Raw Cotton	38.87	70.33	42.74	65.53	27.12	63.07	33.07	74.82	6.44	22.88	148.24	296.63
21.	Synthetic/Mixed Yarn	21.65	24.52	13.22	26.10	17.13	20.06	12.57	22.86	3.38	6.47	67.95	100.00
22.	Cotton Yarn	27.29	50.04	29.08	53.21	22.55	42.60	27.32	52.75	7.26	12.68	113.49	211.29
23.	Textile Fabrics	25.43	18.18	23.03	19.82	15.03	16.66	16.59	23.26	1.53	4.19	81.62	82.12
24.	Textile Accessories	18.41	21.01	17.34	16.99	10.97	15.95	22.04	22.73	5.72	8.80	74.47	85.48
25.	Back-to-Back L/Cs	171.73	155.03	131.06	160.80	80.92	117.43	125.50	185.55	18.89	48.03	528.10	666.85
	a. Fabrics	124.44	108.31	89.84	110.88	55.79	81.34	92.85	132.42	11.86	35.42	374.78	468.38
	b. Accessories	42.05	42.33	38.36	42.70	22.42	33.74	31.09	49.26	6.71	11.38	140.64	179.41
	c. Others	5.23	4.39	2.86	7.22	2.71	2.35	1.56	3.87	0.32	1.23	12.68	19.06
26.	Pharmaceutical Raw Materials	19.59	17.20	12.10	12.53	11.21	13.11	14.78	18.77	1.99	3.77	59.67	65.37
27.	Chemicals & Chemical Products	65.36	22.53	78.18	109.53	34.82	54.94	19.88	198.75	3.89	18.13	202.12	403.88
	a. Chemical Fertilizer	39.74	6.19	20.47	88.18	23.53	40.30	3.22	179.42	0.48	3.46	87.43	317.55
	i) Urea	33.85	0.21	0.63	0.05	1.40	0.93	0.38	0.13	0.00	0.00	36.26	1.33
	ii) TSP	0.27	0.03	14.14	30.46	0.00	0.00	0.00	28.97	0.00	0.00	14.41	59.46
	iii) MOP	0.00	0.00	0.00	0.04	20.70	29.02	0.04	57.71	0.00	0.11	20.74	86.87
	iv) DAP	2.78	0.62	3.18	50.82	0.09	0.25	0.08	88.78	0.00	0.00	6.13	140.47
	v) Others	2.84	5.33	2.52	6.82	1.34	10.09	2.72	3.84	0.48	3.36	9.89	29.43
	b. Other Chemicals & Chemical Product	25.62	16.34	57.71	21.35	11.28	14.65	16.66	19.33	3.41	14.66	114.69	86.33
28.	P.O.L.	53.95	62.39	48.86	216.24	48.89	49.31	46.46	104.75	44.78	0.00	242.95	432.69
	i) Crude	2.50	0.09	0.04	0.00	0.01	0.12	0.06	0.20	0.00	0.00	2.62	0.41
	ii) Refined	51.45	62.30	48.81	216.24	48.88	49.19	46.40	104.55	44.78	0.00	240.33	432.28
29.	Capital Machinery	39.67	60.15	30.44	72.01	18.97	58.71	54.02	62.79	6.14	21.98	149.24	275.64
30.	Machinery For Mize Industries	40.80	38.27	36.40	26.25	33.05	46.50	40.34	48.12	10.81	12.19	161.40	171.34
31.	Motor Vehicle	9.83	15.82	4.24	16.59	1.19	7.30	7.55	9.67	1.18	4.16	23.99	53.54
32.	Computer, Its Accessories & Spares	4.49	4.33	1.11	5.08	3.04	5.07	3.14	2.92	0.06	0.90	11.85	18.29
33.	Medical, Surgical & Dental Equipments	1.62	2.12	2.18	2.20	1.07	2.10	2.28	3.90	0.77	0.57	7.92	10.90
34.	Others	391.39	369.18	331.13	427.49	255.00	403.68	326.46	452.04	76.18	150.14	1380.15	1802.54
	<b>Grand Total</b>	<b>1138.93</b>	<b>1096.19</b>	<b>951.28</b>	<b>1388.85</b>	<b>775.92</b>	<b>1076.34</b>	<b>944.39</b>	<b>1436.97</b>	<b>326.30</b>	<b>379.63</b>	<b>4136.82</b>	<b>5377.98</b>

Data downloaded: on 31.08.22



# ADP Spending In FY24 Almost As Low As Pandemic Period

## *Business Outlook Report*

**T**he government could implement 81 percent of the annual development programme (ADP) in fiscal year (FY) 2023-24, which is nearly the same implementation rate seen during the Covid-19 pandemic. The implementation rate is 4.25 percentage points lower than the previous fiscal year. Different ministries and divisions utilised Tk 2.05 lakh crore of the total revised ADP worth Tk 2.54 lakh crore in FY24, as per data of the Implementation Monitoring and Evaluation Division released on August 13.

They spent Tk 1.24 lakh crore, or 77 percent, of the Tk 1.61 lakh crore the government set aside from its own fund to implement the ADP, which is a 19-year-low in terms of percentage. At the same time, spending from foreign loans stood at 86 percent, indicating a fall of 4 percentage points compared to the previous fiscal year. In FY23, the total ADP implementation was 85 percent,

with Tk 2.01 lakh crore spent out of the Tk 2.36 lakh crore budget. Regarding the low implementation of ADP, Fahmida Khatun, executive director of the Centre for Policy Dialogue, said the government revised the original ADP of each fiscal in the third quarter of the year as the implementing entities cannot execute their allocations as targeted. She also said the implementation work of the projects start late as the procurement process, tendering, land acquisition, and appointment of a project director is usually delayed for various reasons.

Basically, there is a lack of skilled manpower to implement the projects. Also, there is a lack of accountability and proper evaluation in project implementation. These are the root causes for low ADP implementation, Fahmida said, adding that it automatically creates employment opportunities when the ADP is implemented in a timely manner. Among the top 15 allocation receive-

ing ministries and divisions, the power division achieved the highest implementation rate, spending 101 percent of its allocation. The Ministry of Housing and Public Works followed with 96 percent. The Ministry of Water Resources was the third top implementing agency, spending 94 percent of its allocation, while the Ministry of Agriculture came fourth with 94 percent.

Meanwhile, the Local Government Division achieved implementation of 88 percent and the Road Transport and Highways Division reached 71 percent. The Ministry of Railways achieved 85 percent, Ministry of Science and Technology 93 percent, Health Services Division 77 percent, Ministry of Primary and Mass Education 89 percent, Bridges Division 80 percent, Ministry of Shipping 74 percent, Ministry of Civil Aviation and Tourism 75 percent, Ministry of Secondary and Higher Education 90, and Prime Minister's Office 63 percent. ■

# Several Banks Are Clinically Dead

## PROBLEMS IN BANKING SECTOR (As per CPD)

Several banks are clinically dead  
Performance of some banks deteriorated following hostile takeovers  
Some Tk 92,261 cr

was embezzled in 24 major banking scams in 15 yrs  
NPLs rose to Tk 182,295 cr as of 2024 from Tk 22,481 cr in 2009

Up to \$67b was laundered abroad illegally between 2007 and 2014\*  
Bankruptcy Act only covers individuals

Bad loans are rescheduled repeatedly  
Banks have weak internal control and risk management

\*As per Global Financial Integrity

## RECOMMENDATIONS

Repeated rescheduling of default loans must stop

Banks on the verge of collapse should be allowed to shut down

Appointment of board members of state banks should be depoliticised

Autonomy of the BB should be upheld

An individual or group should not be allowed to own more than one bank

Financial Institutions Division should be closed down

Bank accounts of wilful defaulters should be frozen

### OBSERVATIONS REGARDING BB AND FINANCE MINISTRY

- BB does not make independent decisions
- BB governors helped vested groups in the last 15 yrs
- Finance ministry influences hiring of state banks' directors

Several banks in Bangladesh are clinically dead but are being kept alive through bailouts, said Fahmida Khatun, executive director of the Centre for Policy Dialogue (CPD)

### Business Outlook Report

**B**anks on the verge of collapse should be allowed to shut down, Fahmida said while presenting a paper at a media briefing, titled "Bringing discipline back to the banking sector immediately", organised by the think-tank at its office in the capital.

The CPD organised the briefing just a few days after an interim government was sworn in following the fall of

Sheikh Hasina-led Awami League government in the face of a mass uprising on August 5. Fahmida said some third and fourth-generation banks that were awarded licences during the Awami League's 15 years in power are now ailing.

"Additionally, several previously good banks have experienced an unfortunate decline in their performance after hostile takeovers by crony capitalists," she said. For example, Islami Bank

Bangladesh was debilitated after S Alam Group took over the bank and took out about Tk 30,000 crore in loans. Similarly, state-run Janata Bank lent Tk 10,000 crore to Anontex Group, violating the single borrower exposure limit.

"If a single borrower gets so much money, then what will other clients get?" she questioned. These ailing banks are being kept alive by injecting public money, Fahmida said, adding that it

would be better to let such lenders die. The CPD also said that around Tk 92,261 crore was embezzled through 24 major banking scams between 2008 and 2023.

The amount is equivalent to 12 percent of Bangladesh's national budget for FY24, or about 2 percent of the country's gross domestic product for FY23. According to the brief, the banking sector, a vital pillar of the economy, is suffering from vulnerability manifested

through high loan defaults. It added that the previous government regrettably did not keep its commitments to safeguard the banking sector. Speaking about the autonomy of the central bank, Fahmida said the Bangladesh Bank does not make independent decisions about its operations or the formation and implementation of the monetary policy.

She said the autonomy of the central bank should be upheld in line with the Bangladesh Bank Amendment Bill 2003, adding that the Financial Institutions Division (FID) of the finance ministry should be

scrapped to strengthen the autonomy of the central bank. The CPD added that the mandate of the FID directly contradicts the Bangladesh Bank Order, 1972 since it allows the FID to exercise its authority in the governance of the central bank.

According to the Bangladesh Bank (Amendment) Act, 2003, any new governor or deputy governor should not be a current or former government official. But this rule is not followed in practice in the country, the brief added. In the last 15 years, the governors of the Bangladesh Bank helped vested quarters, either by

ignoring existing rules or changing the laws to favour them, Fahmida said, adding that such instances should be investigated and governors concerned should be held accountable. Questions were also raised about why the central bank governor went into hiding after the fall of the government.

CPD Distinguished Fellow Prof Mustafizur Rahman said all countries have central banks, but none have a separate agency to control the central bank. "We must give autonomy to the central bank. If it is accountable to the parlia-

ment, then there is no need for a separate organisation like the FID," he added. The CPD recommended a goal-specific, time-bound, transparent, unbiased, inclusive and independent banking commission be formed to bring transparency to the sector. It also recommended strengthening the Bangladesh Financial Intelligence Unit to combat money laundering. CPD Research Director Khondaker Golam Moazzem said separate commissions similar to the banking commission can be formed for the capital market and insurance sector. ■

## Gas Found At A New Location In Noakhali's Begumganj



Fuel gas has been found at a new location in Begumganj gas field on Noakhali while drilling a well. According to state-owned Bangladesh Petroleum Exploration and Production Company Limited (Bapex), initial

findings indicate sufficient presence of gas in the Begumganj-4 (West) well. "We hope to initially produce 10-15 million cubic feet (MMCFD) of gas per day," BAPEX Managing Director Md Shoyeb told UNB. He

informed that gas was found in three separate layers at the field's new location during drilling that went to a depth of 3,113 metres. The distance of the new location is about 2.5 km from the existing well

which has been producing 8-10 MMCFD of gas per day. He noted that gas structures were identified at 3,081 meter, 2,500 meter and 1,900 meter. "But now we're producing from the layer at 3,081-3,055 meter."

He, however, said it will take 3-4 months to take the gas to the national grid as construction of a new pipeline will be required.

Over 200 engineers, officials, employees, and labourers from the state-owned organisation BAPEX are engaged in the work of digging wells and extracting gas near Wasekpur village in Ambarnagar union of Sonaimuri upazila under Noakhali district. ■



# BB Blocks Large Cheque Payments From 9 Banks

## *Business Outlook Report*

**T**he Bangladesh Bank on August 13 asked all scheduled banks not to honour cheques exceeding Tk 1 crore from nine banks, most of which are controlled by S Alam Group. The BB gave the instruction to all banks on the day.

The banks are Islami Bank Bangladesh, First Security Islami Bank, Social Islami Bank, Union Bank, Global Islami Bank, Bangladesh Commerce Bank and National Bank — all directly or indirectly controlled by S Alam Group. The other two banks are Padma Bank and ICB Islami Bank. The order came after Islami Bank Bangladesh blocked about Tk 892 crore in deposit withdrawal requests made by anonymous companies allegedly linked to the controversial S Alam Group. Bank officials reported that individuals connected to the Group attempted to withdraw similar

amounts through clearing cheques at various other commercial banks. Bangladesh Bank officials observed similar withdrawal pressures at several banks, as many politicians and businesspeople connected to the Awami League government tried to withdraw funds, fearing potential losses of money after the government's fall.

Awami League president Sheikh Hasina resigned as prime minister and fled to India on August 5 amid a mass uprising spearheaded by students. The S Alam Group, allegedly backed by the Awami League-led government, took control of the seven banks after 2017. The group and its chairman, Saiful Alam, had close ties with former prime minister Sheikh Hasina. On November 30, 2022, *New Age* reported that the S Alam Group had withdrawn over Tk 30,000 crore from Islami Bank

Bangladesh, which it controls. The report also said that the group had allegedly withdrawn about Tk 1 lakh crore from the banks under its control. Additionally, a media report indicated that S Alam held assets worth approximately \$1 billion in Singapore.

Due to significant loan irregularities, the excess liquidity of five Shari-ah-based banks — Islami Bank Bangladesh, Social Islami Bank, First Security Islami Bank, Global Islami Bank, and Union Bank—remained negative in March 2024. These banks, controlled by the S Alam Group, have been struggling with liquidity issues since November 2022. Media reports in January revealed that despite having no funds in their current accounts with Bangladesh Bank, these five banks continued to operate, relying solely on critical support from the central bank. ■

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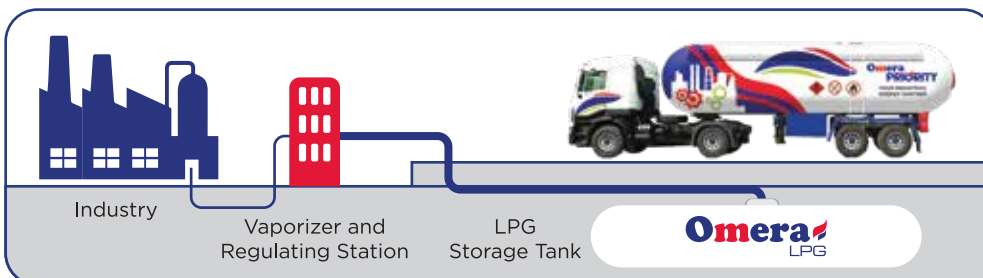


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