

Why BNP, Jamaat Poles Apart On Polls, Reforms?

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# Business Outlook

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## Sugar Market

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# S Alam's Monopoly Crumbles



Fed Rate Cuts: A Double-Edged Sword For BB



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PROJECT**

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# Business Outlook

From the Editor

## Don't Allow Rise Of Manipulator In Sugar Market

Sugar is one of our essential commodities. Almost every year, ahead of Ramadan, people become worried about the price of this must-consume product. In the last one decade, only a business house's monopoly was the main reason behind the volatility and price instability in the sugar market. Finally, it collapsed with the fall of the fascist Sheikh Hasina's Awami League regime in the face of a mass uprising on August 5. Now, many believe that the country's sugar market, like other commodities, got freed from the heinous hand of S Alam Group. Our report says that the people had learnt about the hostile takeover of a half dozen banks, including the largest private bank Islamic Bank Bangladesh PLC, by S Alam through media reports, but they little know about its dictations on commodity markets, especially sugar. Industry people said restrictions on imports since April 2022 on the pretext of shortage of dollars created easy scopes for the S Alam Group to launder money. For the past two years, S Alam ruled the import of sugar while other refinery operators had to rely on the group to open letters of credit to import raw sugar. S Alam used to operate trading houses in Brazil through illegal investment there that eventually created easy scopes for laundering money. Bangladesh Trade and Tariff Commission in 2023 also in its report said refiners were behind the volatility in the local sugar market. Without naming any refinery, the report found the millers' role in manipulating the local market supply and price of one kilogram of sweetener at Tk 150 from Tk 85 before 2020. They use various tactics, such as cutting supply during global price hikes, delaying the release of goods against supply orders and taking higher orders than their capacity to make extra profits, according to the commission's report. Local refiners said the import monopoly caused a decrease in raw sugar by 51 per cent in the July-September period to 2.39 lakh tonnes. Raw sugar refined by local refiners meets over 90 per cent of the local annual demand at around 24 lakh tonnes of sugar.

After breaking the monopoly of S Alam, raw sugar refiners started importing the item independently. They said the local sugar market is expected to be competitive again. The NBR also has reduced the duty on sugar imports from 30 per cent to 15 percent to bring down prices of the sweetener in the local market. Industry insiders believe this move will help reduce the existing prices as well as smuggling. Now, the government has to ensure that no new market manipulator is coming to control the entire business in a single hand using the political influence or link with the policymakers. ■



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**05**

# Why BNP, Jamaat Poles Apart On Polls, Reforms?

## POLITICS

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## Govt Plans To Remove Sheikh Mujib's Image From Banknotes

The government has undertaken a plan to redesign of banknotes, starting with Tk 20, Tk 100, Tk 500, and Tk 1000 denominations. And as per the plan, the new notes will no longer feature image of Bangabandhu Sheikh Mujibur Rahman. The Ministry of Finance and Bangladesh Bank confirmed the decision, marking a shift from the current designs that prominently display the image of Sheikh Mujibur Rahman. Initially, only the four denominations will undergo the redesign, but officials said that changes to all denominations will follow in a phased manner. A letter from the Ministry of Finance, dated September 29, instructed Bangladesh Bank to submit detailed design proposals for the new notes. The central bank's Currency and Design Advisory Committee will play a key role in evaluating and recommending these changes. It is requested to send the specific proposal to the finance division as soon as possible after accept-



ing the recommendation of the Currency and Design Advisory Committee of the Bangladesh Bank," the letter read, urging prompt action in finalizing the designs. The decision to remove Sheikh Mujibur Rahman's image is seen as a departure from the past practice under the Sheikh Hasina government, which prominently featured his likeness on both sides of several notes and even on coins. ■

## Taskforce Formed To Reform Stock Exchanges

A five-member task force has been formed for increasing investor confidence in the country's capital market and for aligning the market with international governance standards, BSEC officials have said. The Bangladesh Securities and Exchange Commission (BSEC) has formed the task force to make recommendations for reforms before the interim government. The task force has 17 working areas, but no date has been specified for submitting recommendations. Members of the taskforce are: Dr Mohammed Helal Uddin, professor of economics at University of Dhaka (DU); KAM Majedur Rahman, a former managing director of the Dhaka Stock Exchange; Dr Md Mostofa Akbar, professor of computer science at BUET; Al Amin, associate professor of accounting and information systems at DU and AF Nesaruddin, senior partner of Hoda Vasi Chowdhury and Co. It is worth noting that Hoda Vasi Chowdhury and Co is a chartered accountant firm. ■



## Economy Contracts For The Third Month In Sept



The economy contracted for the third straight month in September, even though production activities ticked up from the August level, according to the purchasing managers' index. The Metropolitan Chamber of Commerce and Policy Exchange launched the index early this year with support from Singapore and UK government. Hopefully, the industrial production sector returned to growth in September, while the remaining three key sectors of the economy contracted. Even though the overall economic output has stayed in the contraction territory since the outbreak of unrest in July, activities have been gradually returning to normal, according to the PMI. In July the PMI was 36.9 points, sharply down from 63.9 points recorded in June. But since then, the score has been rising with 43.5 recorded in August and 49.7 recorded in September. PMIs are calculated on a scale of 100 points, where anything below 50 signifies contraction and points above mean growth. ■

## Severe Floods In Southeastern Region Cause Losses Of Tk 14,421 Crore

The recent devastating floods in the southeastern region have caused a loss of property worth Tk 14,421 crore, according to a report by the Centre for Policy Dialogue (CPD). Fahmida Khatun, executive director of the CPD presented the findings at press conference held at the CPD office in Dhanmondi on October 6. She also spoke on the damages and rehabilitation process in the south-eastern region including Comilla, Feni, Noakhali and Laxmipur districts. "The recent severe floods in the southeastern region caused a loss of Tk 14421 crore, which is 26 percent of the GDP. Agriculture and forest sectors suffered the most which is equivalent to Tk 5169 crore," said Fahmida. Mentioning that there was a loss of Tk 4,653 crore in the infrastructure sector, and damages to houses caused loss of Tk 2,407 crore, Fahmida also said that Noakhali district suffered the highest losses with 4191 crores, followed by Comilla district with losses of Tk 3390 crore. ■



## US Imports Goods Worth \$7.1b From Bangladesh Last Year



US officials have stated that strengthening labour rights is the focal point of the country's policy in economic partnerships with Bangladesh. The US official came up with the observation in a pivotal meeting held with the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) in Dhaka. The US officials held the discussions centering advancing worker rights within Bangladesh's thriving garment industry. As the largest export destination for Bangladeshi garments, the US proudly recorded \$7.1 billion in imports last year, according to a statement of the US Embassy in Dhaka. Additionally, the US cotton exports to Bangladesh spinning mills reached \$337 million, further solidifying the economic relationship between the two countries. Together, both the countries aim to enhance the partnership through strong labour protections, fair trade practices and inclusive development, read the statement. ■

## Taskforce To Deploy Against Syndicates Hiking Prices

Taskforces will soon deploy to consumer markets for preventing price hikes by vested groups, Labour Adviser Asif Mahmud said in a facebook post published on October 6. "Despite the interim government withdrawing taxes for a number of food items, there has been no impact on elevated prices due to the role of market syndication," he alleged in the facebook post. Over six thousand FB users commented on the post while over 60,000 reacted. Some FB users, claimed without adequate preparations, the efforts to clamp down on syndicates could backfire. If the syndicates decide to completely halt supplies to hit back at government moves, prices would go through the roof, the users warned. The interim government was formed on 8 August and since then has taken a number of measures to help cool prices pushed up during the Awami League regime. However, almost



all the efforts – fixing maximum prices of some, slashing import tariffs others and boosting Indian imports – have so far failed to bring any change to market dynamics. ■

# Why BNP, Jamaat Poles Apart On Polls, Reforms?



*SMS Hasan*

**D**oes the gap between the Bangladesh Nationalist Party (BNP) and Bangladesh Jamaat-e-Islami narrow on the issues of election and reforms? BNP has been laying special emphasis on holding a general election as early as possible. On the other hand, Jamaat has been arguing for necessary reforms before going for an election. The gap on the issue was exposed in the two parties' separate meetings with Chief Adviser Prof Muhammad Yunus.

Following its meeting, head of the BNP delegation and party's Secretary General Mirza Fakhru Islam Alamgir said the interim government should put the highest priority to holding an election as early as possible. He claimed that the interim government also has the same view. He said they also want a specific time-bound

roadmap to election and reforms. But there should be a logical time. After their meeting with Prof Yunus, Jamaat Ameer Dr Shafiqur Rahman said his party has been giving highest priority to reforms in different sectors, including Election Commission, before the election. Otherwise, it will not be possible to hold the election in a free and fair manner.

Why do these two major political parties have two separate views on elections and reforms? In this case, political analysts thought that the BNP wants to take advantage of the prevailing political situation which will give it maximum benefits when no other political party can fill the vacuum in the political field. On the other hand, Jamaat wants to consolidate its position in the political field as it did not have much scope for exercising its organisational activities

during the Awami League regime. Secondly, it wants to create unity and alliance among the Islamic parties to get more leverage in politics. So, it takes time to organise such an alliance. Besides, in the existing situation, without reforms, Jamaat will not get the benefit in the election. If the election system is reformed, it will create more opportunities for the Jamaat candidates. They think in the existing situation, money and muscle power will have a huge influence and many businessmen will take the chance to get nomination from a party like BNP. Only through reforms, this could be checked.

One interesting aspect is common in the thoughts of both BNP and Jamaat that none of them wants to ban the Awami League from politics. Both parties said the perpetrators who are

responsible for establishing autocracy and fascism and did crimes against humanity should be tried and punished. Possibly, both parties do not want Awami League to be banned as a party fearing a sense of the much-talked-about “minus-two” formula. They believe that if “minus one” is successful, there will be a chance for implementation of the “minus-two or minus-three” formu-

on reforms in the electoral process, administration and judiciary to ensure a credible national election within a logical timeframe. In an interview with UNB, he refrained from specifying ‘a reasonable timeframe’ for the current government’s tenure. He, however, acknowledged that the BNP’s position almost aligns with the recent comments made by the CA and the

comment about holding a national election within 18 months, Fakhru stated that General Waker expressed his personal view, which seemingly reflects his desire for elections to occur within a reasonable timeframe. “The sooner the election is held, the better for the country. But, the challenge lies in the fact that the previous government has left a mess everywhere. Without addressing these issues, it will be difficult to arrange a fair and credible election,” he said.



*Chief Advisor Dr Muhammad Yunus holds meeting with BNP leaders as part of the interim government’s new round of dialogue with major political parties to gather further input on its reforms initiative*

la. So, both parties would not want to create a situation where there will be a possibility for any minus.

### **BNP Leaders Hold Dialogue With CA Yunus**

A six-member BNP delegation sat in dialogue with CA Yunus on October 5 at State Guest House Jamuna in the capital. Primarily, the formation of six reform commissions was discussed in the dialogue. Apart from this, the ongoing law-and-order situation, government’s action on the issue of unrest in the garment industry, and the steps of the current government regarding the upcoming elections were discussed.

### **Fakhru Wants Interim Govt To Focus On Reforms For Credible Elections**

Earlier on October 2, Mirza Fakhru suggested that the interim government should concentrate exclusively

Army chief on the issue. Fakhru also cautioned that delaying the election could exacerbate existing problems, enabling certain vested quarters and accomplices of the deposed regime to engage in foul play.

In a recent interview with Reuters, Army Chief General Waker-Uz-Zaman vowed to the country’s interim government “come what may” to help it complete key reforms after the ouster of Prime Minister Sheikh Hasina so that elections could be held within the next 18 months.

Besides, during a meeting with IMF Managing Director Kristalina Georgieva at the UN headquarters in New York last week, Prof Yunus said the date for a general election will be announced once a consensus on reforms is reached with political parties and the voter list is prepared. Regarding the Army chief’s

“We believe there is not much difference between our position on the timing of the polls and that of Prof Yunus and the Army Chief. We mentioned a logical timeframe, which you might consider a vague term, but we use it for specific reasons. Certainly, time should be allowed to clear the mess and hold an acceptable election, but it should never exceed a reasonable period,” the BNP leader viewed. He also thinks that holding the election as soon as possible will help address many problems and challenges. “The longer the election is delayed, the more the problems will escalate. Those who oppose the revolution and change, as well as those who favour fascism, will look to exploit any unnecessary delays in holding the polls.” When asked whether 18 months is a reasonable timeframe, the BNP leader declined to comment. “I don’t want to specify any particular timeframe. Let’s see... if it’s held sooner than 18 months, that would be better.”

Fakhru said the Awami League regime has transformed Bangladesh into a deep state, making every aspect toxic and polluted. “It’s now difficult to identify the right people to fix these institutions.” The BNP leader said the interim government has initiated steps for state reforms, which are definitely necessary. “These reforms must be implemented. We also presented a 31-point proposal for these reforms two years ago.” Fakhru said the government



has announced the formation of six commissions, each led by qualified individuals, to implement reforms in key sectors. "However, it's crucial to understand the people's needs and views. Discussions with political parties are essential to gather their views and proposals. We have our own suggestions, and so do others." He emphasised that political consensus on state reforms is essential, as these changes will need to be incorporated into the constitution through Parliament following the national election.

"So, the government should concentrate on three key areas for reforms—the electoral process, administration and judiciary. By implementing changes in these areas, we can help ensure a credible election in a conducive atmosphere with a level playing field," the BNP leader said. Once Parliament is formed through an election, he said the remaining reform proposals can be presented in the House by the ruling party. "If we are in the treasury bench, we will introduce those proposals. The BNP has the advantage of already announcing plans to form a national government in cooperation with parties that have contributed to the movement against the Awami League regime. This ensures that all parties' opinions will be represented in Parliament, enabling us to move forward together. The BNP leader said it is possible to build the nation in a coordinated manner through a national government, which has proven effective in many countries.

In response to a question about the format of the national government, Fakhru said that it can be formed in two ways: "One option is to include representatives from the parties that participate in the polls, and the other is to involve those parties that joined the street movement against the fascist regime." He, however, said the first option would not be feasible if the Awami League participates in the polls. "It is now impossible to form a

government with the Awami League, as the people consider it an anti-state force that has engaged in treason and mass killings. Therefore, there can be no question of forming a government with the Awami League." When asked whether Jamaat-e-Islami will be included in the national government, Fakhru responded that the BNP and other political parties involved in the

Jamaat has put forward a comprehensive set of 41 proposals for state mechanism reforms, including suggestions for making key changes to the judiciary, dumping electronic voting machines (EVMs), and amending police laws. The party also called for raising the age limit for joining government jobs to 35 years and the retirement age to 62. The



*Chief Adviser Dr Muhammad Yunus meets with a delegation of the Jamaat-e-Islami at his official Jamuna State Guest House residence in the capital on 5 October*

movement will consider it if Jamaat expresses such interest. 'I don't want to comment on the matter right now. We'll discuss it when the time comes.' 'Jamaat Will Wait For Elections Until Reforms Are Completed' AHM Hamidur Rahman Azad, assistant secretary general of Jamaat, emphasised that people's voting rights and fair elections cannot be achieved without national reforms. He stressed the importance of prioritising electoral reform first. Azad noted that the interim government is currently working on these reforms, and Jamaat is willing to wait until the process is complete. He said the effectiveness of the July-August movement hinges on achieving sustainable reforms in the country, along with necessary changes to the electoral law.

### ***Jamaat Places 41-Point Proposal For Reforming State Mechanisms***

proposals were unveiled on October 9 by Jamaat's Nayeb-e-Ameer Dr Syed Abdullah Mohammad Taher during a press conference held at a hotel in Dhaka's Gulshan. Jamaat's Ameer Dr Shafiqur Rahman was also present at the event. Dr Taher emphasised the need for a separation between the judiciary and the executive branches. "To ensure justice, the judiciary must be reformed," he said, adding that civil cases should be resolved within five years and criminal cases within three years.

### ***Restoration Of Caretaker Government And EVM Abolition***

Jamaat also reiterated its demand for the reinstatement of the caretaker government system for national elections, accusing the Awami League of dismantling the electoral process. "The ruling party destroyed the electoral system by abolishing the caretaker government," the party

said, stressing the need for its permanent restoration and the cancellation of the EVM system.

### **Police Reforms And Accountability**

The party also called for reforms in police laws, proposing the creation of an independent commission for transfers and promotions to eliminate political interference. Dr Taher advocated for incorporating religious and moral education into police training and reducing the use of lethal weapons.

### **Reforms In Government Employment**

On government employment,

Minister, advocating for a balance of power between the Prime Minister and the President.

### **Cultural And Educational Reforms**

The party also suggested reforms in the cultural and educational sectors, recommending the inclusion of teachings about Prophet Muhammad (PBUH) in all levels of education. They further called for the elimination of obscenity in films, television dramas, and digital content.

### **Foreign Relations And Hajj Costs**

On foreign policy, Dr Taher emphasised the importance of fair and balanced relations with neighbour-

other for elections. He emphasised that neither process should be excessively long or rushed, noting, “There are many political parties in the country. For a vibrant parliament, the public must vote for the right candidates, not just the party.”

### **Bangladesh Needs Election-Time Neutral Govt For Fair Polls: Speakers**

Speakers at a seminar on October 12 stressed the need for an election-time neutral government to make general elections fair, neutral and credible until the current political reality is changed. They suggested the reintroduction of the ‘no vote’ system, narrowing the scope of uncontested election, widening the scope for the government employees to play an impartial role during elections and for making them more accountable in the case of irregularities. Reporters Forum for Election and Democracy (RFED) arranged the seminar titled ‘What Reform to the Electoral System is Desirable?’ at the city’s Cirdap auditorium.

Textiles and Jute Adviser and also former election commissioner M Sakhawat Hossain, Chief of Electoral Reform Commission Dr Badiul Alam Majumdar, political leaders, student representatives and journalists spoke at the seminar. Dr Badiul Alam said the Election Commission, the administration or the government, the political parties, media and civil society are important stakeholders to make an election fair and credible. Talking about the role of government, he said there was a caretaker government system, but it was scrapped in a quite unconstitutional and unjust way. “An election-time neutral government system is needed no matter what we call it – it may be the caretaker government system or another system,” he said.

Describing the election as a long-term process, Dr Badiul Alam said the process started from the preparation of electoral rolls. “This election process must be fair, impar-



*BNP Secretary General Mirza Fakhru Islam Alamgir talks to reporters after coming out from a meeting with Chief Adviser Dr Muhammad Yunus at the State Guest House Jamuna in Dhaka*

Jamaat proposed that job applications should be free of charge and that the maximum age limit for entry into government jobs be raised to 35 years for the next two years and then set permanently at 33 years, with retirement at 62. The party also demanded the cancellation of appointments obtained through leaked examination papers or corruption. Strengthening the Anti-Corruption Commission (ACC) to operate independently was another key recommendation.

### **Term Limits For Prime Ministers**

Jamaat proposed a two-term limit for anyone holding the office of Prime

ing countries, particularly on shared rivers with China, Nepal, and India. Jamaat also urged the government to take effective steps to reduce the costs of Hajj and Umrah for pilgrims.

### **Accountability For Genocide**

Jamaat Ameer Dr Shafiqur Rahman demanded that those involved in genocide who had fled the country be brought back and tried in court.

### **Election Vs Reform: Jamaat's Roadmap**

When asked about the sequence of elections and reforms, Dr Shafiqur Rahman said that there would be two roadmaps -- one for reforms and the

tial and credible. Otherwise, the elections would be controversial and incredible in many ways if we keep our focus on just Election Day. So, we need to review the whole process,” he said. Noting that democracy is a basic structure of the constitution, he said if the election does not make the democratic system effective, it is a violation of the constitution. “We witnessed this violation in the past,” he said, expressing his optimism that there would be no such violation in the future. A political consensus and change of political culture are required over holding a fair election, he said, adding that the political parties had played the responsible roles during the 1991 general election, which is one of the best elections in Bangladesh.

The chief of the Electoral Reform Commission asked the political parties to submit their election-related written proposals to the commission. Adviser Sakhawat Hossain recommended the effectiveness of the EC’s actions against government employees over election irregularities should be harsher. “If a government employee makes any deviation while working with the Election Commission for 15 days, the report of the Election Commission should be the final report for his or her career,” he said. If they (government employees) can be made accountable in this way, many problems would go, he added. The former election commissioner said the caretaker government will not be required so much in case of a bicameral parliamentary system. “In that case, the EC will have to be given a kind of authority over the ministries during the elections.”

He criticised the RPO amendment that reduced the EC’s authority over the cancellation of an entire election. Sakhawat said proportional representation (PR) can be introduced in the case of the election of 50 women reserve seats. BNP Vice Chairman Asaduzzaman Ripon said a caretaker government or election-time

government system should be introduced. “I think the caretaker government should be here for 100 years.” He said there should be no provision for uncontested elections. In case of a single candidate against a post, the polls should be rescheduled, he added. The BNP leader said the law regarding the appointment of Chief Election Commissioner and Election Commissioners undoubtedly needs to be amended.

BNP Chairperson’s Adviser Syed Moazzem Hossain Alal said as per his party’s 31-point state reform proposal, if BNP is elected, it would form a national government with representatives of other political parties. “No

tution.” He suggested EVM or DVM systems should be scrapped as the machines are used as tools to deceive people. The Jamaat leader also recommended making local government elections as non-partisan ones, cancelling the political party registration system, introducing a PR system and withdrawing the provision for an independent aspirant to collect the signatures of one percent voters.

Chief Coordinator of Ganosamhati Andolan Zonayed Saki said the next 3-5 general elections should be held under the nonpartisan election-time government or the interim government. “The institutions won’t be developed or the mindset would be



*Jamaat-e-Islami secretary general Dr Shafiqur Rahman briefs reporters after his party leaders’ meeting with Chief Adviser Dr Muhammad Yunus*

one shall be the Prime Minister or the President for over two consecutive terms. It is a proposal of the BNP. There should be a balance between the authority of the President and the Prime Minister, which was included in the BNP’s reform proposal,” he said.

During the election time, no writ petition should be acceptable in any higher court or any other court without taking the opinions of the Election Commission, said Moazzem. Jamaat leader Dr Shafiqur Islam Masud said, “The caretaker government system should be reinstated permanently in the consti-

changed immediately after the reform. So, the next 3-5 elections should be under an interim government,” he said. Saki said no hate speech should be allowed in the electoral campaign and the ‘No vote’ system should be reinstated.

He said the provisions in the Political Party Registration Act should be eased to promote the formation of new political parties. President of Gono Odhikar Parishad Nurul Haque Nur said the local government elections need to be held in a non-partisan manner. “A neutral administration and neutral government system will have to be ensured

if you want fair elections in future,” he said, adding that the PR will have to be ensured.

Jatiya Party presidium member Shameem Haider Patwary said no more than 10 percent of uncontested MPs should be in an election and the

PR system should be introduced.

General Secretary of the Communist Party of Bangladesh (CPB) Ruhin Hossain Prince recommended restoration of election-time government, reinstatement of ‘No vote’ system, introduction of PR system

and dissolution of Parliament ahead of the election.

Journalist Sohrab Hassan said the 15th amendment to the constitution needs to be cancelled first and women representation should be ensured through direct election. ■

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## No One Can Get Away With Crimes In Financial Sector



### *Business Outlook Report*

**F**inance Adviser Dr Salehuddin Ahmed has said many crimes have been committed in the past and he would work to bring the perpetrators to book. “We will ensure punishment for perpetrators following the rules. We have been here for a while. Although I will not be able to do all the work, I will try to send a message that no one can get away with crimes in the financial sector,” he said.

Dr Salehuddin, also the commerce and science and technology adviser, was addressing as the chief guest at the Corporate Governance Excellence Award ceremony organised by the Institute of Chartered Secretaries of Bangladesh (ICSB) in Dhaka on

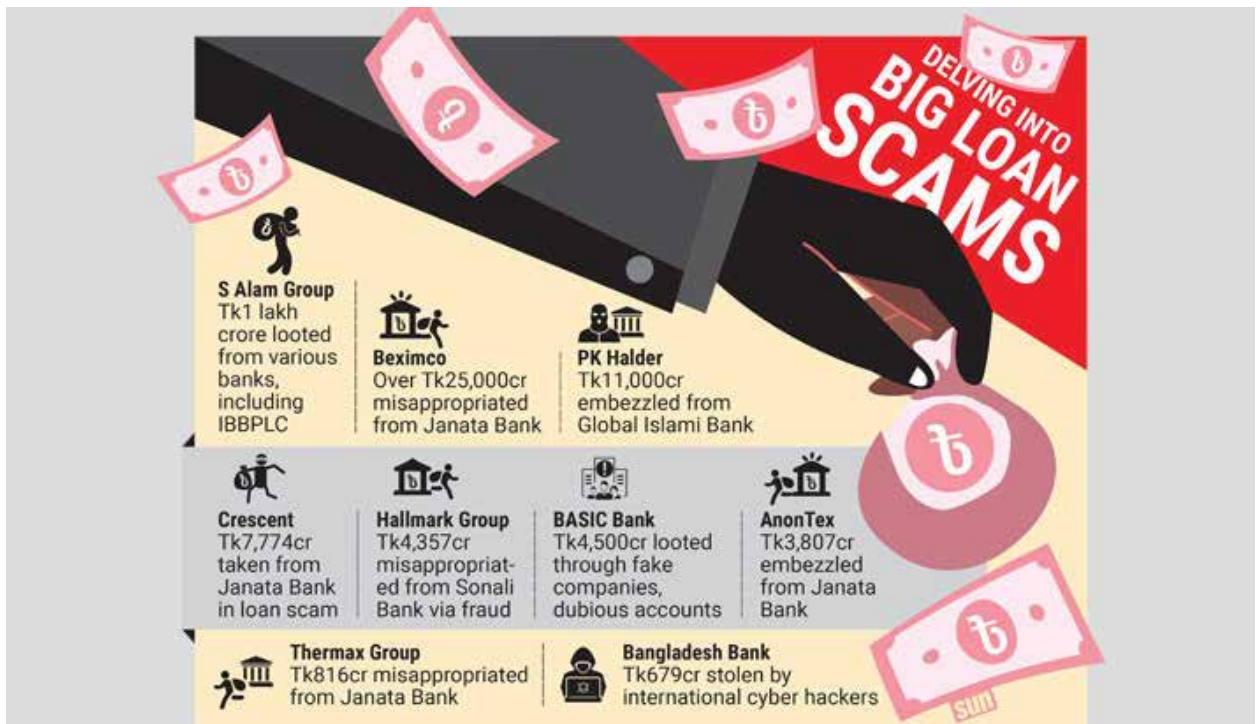
October 5. He said, “If we can utilise our manpower properly, the country's economy will turn around quickly. A lot of resources have already been wasted, while huge wealth has been looted resorting to corruption.” Urging all to refrain from wasting personal or country's resources, he said corruptions that have already been committed would be investigated.

“There have been many irregularities [in the financial sector]. Transparency and accountability of every organisation should be ensured. It is possible to ensure the financial transparency of the institutions if the audit firms perform their duties properly.” The adviser said the private sector institutions should be

strengthened for the sake of the country's economic development. “A crisis of confidence has developed in the banking sector and we are witnessing its negative consequences. A favourable investment climate must be ensured. If there is no trust, investments from abroad will not come here.”

Mentioning that an organisation has three parts – Board of Directors, Management Board, and Accounts Management Department or Auditor Institution, he said, “If the auditors present the correct information to directors or management, the company will run in the right direction. Auditors have to keep a watchful eye at all times.” ■

# 15 Years Of Looting: Inside The Major Banking Scams



## Business Outlook Report

The fall of the Sheikh Hasina government in the face of a mass upsurge has exposed a horrifying picture of widespread corruption and financial malpractices within the country's banking sector.

Powerful political figures and businessmen, aided by government patronage, have looted billions of taka from banks over the past 15 years. There is no specific information on bank looting as the Bangladesh Bank (BB) remained tightlipped in this regard during the period. However, accord-

ing to BB's internal sources and other bank data, there were many big loan scams that involved Hallmark Group, Crescent, AnonTex, Bismillah Group, S Alam Group, PK Halder and BASIC Bank.

According to the BB, controversial businessman and owner of S Alam Group Mohammed Saiful Alam embezzled nearly Tk1 lakh crore from the banking sector alone. Another controversial businessman and a key figure in Beximco Group, Salman F Rahman, looted over Tk50,000 crore. In addition, it is alleged that

several businessmen, including Nazrul Islam Mazumder, former chairman of Bangladesh Association of Banks (BAB) and Exim Bank, and Chowdhury Nafeez Sarafat, former chairman of Padma Bank, embezzled thousands of crores of taka from banks under the government's patronage.

After taking office as the BB governor, Ahsan H Mansur got increasingly astonished by the extent of the bank looting that occurred during the previous government's tenure. He told a press conference, "The way S Alam Group has looted

money from the banks is an unprecedented incident not only in Bangladesh but also anywhere in the world." Economists say the governor's comments indicate that the reality of the looting in the country's banking sector is even more alarming than what the public is aware of.

However, it can be assumed that a big part of this money has been syphoned out of the country and a small part might have been added to the economy. AB Mirza Azizul Islam, a former adviser to a caretaker government, said that the

last 10-15 years have been the most alarming and dark chapter for the banking sector in the country's history. "During this long period, opportunities for bank looting were facilitated under the patronage of the government or state, which had never been seen before. I now see in newspapers that the money looted from these banks has also been given to individuals in top government positions and their family members. The banking and financial sectors of the country have completely been crippled through collusion in looting." "As the new government assumes responsibility, even more alarming revelations about the plundering of the banking sector are emerging. My expectation from the interim government is that whoever is involved in the bank looting, regardless of how powerful they may be, must be brought to justice," the economist added. Centre for Policy Dialogue (CPD) Executive Director Fahmida Khatun said the indices of the banking sector have been continuously declining since 2008. "Loan defaults have surged since 2012 due to irregularities. The financial irregularities, including sanctioning loans with fake documents, loans under the name of non-existent institutions and embezzlement of money, took place during the period."

### **Banking Sector Looting**

Last December, the CPD revealed that around

Tk92,261 crore has been plundered from the country's banking sector over the past 15 years from 2008. A recent report from the central bank has noted that as of 20 August, the amount of loans taken by bank directors reached Tk233,885 crore. In 2016, this amount was nearly Tk90,000 crore. This



indicates that in the last eight years of the ousted government's tenure, loans increased by almost 160%. It is believed that the majority of this borrowed money has been embezzled.

### **Big Loan Scams**

According to BB and CPD data, Hallmark Group Managing Director Tanvir Mahmud and 26 others were accused of misappropriating around Tk4,357 crore from state-owned Sonali Bank through various means, including fraud and deception. After 2008, the biggest loan irregularities in the banking sector happened in BASIC Bank. From 2009 to 2013, about Tk4,500 crore was looted from the bank through

various irregularities, fake companies and dubious accounts. From 2010 to 2022, a loan scam took place in Janata Bank in several stages. Crescent took Tk7,774 crore, AnonTex Tk3,807 crore, Bismillah Group and its fake sister concerns Tk1,174 crore and 30 companies under the

Bank (now Padma Bank) was involved in a loan irregularity amounting to Tk500 crore while from 2013 to 2016, Janata Bank faced irregularities to the tune of Tk816 crore related to Thermax Group.

NRB Commercial Bank experienced a loan irregularity of Tk701 crore.

Beximco umbrella owned by Salman F Rahman took more than Tk25,000 crore from the state-owned bank. Besides, in 2021, when PK Halder was the managing director of Global Islami Bank (former NRB Global Bank), the incident of loan irregularities of about Tk11,000 crore came to light in the financial sector.

The biggest loan default in the banking sector happened involving Islami Bank Bangladesh PLC as Tk50,000 crore has been taken by S Alam Group alone. Besides, the group took nearly Tk50,000 crore more from six other Islamic banks.

In addition, between 2013 and 2017, former Farmers

International cyber hackers took away Tk679 crore from the treasury account of Bangladesh Bank with New York's US Federal Reserve Bank.

A loan officer of Dhaka Bank embezzled Tk7.8 crore from accounts of around 38 clients between 2018 and March 2019. Social Islami Bank Limited allowed Sharp Knitting and Dyeing of Gazipur to import goods worth over Tk17,079 crore by using 889 back-to-back letters of credit even though the company did not renew the licence for its bonded warehouse, which is a must to avail such facilities. ■



সোনালী লাইফ ইন্স্যুরেন্স কোম্পানী লিমিটেড  
SONALI LIFE INSURANCE COMPANY LIMITED

# Tk 353cr Anomalies Found At Sonali Life Insurance

## Business Outlook Report

**T**he Bangladesh Financial Intelligence Unit (BFIU) has discovered anomalies worth Tk 353 crore at Sonali Life Insurance Company, accusing its former chairman Mostafa Golam Quddus and his family members of irregularities, fraud, and money laundering.

The family, however, blames Quddus's former son-in-law Mir Rashed Bin Aman, who had also worked as the company's chief executive officer (CEO), for the "misappropriation" of Tk 192 crore funds.

A BFIU team submitted a report on September 22, detailing the evidence of irregularities at Sonali Life. The agency sent it to the Anti-Corruption Commission (ACC), the Criminal Investigation Department (CID) of police and the Insurance Development and Regu-

latory Authority (IDRA) for further steps. The alleged irregularities reported by BFIU include the "sale" of a mortgaged building owned by Quddus to Sonali Life for over Tk 139 crore without the approval of the board of directors and IDRA.

Payments were made for the purchase of luxurious cars, flats, birthday and marriage anniversary gifts, overseas treatment costs and other items for the family members' personal use in clear violation of rules related to managing the funds of a public limited company, the anti-money laundering agency said.

The findings have come at a time when Sonali Life needs to start repayment significantly as many of the decade-old company's early life insurances are set to mature. Sonali Life has 204 branches with 26,693 agents across the country. Since the inception of Sonali Life in 2013, a

total of Tk 169.09 crore has been withdrawn in cash from six of its accounts with five banks until December 2023.

Withdrawing excessive amounts of cash from a public limited company's bank account is risky, indicating embezzlement, according to the BFIU report. On September 30, BFIU directed banks to freeze the accounts of Quddus, and seven of his family members, along with 19 other individuals and three organisations linked to the insurance company and Rashed.

Besides Quddus, the extended family had his wife Fazlutun Nessa, eldest daughter Fauzia Quamrun Tania, youngest daughter Tasnia Kamrun Anika, Anika's husband Sheikh Mohammad Danial, Quddus's son Mostafa Kamrus Sobhan, and Sobhan's wife Shafia Sobhan Chowdhury as directors on

the 20-member board. The extended family controlled the board with 44.38 percent of the company's total shares. The BFIU report noted that Quddus, his wife, their three children, a son-in-law and a daughter-in-law violated the Insurance Act by owning 24.34 percent of Sonali Life's shares together when no individual or family group is allowed to own more than 10 percent of shares.

### *The Building*

As per the BFIU document, Quddus

to the report. But the company had documents to back the payment of only Tk 18.17 crore as rent from 2015 to 2023, the report said. "Because of a lack of documents, it could not be confirmed how much he took as office rent." The family in a statement claimed Tk 159 crore attributed to Quddus and his relatives was received by him as rent, repayment of loans given at the inception of the company, and for the purchase of the ERP software from another concern of Quddus. It claimed the insurance company still

purchase British pounds, send money to London, for shopping in London, for Dubai tour, and payments to Quddus's granddaughter.

Crown Money Changer Co denied having any transactions with Sonali Life and no documents were found on the transactions, BFIU said in the report.

But a receipt on a visiting card of Crown's Manager Tariqul Islam, and a conversation with Rashed's chauffeur revealed \$100,000 was



*Former chairman of Sonali Life Insurance Company, Mostafa Golam Quddus*

owns the building, in which Sonali Life is headquartered. The building was mortgaged to Jamuna Bank for a Tk 35.5 crore loan. However, no board meeting agenda included the purchase of the building, and no approval was given by the board or by IDRA. The Tk 139.10 crore was paid for the building to benefit Quddus's companies, including Dragon Sweaters, CD Acrylic, and Imperial Sweaters, the BFIU report said. Quddus, during a conversation with BFIU officials, claimed he received the funds as rent, according

owes Quddus Tk 12 crore as of December 31, 2023. The family also claimed that Rashed's failure to maintain proper records led to the inconsistencies surrounding the "rent".

### *Money Laundered?*

The report said a total of Tk 6.46 crore was withdrawn from the insurance company and sent abroad via Hundi, an illegal channel of cross-border money transfer, through Crown Money Changer Co Ltd. The funds were paid to

paid to the money changer in cash, and another Tk 74.5 lakh, the report said. Also, Tk 37.64 crore was paid to Galaxy Holidays Ltd for foreign tours, seminars, Umrah trips, and Cricket World Cup tickets in Australia. These funds were likely laundered abroad by Rashed, according to the BFIU report.

### *Ex-Son-In-Law Rashed*

Former acting CEO Mir Rashed Bin Aman was once married to Fauzia, the eldest daughter of Quddus. Rashed received financial benefits in



various ways. He booked a flat in Gulshan, valued at Tk 18.39 crore, under his and Fauzia's names. The BFIU found evidence to believe that the payments for the flat were made by Sonali Life via its agents and pay orders.

The family statement said it would not share details about the purchase of the Gulshan flat because the transactions were under legal scrutiny. Sonali Life appointed Rashed as deputy managing director and chief financial officer in 2013 by showing that he had worked at Meghna Life

Bin Aman was working as an agent of Sonali Life and he was supposed to be given a commission of Tk 39.97 lakh, but got a total of Tk 2.40 crore.

His aunt Monowara Begum was paid Tk 4.72 crore from Sonali Life as salary and commission despite having no official link to the insurance company, the report said. Quddus and his family said in the statement that Rashed's aunt Monowara, his peon, and chauffeur have submitted affidavits stating that they were neither aware nor gave

Rashed. They also said Quddus, who became a director of the company in 2021 and chairman in 2023, took firm steps to mitigate the losses caused by Rashed before IDRA intervened and suspended the board. It was not possible to reach Rashed for comments despite several attempts.

"We have learnt about the BFIU report on Sonali Life, but it has not yet reached our Financial Crimes Unit," Azad Rahman, an additional superintendent of police at CID's media wing, said on October 1. The



*Former acting CEO of Sonali Life Insurance Company, Mir Rashed Bin Aman*

Insurance from 2005 to 2013. Meghna confirmed to BFIU that Rashed had never been their employee. Although family members of a director are strictly barred from holding the post of CEO in an insurance company, Sonali Life promoted him to acting chief executive in 2020 and CEO in 2021.

Sonali Life's board of directors cannot evade the responsibility for Rashed's misdeeds since it appointed him by violating the rules, BFIU said. Rashed's brother Mir Khaled

consent to open bank accounts or BO accounts used by Rashed to embezzle funds. Sonali Life also paid Tk 1.47 crore for the purchase of a Mercedes Benz E 200 Coupe in 2019, Tk 2.2 crore for a Mercedes Benz GLE 53 AMG in 2020, and Tk 3.5 crore a brand new Porsche Taycan Turbo-S in 2021 – all for Rashed, BFIU found in an inspection.

Quddus and his family claimed that they were the "victims of a targeted campaign of manipulation" by

Daily Star also tried to contact an ACC spokesperson for comment, but there was no response.

IDRA spokesman Jahangir Alam said the authority's current Chairman M Aslam Alam is undergoing treatment. A decision will be taken after the matter is presented at the meeting of the authorities upon Aslam's return, Jahangir said. ■

# Six Financially Distressed Banks Squeeze Corporate Tax

ADVA  
(Figures

■ FY 2023  
■ FY 2024

982.5  
1150



Union  
Bank

## Business Outlook Report

Six financially distressed banks pose a significant challenge for the revenue authority in achieving its corporate tax-collection target for the current fiscal year as their submissions so far plummeted into a pit.

Tax officials have reported a precipitous 73.48-per cent fall in the taxes paid by these banks compared to the previous two fiscal years. The weakened banks identified by the Large Taxpayer Unit (LTU) under the National Board of Revenue (NBR) are Union Bank, Islami Bank Bangladesh, Global Islami Bank Ltd (GIBL),

Social Islami Bank, First Security Islami Bank, and Bangladesh Commerce Bank Ltd (BCBL). Among them, BCBL has not submitted its tax returns for the last three fiscal years. Global Islami Bank also failed to submit its tax return for the current fiscal year, although it has paid Tk 132 million in advance tax, according to LTU data.

A senior tax official states that the banks' fragile financial condition has prompted the tax authorities to hold off on enforcing compliance. Under tax law, both corporate and individual taxpayers are required to pay

advance tax in four instalments throughout the year, totalling 75 per cent of the previous year's paid taxes. The five in distress collectively paid Tk 1.74 billion in taxes, including advance and tax-return payments, during the July-September period of the current fiscal year.

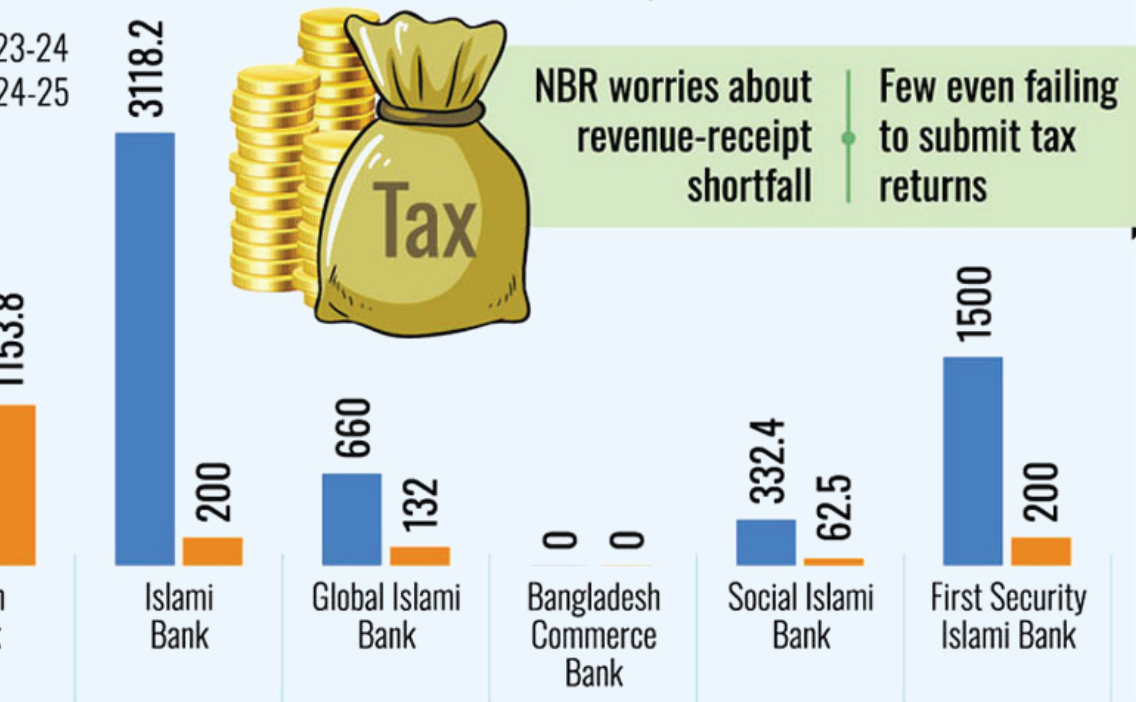
This happens to be crash from the Tk 6.59 billion paid during the same period in FY24. In FY23, these six banks paid Tk 10.79 billion in advance taxes. The deadline for submitting tax returns for banks passed by on September 15, 2024. However, they can still submit returns by paying 2.0-percent monthly

penal interest. Global Islami Bank has paid Tk 132 million in advance taxes so far this year, down from Tk 660 million in total taxes paid last year. Social Islami Bank's tax payment fell drastically to Tk 62.5 million this year from Tk 332.4 million last year. Similarly, First Security Islami Bank paid Tk 200 million this year, compared to Tk 1.5 billion in the first quarter of last year.

The decline in advance tax payments has raised concerns among tax officials, who fear a significant shortfall in corporate tax collection from large taxpayers this year. Banks

# INCOME TAX PAID BY SIX WEAK BANKS

(in million taka in Q1 of both fiscal years)



are among the largest contributors to corporate taxes, representing a major share of the overall state revenue. Recently, a Tk 1.15-billion tax pay-order from Union Bank was bounced by Bangladesh Bank due to liquidity shortages. Last week, five cash-surplus banks agreed to inject Tk 9.45 billion in liquidity support to struggling banks through intervention by Bangladesh Bank.

National Bank Limited (NBL), First Security Islami Bank Limited (FSIBL), Global Islami Bank (GIB), Social Islami Bank Limited (SIBL) and Union Bank will receive this cash support from five

banks—City Bank, Mutual Trust Bank, Dutch-Bangla Bank, Eastern Bank, and Bengal Commercial Bank. Nurul Amin, Chairman of Global Islami Bank, states that the first priority after receiving the cash support will be to provide small withdrawals for depositors, ranging between Tk 0.1 million and Tk 0.5 million.

"We will also prioritize clearing remittances from expatriates and paying utility bills," he said, expressing hope that the crisis will soon be resolved. However, tax officials point out that these banks are unlikely to make tax payments from the injected funds, which

are earmarked for meeting depositor obligations. During the July-September period, Islami Bank, which was one of the largest taxpayers among banks, saw its tax payments plummet from Tk 5.71 billion last year to Tk 200 million in the first quarter of this fiscal year. In FY24, Islami Bank paid a total of Tk 3.11 billion in taxes during the same period, including Tk 1.39 billion in advance taxes and Tk 1.72 billion with tax returns.

A senior tax official estimates that approximately Tk 40 billion in corporate taxes may be lost due to the financial crunch affecting 10 to 12

banks. He also mentions that a meeting with these struggling banks is scheduled for next week to discuss their "tax strategies and planning".

The government has set a target of Tk 375 billion in corporate tax collection for the LTU in the current fiscal year, up from Tk 290 billion collected last year. However, shooting this mark is proving increasingly difficult as tax collection from large taxpayers has plateaued in recent years, making it harder to increase revenue from existing contributors. ■



# Fed Rate Cuts: A Double-Edged Sword For BB

*Apu Ahmed*

**T**he recent interest rate cuts by the United States Federal Reserve present a complex landscape of both opportunities and challenges for central banks across Asia and the Pacific countries, including Bangladesh. As the cuts offer potential relief from financial pressures and attract foreign investment, they also exacerbate domestic economic woes.

## *BB Busy in Damage Mending*

Fresh from the recent fall of the long 15-year rule of the Awami League in the face of a mass uprising, Bangladesh Bank should welcome the cuts in rate to 4.75-5.00 per cent by the Fed for the first time after 5.25 percentage points of increase between March 2022 and July 2023. The rate cuts have been described as a watershed moment that

should start to ease some of the financial pressures everyday consumers have felt in dollarised countries over the past two and a half years and their central banks battled with high inflation. However, the BB under its new management, led by Governor Ahsan H Mansur, is also facing challenges to utilise the situation due to its businesses to mend the damage done to the country's macro-economy under previous managements, especially in the past five years.

## *BB To Continue Rate Hike*

While most of the central banks across the globe had followed the Fed by hiking interest rates to avoid excessive damage, such as rising unemployment, the BB was stuck at the 9 per cent interest rate between 2020 and 2022. Now when most global central banks

have paused their rate-hiking cycles to reduce pressure on money flow to check unemployment, the BB has to continue raising its policy rate to control high inflation. BB, which began tightening its monetary policy in May 2022, has already raised the policy rate by a modest 90% over the past two and a half years, from 5%. In the latest move, the BB on 24 September raised the policy rate by 50 basis points to 9.5%, the fourth time hike this year, to tame inflation hovering around 10 per cent. The rate may be hiked further - up to 10% in the next one or two months - to bring down inflation to the expected level, the BB governor announced.

## *BB Prints Tk 1.32 Lakh Crore during AL Regime*

The rapid policy rate hike came at a

time when banks were facing a liquidity crisis caused by extensive corruption scandals that were revealed after the fall of the AL regime, led by Sheikh Hasina who fled to India on August 5. It has been reported that BB was forced to print Tk 1.32 lakh crore under the immediate past AL regime between January 2009 and July 2024. The amount is more than fivefold Tk 25,109 crore printed by the same central bank between 1972 and 2008. The influx of printed money is forcing BB to move in the opposite direction because it did not raise the policy rate as much as needed to control inflation between 2018 and 2021, according to an executive of the central bank involved in monetary policy-making. He added that inflation in other countries began to cool down due to more aggressive rate hikes. However, he noted that if domestic rates remained high, private sector borrowers would be encouraged to seek financing from foreign sources, especially as global rates decline, which would help rebuild foreign reserves. He explained that BB opened up foreign borrowing options in 2011 when domestic interest rates were high, allowing private sector businesses to access low-cost, short-term foreign funds. This measure eventually helped Bangladesh build its reserves, added the executive.

### *Fed Rate Cuts Create Opportunity*

However, short-term borrowing declined significantly after the Fed began raising rates, which increased borrowing costs for local companies. A similar cycle has now returned with domestic interest rates rising while global rates are falling. As the local currency will likely appreciate if the dollar weakens due to Fed policy rate cuts, it presents a good opportunity for Bangladesh to attract foreign investment in the equity market and offshore banking units. According to Bangladesh Bank data, private sector external borrowing dropped by 81 per cent to \$2.65 billion in FY23, compared to \$13.84 billion in FY22, the highest on record. The sharp decline in just one

year was due to the rate hike by the Fed, which increased borrowing costs. However, in FY24, private sector external borrowing showed signs of recovery, with total receipts reaching \$2.53 billion in the first half of the year, according to the BB data.

### *Private Sector Investment Slows Down*

The treasury bill and bond rates have risen to over 12 per cent for 1-2 year tenure, driven by the country's policy rate hikes. A higher policy rate means the cost of borrowing from BB increases for commercial banks which in turn passes the burden on to retail borrowers. As a result, the average lending rate has surged to over 13 per cent, raising financing costs for businesses. In this scenario, banks are opting to invest in government bonds and bills rather than extending loans at high rates, in order to avoid default risks. This has already been reflected in the import data for capital machinery,

and March of the last fiscal year compared to the same period the previous year. Additionally, the import of capital machinery and industrial raw materials fell by 8.8% during July-March of FY23.

### *Employment Affected*

Still, in the first quarter - July to September- of the ongoing fiscal year 2024-25, Bangladesh's export earnings grew by 5.04 per cent to reach \$11.37 billion, up by \$10.82 billion from the same period of fiscal 2023-24. RMG continued to rule the overseas market during this three-month period, bagging \$9.29 billion with a 5.34 per cent growth. However, data from the Bangladesh Bureau of Statistics shows the number of unemployed people increased by around 2.4 lakh, reaching 25.9 lakh in the first quarter (January-March) of this year, compared to the last quarter (October-December) of the previous year. The unemployment rate rose to 3.51 per cent, according to



indicating a slowdown in business expansion. The country's total import spending fell by \$7 billion in the first nine months of FY24, out of which 74% was capital machinery and industrial raw materials. This highlights stagnation in investment, contributing to rising unemployment in the private sector. According to Bangladesh Bank data, the settlement of Letters of Credit (LCs) for capital machinery and industrial raw materials, which accounted for over 40% of total imports, declined by 22%, or \$5.25 billion, between July

the "Quarterly Labour Force Survey 2024 Bangladesh."

### *Priority to Job Generation*

The Asian Development Bank in a report rightly pointed out that policymakers in countries under the Asia-Pacific must adopt a balanced, country-specific approach to navigate potential inflationary pressure, exchange rate volatility and capital inflow dynamics. BB and policymakers of the interim government should give priority to job generation. ■

# SIBL Recovers Tk 794cr Loans In 2 Months, Says New Chair



## Business Outlook Report

**S**ocial Islami Bank PLC (SIBL) is making a swift recovery from years of alleged mismanagement and recovered about Tk 794 crore in loans in the past couple of months, according to the bank's new chairman, M Sadiqul Islam. He made the comment at a press conference held at the bank's head office in the capital Dhaka on the day.

Sadiqul, who became chairman of the bank in late August following the restructuring of the board by the Bangladesh Bank, said that the new board and the management were actively addressing the irregularities that plagued the bank under its previous leadership. He assured that SIBL was on a solid path to recovery, stating, 'The bank will recover soon, and depositors will regain confidence in

placing their money with us.' Sadiqul also mentioned that the bank was probing irregularities in employee appointments. SIBL plans to appoint an external auditor to thoroughly investigate all anomalies since October 2017, when S Alam Group forcefully took over the bank, he said. Businessman S Alam was one of the closest allies of Sheikh Hasina during her tenure.

The Awami League regime fell on August 5 amid a student-led mass uprising against the regime's authoritarian rule, they said. S Alam Group extracted up to Tk 7,000 crore in loans, but all of them were identified and deemed regular, Sadiqul said. Additionally, Tk 200 crore in fixed deposits from companies connected to S Alam Group has been confiscated, he said. The group held 47 per cent

shares — in name and anonymously — in SIBL. According to acting managing director Mohammad Forkanullah, the bank's liquidity crisis, largely driven by a collapse in depositor confidence, was exacerbated by widespread reports of irregularities at other banks controlled by S Alam Group. Despite the challenges, Forkanullah emphasised that the bank was on a path to recovery.

SIBL made a loss of around Tk 124 crore in January to June due to forced dollar sales imposed by the central bank, part of a controversial effort to artificially bolster foreign exchange reserves during the Awami League regime, SIBL officials said. They explained that the central bank compelled SIBL to sell dollars to state-run banks — Sonali, Agrani and Janata — at

prices significantly lower than what the bank had paid to remitters. This forced sales, with each dollar sold at Tk 15-20 less than the purchase price, resulted in massive losses, they said. Over \$400 million were sold in these transactions, causing the bank to lose about Tk 124 crore, he said. The irregularities occurred between January and June, with bank officials alleging the involvement of S Alam Group and former BB governor Abdur Rouf Talukder, they claimed.

Bank officials also criticised the central bank for not taking early action. In November 2022, when SIBL's current account with the Bangladesh Bank turned negative — a rare and alarming occurrence, but the regulator failed to intervene, raising questions about its oversight. ■



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# Sugar Market: S Alam's Monopoly Crumbles

*Apu Ahmed*

**S**taring journey as a trading company almost 39 years ago, Chattogram-based S Alam Group rapidly ascended to become a leading industrialist entity in Bangladesh. It entered the sugar refinery business in 2007 after establishing more than a dozen companies in transport, steel, cement, edible oil, real estate and plastic sectors.

## *S Alam Sugar Refinery*

Its first sugar refinery having an annual capacity of 2,70,000 tonnes brought success amid high demand for sweeteners, leading the group to set up another refinery with an annual capacity of 4,80,000 tonnes within the next five years. The expansion of sugar refining capacity

helped it hold the third place as the market leader in the country after City Group and Meghna Group. The success of S Alam, led by its Chairman Mohammed Saiful Alam Masud in the country's sugar market worth over \$1.5 billion has also brought it to the limelight as a good entrepreneur from the point of view of bankers who love to do business with the then compliant group.

## *S Alam Transformation To Oligarch*

However, its further rise as a leading conglomerate-turned-oligarch during the tenure of the immediate past Awami League regime through a hostile takeover of media, banks and power plants took its total assets, including bank, non-banking financial institutions and insurance, to

\$16.42 billion, according to disclosures by the group in its website. The total annual revenue of the group stood at \$5.45 billion. In 2022, it was one of five Bangladeshi groups that imported more than \$1 billion worth of raw materials along with Abul Khair Group, Bashundhara Group, Bangladesh Steel Re-Rolling Mills Ltd and Meghna Group of Industries. However, the fall of the AL regime in early August amid an uprising brought an end to the mythical rise of S Alam which had established a monopoly in the sectors like banking and commodities in the past one decade. The group's emergence as a crony capitalist with the help of political patronage has been dealt with a huge blow after the escape of AL chief Sheikh Hasina, also the coun-



try's then Prime Minister, to India on the eventful August 5.

### *All Within Relatives*

The S Alam Group owner who always maintained good relations with political parties took its link with the ousted political regime to new heights apparently because of the long 15 years of rule by Hasina. He is also a nephew of Akhtaruzaman Chowdhury Babu, an AL leader who died in 2012. Babu earned notoriety for attempting to stage the country's first hostile takeover in the banking sector. In 1999, a group of about 50 armed men, led by Babu and his son Saifuzaman Chowdhury Javed, raided the bank boardroom in the capital Motijheel area with AL in the midway through its five-year tenure after winning the 1996 general election under the second caretaker government in 1996, almost 21 years after AL was ousted from power amid a coup that resulted in killing the country's first president Sheikh Mujibur Rahman.

However, it was difficult for Babu to take the full control of United Commercial Bank Ltd in 1999. Anyway, he overcame all hurdles and finally took control of the bank in 2009 when AL was reelected in the general polls. Saifuzzaman Chowdhury Javed, who was the state minister for land and a close ally of the now deposed Hasina, bought over 360 luxury properties in Britain alone worth \$250 million, according to a recent report by Qatar-based media outlet Al Jazeera. His appetite for real estate spread to Dubai, New York, Singapore and Malaysia. He faces allegations of laundering money by the Anti-Corruption Commission.

Besides, Bangladesh Bank has restructured the UCBL board to check the direct influence of Saifuzaman Chowdhury and the indirect influence of his cousin S Alam Chairman Saiful Alam. The BB has also restructured the bank's boards

controlled by S Alam Group to put an end to the blackest chapter in the country's banking history.

### *Sugar Market Monopoly*

Although a number of national dailies had reported about a hostile takeover of a half dozen banks, including the largest private bank Islamic Bank Bangladesh PLC, by S Alam, little was known about its dictations on commodity markets, especially sugar. Industry people who were once afraid of disclosing the illegitimate upper hand enjoyed by the S Alam Group because of its link to the AL politics said restrictions on imports since April 2022 on the pretext of shortage of dollars created easy scopes for the group to launder money. It became one of the sole agents of dictating the supply of dollars because of its invisible controlling stakes in Bangladesh Bank in addition to eight private banks. For the past two years, S

naming any refinery, the report found the millers' role in manipulating local market supply and price of one kilogram of sweetener at Tk 150 from Tk 85 before 2020. They use various tactics, such as cutting supply during global price hikes, delaying the release of goods against supply orders and taking higher orders than their capacity to make extra profits, according to the commission's report. Local refiners said the import monopoly caused a decrease in raw sugar by 51 per cent in the July-September period to 2.39 lakh tonnes. Raw sugar refined by local refiners meets over 90 per cent of the local annual demand at around 24 lakh tonnes of sugar.

### *Sugar Market To Be Competitive*

After breaking the monopoly of the S Alam, raw sugar refiners started importing the item independently. They said the local sugar market is expected to be competitive again.



Alam ruled the import of sugar while other refinery operators had to rely on the group to open letters of credit to import raw sugar. S Aalm used to operate trading houses in Brazil through illegal investment there that eventually created easy scopes for laundering money.

### *BTTC Findings*

A report by the Bangladesh Trade and Tariff Commission in 2023 said refiners were behind the volatility in the local sugar market. Without

The National Board of Revenue has reduced the duty on sugar imports from 30 per cent to 15 per cent to bring down prices of the sweetener in the local market. Definitely, this move will help reduce the existing prices as well as smuggling, said Taslim Shahriar, deputy general manager of the Meghna Group of Industries, one of the leading importers and processors of commodities. ■

# Govt Set To Issue Tk5000 cr Bonds To Clear Power Sector Dues



## Business Outlook Report

**T**he government is set to issue new bonds worth Tk5000 crore to address pending payments to private power producers, according to official sources. The move is currently awaiting final approval from the Finance Ministry.

“We’ve completed all the necessary processes from our end to issue the new bonds amounting to Tk5000 crore. Now it’s with the Finance Ministry for the final approval,” a senior official of the state-owned Bangladesh Power Development Board (BPDB) told UNB. The official expressed the

hope that the BPDB will receive the final clearance from the Finance Ministry within this week, after which the bonds will be floated. He added that some 25-27 public and private sector banks will be involved in the bond issuance process, similar to previous instances.

The initiative aims to ease the financial strain on independent power producers (IPPs) and stabilise the country’s power sector, the officials said. According to them, the BPDB initiated the move and consulted the Power Division to discuss the issue with the Finance Division. “We’ve been calculating BPDB’s dues

with the private power producers, known as independent power producers (IPPs),” said another top BPDB official. He disclosed that BPDB’s total unpaid bills currently amount to approximately Tk42,000 crore, of which the IPPs are owed around Tk7,000 crore.

Of the remaining amount, Tk17,000 crore is owed for gas bills, while state-owned public sector power plants are due Tk10,000 crore. Indian public and private sector entities, including the Adani Group, are expected to receive about Tk8,000 crore. In an earlier initiative aimed at

stabilising the power sector, the previous Awami League government secured Tk 20,620 crore through the issuance of special bonds to clear outstanding liabilities to private power plants. This effort involved collaboration with two prominent private banks -- City Bank and Pubali Bank.

A comprehensive agreement was signed on 25 January, marking a crucial step in addressing the power sector’s financial challenges. As per the agreement, the government issued bonds worth Tk19,850 crore to City Bank and Tk77.50 crore to Pubali Bank, according to the Ministry of

Finance. The government's inability to disburse subsidy funds has left private power plants struggling to meet their financial obligations, pushing some to the brink of insolvency.

To address this crisis, the issuance of special bonds with an 8 percent coupon rate, reflecting the repo rate set by Bangladesh

Bank, was introduced. Any future changes in the repo rate will adjust the bond interest rate accordingly.

At the end of the bond term, the government will settle bank dues along with interest and reclaim the bonds. Unlike typical 15-20-year bonds, these special bonds have a maximum tenure of 10 years to

meet the urgent needs of the power sector. Key players in the power sector, including Summit Power, United Power, Confidence Power, Baraka, Kushiara, Doreen, and Akron Power, are among the beneficiaries of this initiative.

The Finance Division has also disclosed plans for phased agreements with

other banks, including BRAC Bank and Bank Asia, to further address the sector's liabilities. Reflecting on the agreement's significance, managing directors of several banks expressed optimism.

While banks can leverage these bonds with Bangladesh Bank, it provides the government with crucial financial breathing space. ■

## Tariff Commission Suggests Halving Sugar Import Duty



The price of sugar can see a price cut as the Bangladesh Trade and Tariff Commission (BTTC) has recommended reducing import duty on unrefined and refined versions of the sweetener to 15 percent from the existing 30 percent. The commission has also suggested increasing surveillance in the border areas to stop illegal import of sugar.

The commission made the recommendations in a report on 'rationalisation of sugar import duty' and sent those to the National Board of Revenue (NBR) on October 6. The import duty cut will play a significant role in decreasing sugar price in the local market, industry insiders said. Today, sugar was sold at Tk 128 to

Tk 135 per kg in different markets of Bangladesh, which was Tk 126 to Tk 135 a week ago. Sugar price increased by 0.77 percent in the last one week, according to state-run Trading Corporation of Bangladesh. Usually, the demand for sugar increases during the holy month of Ramadan (about four months from now) in Bangladesh.

Considering the increased demand, sugar refineries will now have to open letters of credit for sugar import to maintain a stable supply to the market, the BTTC said in the report. In the last one month, the price of unrefined sugar in the international market has increased by 20.81 percent from \$394 to \$476.19, it added.

Bangladesh annually requires 24 lakh tonnes of sugar and five refiners meet around 99 percent of the total requirement by importing raw sugar mainly from Brazil. State sugar mills meet just 1 percent of the demand. Bangladesh's sugar imports fell sharply in 2023-24 fiscal year as refiners stayed away from placing orders to foreign buyers in the face of an illegal influx of the sweetener through the borders.

Import of raw sugar by the refiners stood at 13.86 lakh tonnes last fiscal year, down 25 percent year-on-year from 18.49 lakh tonnes the previous year, according to data compiled by the commerce ministry. ■



The Investment Corporation of Bangladesh (ICB) celebrated its 48th founding anniversary. On the occasion, a cake-cutting ceremony, doa and milad mahfil was held at the head office of ICB. ■



Ashraf Uddin Ahmed Khan joined Bangladesh Small and Cottage Industries Corporation (BSCIC), as its chairman. All the officers and employees of BSCIC welcomed him with a bouquet. ■



EXIM Bank held Quarterly Business Development Conference 2024. Chairman of the Bank Md. Nazrul Islam Swapan was present as the chief guest while Managing Director and CEO Mohammad Feroz Hossain presided over the conference at Exim Bank Head Office. ■



Mutual Trust Bank (MTB) recently presented an ambulance to the Centre for the Rehabilitation of the Paralysed (CRP) as part of its Corporate Social Responsibility efforts. Md Bakhteyar Hossain, deputy managing director, and chief operating officer of MTB, handed over the keys of the vehicle to Dr Mohammad Sohrab Hossain, executive director of CRP, at a ceremony held at CRP's headquarters in Savar, Dhaka. ■



UCB Investment Limited (UCBIL), a subsidiary of United Commercial Bank (UCB), recently celebrated its fourth anniversary, reflecting on a journey marked by success and recognition. The celebration coincided with the company's latest accolade: "Best Securities House" in Bangladesh for 2024, awarded by Euromoney. ■



Mercantile Bank and Xpress Money Services Ltd recently launched remittance services. Md. Quamrul Islam Chowdhury, managing director of the bank and Nur E Ferdaushi, Bangladesh country head, Xpress Money Services Ltd jointly inaugurated the event. ■



The 'Annual Risk Management Conference-2024' of Uttara Bank PLC was held at a hotel in Dhaka recently. Mohammed Rabiul Hossain, Managing Director & CEO of Uttara Bank, was present as the chief guest. The conference was presided over by Deputy Managing Director & Chief Risk Officer (CRO) Md. Ashraf-uz-Zaman. ■



Pubali Bank was recognised as the "Best Financial Institution 2023" at the 22nd DHL-The Daily Star Bangladesh Business Awards. Mohammad Ali, managing director and CEO of Pubali Bank, received the crest from Salehuddin Ahmed, finance and commerce advisor, at a function organised at the Radisson Blu Dhaka Water Garden in the capital. ■



IFIC Bank celebrated its 48th anniversary with a grand celebration held at the Multipurpose Hall of IFIC Tower in Puran Paltan, Dhaka. The event was attended by Managing Director Syed Mansur Mustafa, along with deputy managing directors and senior officials. The event also conducted prayers for the overall well-being of the bank and the country. ■



Social Islami Bank held its 519th Board meeting at the bank's head office. Chairman of the bank Dr. M. Sadiquul Islam, presided over the meeting. Directors Major (Retd.) Dr. Md. Rezaul Haque, Maksuda Begum, Md. Morshed Alam Khondoker, and Md. Anwar Hossain, were present at the meeting. ■



Rupali Bank PLC held its Business Review Meeting. Managing Director (Acting) Parsuma Alam was present as the chief guest at the meeting held at the conference room of the bank's Dhaka North Divisional Office. Deputy Managing Director Hasan Tanvir and General Manager Md Noman Miah were present as special guests. ■



BRAC Bank's branch network achieved a net deposit growth of Tk 20 billion in September 2024, marking the highest single-month deposit growth of any branch network in Bangladesh. This milestone reflects the bank's increasing customer confidence, strong engagement, and robust relationships. The bank celebrated this achievement with a ceremony at the bank's Head Office in Dhaka recently. ■

# Drastic Cut In Costs Of Three Railway Megaprojects Likely



## Business Outlook Report

**M**assive fund cuts are likely from three ongoing railway megaprojects as the incumbent interim government finds their bloated estimation done by the deposed Sheikh Hasina administration.

According to official sources, an amount of some Tk 91.00 billion is likely to be slashed from two of the projects and the estimation of another is being scrutinized. The

Ministry of Railway (MoR) under the new custodian has already asked the Bangladesh Railway (BR) to rationalise the project estimation of the ongoing ones through trimming unusual costs from unnecessary components, said a ministry official.

"We have already asked the BR to review their ongoing projects and rationalize the costs. We hope we will get a picture within shorter period about our ongoing

projects," said Railway Secretary Abdul Baki. The state-run rail-service provider is likely to cut about Tk 66 billion from the Dohazari-Rami-Cox's Bar-Ghondhum railway project while some Tk 25 billion from the Padma rail-link construction project, BR officials said.

They are working to cut out the unnecessary components and the costs from the Japan-funded Jamuna rail-bridge construction project, too,

they said. A senior MoR official said the Sheikh Hasina government undertook some unnecessary projects and some were taken with staggering costs.

"We have started reviewing our ongoing projects. We will rationalize their costs and scope of works," says a BR official about the rightsizing of public-works projects in the changed political milieu of Bangladesh after the August student-people uprising.

The funds will mainly be cut from Tk180.34-billion-cost Dohazari-Cox's Bazar-Ramu-Ghundhum project as the BR has decided not to construct Ramu- to -Ghundum part of the proposed railway line. Out of total Tk66

will be slashed from different other components of the project, said the MoR official. The railway-service provider has already completed the Dohazari-Cox's Bazar-Ramu railway track-setting project. But the project

benefit through it amid the ongoing Rohingya crisis and absence of connections in the Myanmar side is uncertain, officials said. No economic benefit will come from the Ramu-Ghundhum railway line as Bangla-

implementing the project in June 2010 to connect Cox's Bazar with the rail network along with the Trans-Asian Railway corridor. The ADB is lending Tk131.15 billion for the Tk180.34-billion project. Besides, the BR is likely to slash Tk 25 billion from the China-funded Tk 392.47-billion -cost Padma rail-link project.

"While examining, we have found that the BR has kept aside more than Tk10 million for constructing Bhanga station alone which seems to be ambitious. So, we have asked the BR to review cost of all the components of the project," said another MoR official. Meanwhile, the project was revised within two years as it was taken up at Tk 349.89-billion cost. But the cost was raised to Tk392.46 billion and the deadline was extended up to June 2025 from the original timeline to June 2022. The BR is now examining the Japan-funded ongoing Tk 167.81-billion Jamuna railway -link project.

The Sheikh Hasina government undertook the Jamuna Railway Bridge project in December 2016 at a cost of Tk97.34 billion. Later, it has been revised ramping up the cost to Tk 167.81 billion, following a two-year extension. The MoR official said, "We are also reviewing all or ongoing 29 projects along with three mega ones." ■



billion proposed cut from the Asian Development Bank (ADB)-funded rail-track project, some Tk 25.58 billion will be saved for not building the Ramu-Ghundum part while the remaining funds

timeline has already been extended up to June 2025. The Railway has suspended work on the Ramu - Ghundhum portion of the Dohazari-Cox's Bazar rail link as getting any economic

desh's relationship with Myanmar is not so good, they said. According to the project office, they had cut some 28.75km between Ramu and Ghundhum under the project. The BR started

# ECNEC Approves Tk11,560cr Rail-Cum-Road Bridge Project



## Business Outlook Report

**T**he Executive Committee of the National Economic Council (ECNEC) has approved a Tk11,560.77 crore new rail-cum-road bridge project over the River Karnaphuli at Kalurghat beside the existing old bridge to ensure smooth and uninterrupted communication between Chattogram and Cox's Bazar.

The approval came from the 3rd ECNEC meeting of the current fiscal year (FY25) and the 2nd of the interim government held at the Chief Adviser's Office in the capital with Chief Adviser Prof Dr Muhammad Yunus in the chair on October 7. Briefing reporters after the meeting, Planning and Education Adviser Dr

Wahiduddin Mahmud said that the day's meeting approved a total of four projects involving an overall estimated cost of Taka 24,412.94 crore. Of the total project cost, Taka 7,746.66 crore will come from the government of Bangladesh portion, Taka 16,012.33 crore from project assistance while Taka 653.95 crore from the concerned organization's own fund.

Of the approved four projects, two are new while two others are revised projects. Besides, the meeting approved the timeframe extension of seven projects without raising their costs. The Ministry of Railways will implement the rail-cum-road bridge project to be implemented by

December 2030. Out of the total project cost of Taka 11,560.77 crore, Taka 4,435.62 crore will come from the government of Bangladesh while the rest of Taka 7,125.15 crore will come from the Economic Development Cooperation Fund (EDCF) and Economic Development Promotion Facility (EDPF), Korea.

The planning adviser said the fresh project has been considered since the existing bridge at Kalurghat is old and dilapidated. Besides, he said the government also wants to transform Cox's Bazar as a much improved tourist destination side by side the Matarbari coal-based power plant and adjacent economic zone needs improved communication. For this,



the government felt that a fresh project should have to be undertaken in this regard, he added.

A Planning Commission official said the main objectives of the project are to ensure smooth and uninterrupted rail communication between Chattogram and Cox's Bazar and also to create scope for linking with the Trans Asian railway. Officials at the Ministry of Railways said that currently trains could not ply through the old and dilapidated Kalurghat Bridge at a speed of more than 10 kilometer per hour.

Besides, once the Matarbari Deep Sea Port will come into operation, trade and commerce in this region will get a boost while the importance of this route would be increased. Already, direct rail link has been established between Dhaka and Cox's Bazar with the launching of the Dohazari-Cox's Bazar rail Line. As a result, it has become indispensable for

constructing a new rail-cum-road bridge over the River Karnaphuli at Kalurghat beside the existing old bridge to ensure smooth communication with the tourist city.

Under the circumstances, the project has been framed and thus approved with funding from the Korean government. The proposed project would also play a vital role for ensuring smooth rail communication and transportation of goods with the Chattogram Port since it accounts for country's 70 percent of the import and export operations.

The mills and factories as well as industries situated at various export processing zones and special economic zone in this region would also be able to transport their goods once the new bridge is constructed. The main project operations include construction of 700 meter rail-cum-road bridge, construction of 6.20 kilometer viaduct, 2.40

kilometer road viaduct, 4.54 kilometer embankments, erection of 11.44 kilometer rail track and ancillary works.

Regarding the approval of Matarbari Port Development, 2nd revised with an additional cost of Taka 6,573.96 crore, the Adviser said that it is a big project and it also has geopolitical aspects. He said there has been a row between China and India for long over funding of this port. The Planning Adviser said necessary works are yet to begin at Matarbari Port while roads would be constructed for Port development.

The two other projects approved in the meeting are SASEC Road Connectivity, Project-2: Elenga-Hatikamrul-Rangpur Highway Four Lane Upgradation, 2nd revised with an additional cost of Taka 376.99 crore and Resilient Urban and Territorial Development Project (REUT-DP) with Taka 5,901.22 crore. ■

## Labour Leaders For Implementation Of 18-Point Tripartite Resolution



Leaders of 20 garment workers right organisations have called on the interim government to implement the 18-point resolutions of the tripartite committee and taking actions against some

alleged 'plunderer' garment factory owners. They organised the press conference at the Dhaka Reporters Unity on October 6 where president of Garment Workers Trade Union Centre in

his written speech said that some garment factory owners were not implementing the 18 resolutions and, as a result, workers of the factories compelled to wage movements. The decisions included increasing daily attendance allowance and night allowance and paying the due overtime and bills of the workers. He called on the interim government headed by Muhammad Yunus to take actions against the owners and complete implementation of the 18-point decisions which were finalised in the tripartite meeting on September 24 held at labour ministry. The

labour leaders called on the garment workers not to be part of any conspiracy of the owners and continue their work avoiding any misleading movement. They called on the interim government to give compensations to the family members of the garment workers killed and wounded in the recent student-people movement. Garment labour leader Amirul Haque Amin chaired the programme and garment labour leaders Mushrefa Mishu, Mahbubur Rahman Ismail, Babul Hossain, Taslima Akhter, Kazi Ruhul Amin, Touhidur Rahman and others attended the press conference. ■

# Why The Cost Of Matarbari Deep-Sea Port Project Is Going Up

## OBJECTIVES OF THE PROJECT

- Increasing cargo handling capacity of Bangladesh
- Reducing pressure on Chattogram port
- Meeting future international trade needs

## REASONS BEHIND COST ESCALATION

- Exchange rate fluctuation
- Increased construction cost of roads
- Increased cost of land acquisition, customs duty
- Rising costs of construction materials
- Increased consultation fees for time extension

## DEADLINE

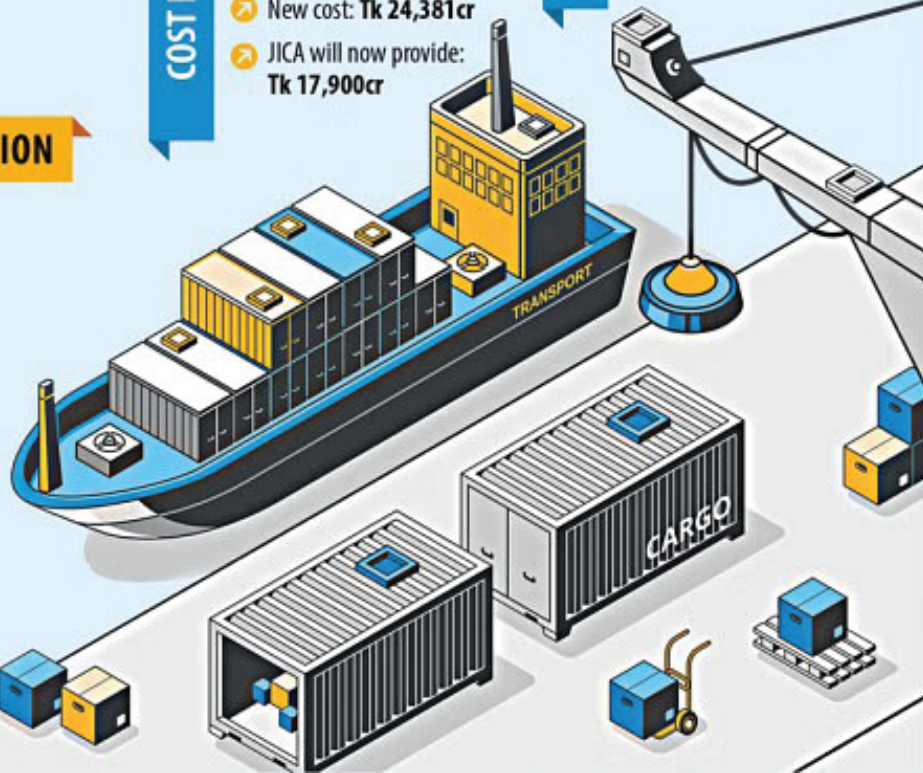
- Project taken in March 2020
- Initial completion date: December 2026
- New deadline: December 2029

## COST ESCALATION

- Original cost: **Tk 17,777cr**
- JICA was supposed to provide: **Tk 12,893cr**
- New cost: **Tk 24,381cr**
- JICA will now provide: **Tk 17,900cr**

## PROGRESS

- Spending so far (As of May): **Tk 710cr**
- Physical progress: zero



## Business Outlook Report

**F**our years after its approval, the cost of the Matarbari deep-sea port project in Cox's Bazar has escalated, while the deadline has been pushed back too.

Although the real physical progress on the project is still zero, authorities say five major factors have contributed to the project

registering a 37 percent cost increase.

These factors include depreciation of the taka, additional land acquisition expenses and design changes, according to official documents submitted to the Executive Committee of the National Economic Council (Ecne) meeting on Monday. After the

Ecne revision, the project's total cost now stands at Tk 24,381 crore -- Tk 6,604 crore more than the initial cost of Tk 17,777 crore.

When the project, namely "Matarbari Port Development," was taken in March 2020, it was supposed to be completed by 2026. It has now been pushed back to December

2029. As of May this year, the authorities spent Tk 710 crore. However, the real progress is still zero as the main construction work of the project has not started yet, according to official documents.

The project was taken up to increase the cargo handling capacity of the country, reduce the pressure on Chattogram

port and meet the future international trade needs. The concept of a deep-sea port in Matarbari emerged in conjunction with the government's coal-based power plant project in the area. The power plant required a wider channel and a port to receive fuel imports.

Of the five factors contributing to the cost increase, the project authorities have cited the fluctuation of the foreign currency exchange rate as the primary driver. When

due to changes in the detailed design, officially categorised as a "change of work scope". As per the project documents, the length of roads and highways for the port will be 16.53 kilometres, which was 27.51km in the initial plan. In the revised plan, the length of bridges has been extended to 10km from the previous 7km.

These, all together, have caused the cost escalation for the "change of work scope". Fourthly, the rate

the Ecne meeting, Planning Adviser Prof Wahiduddin Mahmud said although the main project is the construction of the deep-sea port, a large chunk of money will be spent on the construction of the approach road and bridge. In response to questions about the costs of roads and bridges, the adviser said that no "unnecessary" or "extra money" would be spent.

The adviser said the Ecne approval is not the final step, as the Implementa-

rules in this regard," he added. A planning ministry official said they have to seek consent from the government to review the existing projects. In particular, they got directives to move on with the foreign-funded projects. At the press briefing, Prof Mahmud said, "We badly need a deep-sea port in Bangladesh as other ports, including Chattogram and Payra, do not have enough capacity to handle the excessive pressure of the future trades."

In the absence of a deep-sea port, the country's business transportation turns costlier thanks to loading and unloading containers on mother vessels at Singapore or Colombo port. "It's also a time-consuming issue," he said. "There was a lot of tension about whether China or India would do this project. Nothing was really happening for geopolitical reasons." Finally, the government has selected Japan as the development partner, which charges lower interest and offers a longer repayment period, Mahmud said.

Besides, Japan usually completes projects timely, which they demonstrated in previous metro rail and the third terminal of Dhaka airport projects, he said. "We never heard of any Japanese company involved in project corruption," he said.

"For this reason, Japan has been picked up for the project," he said. ■



*The concept of a deep-sea port in Matarbari emerged in conjunction with the government's coal-based power plant project in the area. The power plant required a wider channel and a port to receive fuel imports.*

the project was taken up in 2020, the US dollar exchange rate was around Tk 84, but it has now reached Tk 119. Besides, the authorities have mentioned the increased spending for revenue payments, such as customs duty and value-added tax (VAT), as well as higher costs for land acquisition.

Thirdly, the authorities have allocated an additional Tk 675 crore

schedule of the construction work has been changed as prices of construction materials have increased over the years.


Lastly, the project authorities estimate that consultation expenses will rise further due to the three-year extension.

***"Not a single penny will be spent unnecessarily"***

At a press briefing after

tion Monitoring and Evaluation Division (IMED) and relevant ministries will continue to assess project development regularly. "Our development partners have also agreed that they will cooperate with us so that no irregularities take place during implementation," he said.

"We can't say what the next government will do. We want to make some

- 
- ▶ Exporters for ensuring positive business climate to bring more FDIs, boost growth
  - ▶ RMG makers fear losing orders worth \$2-5b in next 6 months if situation does not improve

# Worries Mount In Business Sector Amid Lingering Unrest

## *Business Outlook Report*

**T**he country's business community remains deeply concerned, as law and order in business operations has yet to be fully restored following the ousting of the fascist Awami League regime amid the student-led mass uprising on 5 August this year, threatening economic stability.

Economists and business leaders warn that the economy could face significant challenges if both short- and long-term security measures are not promptly implemented. Several businesspersons said they were still afraid to go to their factories due to the poor law and order situation in the country. The month-long labour unrest in the garment factories – particularly those in Ashulia and Gazipur – hampered produc-

tion, which clogs in the country's exports. They also claimed that Bangladesh may lose export orders for readymade garment (RMG) worth \$2-5 billion in the next six months if the situation does not improve. Rising Apparels Managing Director Mahmud Hasan Khan Babu claimed that they were facing severe challenges due to the insecure business environment in the country.

“Despite getting magistracy powers, the army could not ensure law and order in the garment industry. The law enforcement agencies could ensure the security, but we have not seen any visible result of that here yet. The labour unrest has been continuing for a month, which vastly hampers the industry's exports,” he added. Mahmud point-

ed out that the business community is facing several challenges such as complexity in customs department, HS codes based on products, cost of doing business, gas and electricity crisis, high bank interest rate, and high inflation. “Harassment by customs officials should be stopped to relax the businessmen. Besides, a uniform HS code should be ensured. Moreover, the cost of doing business has increased alarmingly in the country which hinders our competitiveness in the global market,” he also stated.

He added that the insecurity in businesses halted new investments, which has a negative effect on employment and economic growth. In the last one month, the security has somewhat improved but not restored fully. According to the

Bangladesh Garment Manufacturers and Exporters Association (BGMEA), production at nine factories was halted on Monday due to demonstrations by workers to press home their various demands. Of them, seven were situated at Savar, Ashulia and Jirani region.

The RMG sector exported \$47 billion in 2023 which was 84% of the country's total exports. Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) President Mohammad Hatem said a good understanding and relation between the owners, workers and labour leaders can mitigate any

“We are in trouble. Today, I am afraid to go to the factory. I fear whether I would be able to come out alive or not. If the businessmen are afraid to go to their factories like that, then they will not be able to conduct business activities in the coming days.”

He added that Bangladesh could be “the factory of the world” for its immense potential. The main task of the business community is to create employment, but sometimes, it faces a setback due to labour unrest. “We want a peaceful environment to conduct businesses. Those who are currently trying to take unfair

investors' low confidence, it remains stagnant now. However, I hope that it will see a positive move within a few days,” he also said. Nasim said the government's administrative system is still not working properly, which plays a role in lowering the investors' confidence.

Policy Exchange Bangladesh Chairman and CEO Dr M Masrur Reaz said, “We could not take the right policy at the right time and that caused a macro-economic crisis in the recent past. The confidence level for investment is shattered now. The law and order – especially disorder in the ‘order’ part, labour unrest, and



unrest as well as violence in the factories. “When factory owners do not get fair prices from the buyers, they have to suffer for that, and most of the people – even the labourers – do not know about this issue. I request the Bangladesh Bank to allow the industry owners adequate time to repay their loans,” he added.

He also echoed the same problem of the gas crisis in the industries that causes lower productivity, resulting in shipment delays. PRAN-RFL Group Chairman and Chief Executive Officer Ahsan Khan Chowdhury said at a recent programme,

advantages of the weak law and order situation should be brought to book,” he also said. Leather Goods and Footwear Manufacturers and Exporters Association of Bangladesh President Syed Nasim Manzur said the businessmen now feel insecure due to the labour unrest and vandalism. Moreover, food or service consumption by the consumers has fallen remarkably.

“The double-digit rate of interest on industrial loans is not viable for sustaining in the competitive market. FDI is needed for a country like Bangladesh, but due to the

inflation are some of the pressing issues for the macroeconomic challenges for Bangladesh.” “We have recently seen commendable progress in the banking sector reforms, but we are yet to see policy governance in other areas. We have to keep our dollar reserve stable by remittance, export, FDI, and gaining investors' confidence is most important for that,” he also said.

Dr Masrur said, “If inflation is not controlled by increasing the interest rate of bank loans, it will be more serious, so we need to focus more on supply chain management.” ■



# Businesses Voice Insecurity Amid Labour Unrest, Urge Restoring Law And Order

## *Business Outlook Report*

**T**he business community has expressed growing insecurity amid ongoing labour unrest and economic instability, calling for the immediate restoration of law and order.

At a roundtable organised by the Dhaka Chamber of Commerce and Industry (DCCI), business leaders urged the government to implement urgent economic reforms, lower interest rates, and address pressing issues like energy security, rising inflation, and disruptions in key export industries to restore confidence in the

country's financial and industrial sectors.

Addressing the roundtable on "Current State of the Economy and Outlook of Bangladesh" organised on Saturday at the DCCI auditorium on October 5, DCCI President Ashraf Ahmed said, "Currently, Bangladesh is experiencing an unstable economic growth trajectory with slow GDP (gross domestic product) growth. This is coupled with few other challenges like currency devaluation, rising inflation, financial instability, labour unrest, concerns over energy security and disruptions in key export industries." He

said these concerns threaten the country's economic stability. DCCI chief remarked, "To navigate these challenges, a strategic, coordinated response is essential. We need immediate restoration of the law and order situation."

He stressed the need for faster reforms in the banking governance and suggested addressing non-performing loans (NPL) and liquidity shortage issues. "This must be prioritised to restore confidence in the financial system." To combat inflation, Ashraf Ahmed said that the government can pursue supply-side

reforms to ensure smooth distribution of essential goods and services. "Diversifying the energy mix and new energy supply routes, while improving investment in the energy sector, will be essential to safeguarding industrial productivity," he further said.

He suggested establishing planned housing, education and healthcare facilities in Ashulia and adjacent areas to provide a low cost living to the workers of that particular area. Former president of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Mir Nasir Hossain said,

“The recent labour unrest has shattered our image in the global market.’ Regarding interest rate for manufacturing industries, he said that the real

& Exporters Association of Bangladesh said that the businessmen now feel insecure due to labour unrest and vandalism. “Recently, the consump-

factory will get better output at the end of the day,” he added. Mohammad Hatem, president of Bangladesh Knitwear Manufacturers and

the right policy at the right time and this caused the macro-economic crisis in the recent past. Confidence level for investment is shattered



effective rate of interest is too high in Bangladesh and it hampers the entrepreneurs to compete with the international market. Customs houses should be automated, though, once the initiative was taken a few years back but it did not see the light.

He also said that an affluent middle income group of people have grown in the recent past in the country, but in line with that, the tax net was not widened “which is unacceptable.”

Nasir said that due to lack of uninterrupted gas supply, the manufacturing industries are suffering enormously. He suggested strengthening onshore and offshore gas exploration in the sea. Syed Nasim Manzur, president of Leather Goods and Footwear Manufacturers

tion by the consumers – be it food or services, has remarkably fallen.” He also said that the double-digit rate of interest on industrial loans is not viable for sustaining in the competitive market.

FDI is needed for a country like Bangladesh, but due to low confidence it remains stagnant now, but it will see a positive move within a few days. “Moreover, the administration system in the government is still not working properly, which plays a negative role for lower confidence among the investors.”

“We have to save the RMG (readymade garment) industry as it has a multiplier impact on our overall economic value chain. Workers are the main asset for a factory, and if they live well, the

Exporters Association (BKMEA), said that a good understanding and relation between the owners, workers and labour leaders can mitigate any unrest as well as violence in the factories.

He said that when factory owners do not get fair prices from the buyers, they have to suffer for that and most of the people, even the labourers, do not know this issue.

He urged Bangladesh Bank to allow the industry owners adequate time to repay their loans. He echoed the same problem of the gas crisis in the industries that looms over lower productivity resulting in delay in shipment. Dr M Masrur Reaz, chairman and CEO of Policy Exchange Bangladesh, said, “We could not take

now, law and order, especially disorder in the ‘order’ part, labour unrest, inflation are some of the pressing issues for the macroeconomic challenges for Bangladesh.”

Ahsan Khan Chowdhury, Chairman and CEO of PRAN-RFL Group, said, “Bangladesh is a land of opportunity. Bangladesh could be the factory of the world for having its immense potential.”

He said, “The main task of the business community is to create employment, but sometimes, it gets a setback due to labour unrest. We want to see the police in a position as it was.” “We want to see all law-enforcing agencies back again with their full capacity” PRAN-RFL CEP added. ■

## WEEKLY SELECTED ECONOMIC INDICATORS

Chief Economist's Unit  
(Policy Support Wing)  
09 October 2024

1.	Foreign Exchange Reserve (in million US\$)	08 October 2023		30 June 2024		30 September 2024 <sup>R</sup>		08 October 2024	
		26895.11	21101.11 (BPM6)	26714.20	21686.3 (BPM6)	24742.16	20795.44 (BPM6)	24974.40	19826.72 (BPM6)
2.	Interbank Taka-USD Exchange Rate (average)	08 October 2023		30 June 2024		30 September 2024		08 October 2024	
		110.5000		118.0000		120.0000		120.0000	
3.	Overnight Call Money Rate	08 October 2023		30 June 2024		30 September 2024		08 October 2024	
	Weighted Average Rate (in Percent)	7.28		9.01		9.55		9.51	
	<b>Broad/Overall Share Price Index</b>	08 October 2023		30 June 2024		08 October 2024		Percentage change	
								08 Oct 24 over Jun 24	08 Oct 23 over Jun 23
4.	a) Dhaka Stock Exchange (DSE)	6237.24		5328.40		5323.22		-0.10	-1.68
	b) Chittagong Stock Exchange (CSE)	18477.66		15066.82		14961.74		-0.70	-1.20
		September, 2023		July-Sept, FY24		September, 2024 <sup>P</sup>		July-September, FY25 <sup>P</sup>	
5.	a) Wage Earners' Remittances (in million US\$)	1334.35		4906.95		2404.79		6542.71	23912.22
	b) Annual Percentage Change	-13.33		-13.50		80.22		33.34	10.65
		August, 2023		July-August FY24		August, 2024 <sup>P</sup>		July-August FY25 <sup>P</sup>	
6.	a) Import (c&f) (in million US\$)	5247.60		10632.20		5271.50		10519.30	66725.10
	b) Annual Percentage Change					0.46		-1.06	-11.11
		August, 2023		July-August FY24		August, 2024 <sup>P</sup>		July-August FY25 <sup>P</sup>	
	a) Import (f.o.b) (in million US\$)	4954.00		10030.00		4969.00		9914.00	63242.00
	b) Annual Percentage Change					0.30		-1.16	-10.61
		August, 2023		July-August FY24		August, 2024 <sup>P</sup>		July-August FY25 <sup>P</sup>	
7.	a) Export (f.o.b) (in million US\$)	3514.00		6986.00		3678.00		7160.00	40810.00
	b) Annual Percentage Change					4.67		2.49	-5.89
		July-August, FY24		July-August, FY25 <sup>P</sup>		July-August, FY25 <sup>P</sup>		FY24 <sup>P</sup>	
8.	Current Account Balance (in million US\$)	-610.0		111.0		-6512.0			
		June, 2023		June, 2024 <sup>P</sup>		June, 2024 <sup>P</sup>		FY23	
9.	a) Tax Revenue (NBR) (BDT in crore)	49037.94		331454.89		57918.34		382296.54	331454.89
	b) Annual Percentage Change	0.56		9.89		18.11		15.34	9.89
	<b>Investment in National Savings Certificates</b>	July, 2023		July FY24		July, 2024 <sup>P</sup>		July FY25 <sup>P</sup>	
10.	a) Net sale	-347.60		-347.60		2187.56		2187.56	-21124.38
	b) Total Outstanding	360357.43		360357.43		348456.61		348456.61	346269.05
		August, 2023		June, 2024 <sup>R</sup>		August, 2024 <sup>P</sup>		Percentage change	
								Aug 24 over Jun 24	Aug 23 over Jun 23
11.	a) Reserve Money (RM) (BDT in crore)	351208.60		413647.00		385796.60		9.85	-8.44
	b) Broad Money (M2) (BDT in crore)	1876865.00		2033234.00		2024324.60		7.86	-0.55
								Aug 24 over Jun 24	Aug 23 over Jun 23
								Jun 24 over Jun 23	Jun 24 over Jun 23
								-8.44	7.84
								-0.55	7.74



	Percentage change													
	July-August FY24				July-August FY25 <sup>P</sup>				July-August FY25 over July-August FY24					
	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement	Opening	Settlement		
<b>Total Domestic Credit (BDT in crore)</b>	1922567.70	2115524.90	2117810.20	2117810.20	10.16	0.11	-0.22	9.80	381879.60	424877.10	426233.30	426233.30	-1.41	9.69
a) Net Credit to the Govt. Sector	45431.40	1495256.70	1641228.70	1642702.60	7.58	-1.10	0.59	9.42	49419.10	48874.30	48874.30	48874.30	0.07	9.84
b) Credit to the Other Public Sector														
c) Credit to the Private Sector														
<b>L/C Opening and Settlement (in million US\$)</b>														
a) Consumer Goods	935.74	1237.23	891.17	836.42	-4.76	-32.40	-13.56	9.97	507.31	337.83	337.83	337.83	-33.17	9.92
b) Capital Machinery	815.64	890.23	735.63	695.93	-9.81	-21.83	-12.00	9.92	1954.55	1327.80	1327.80	1327.80	-20.14	9.92
c) Intermediate Goods	3557.14	3827.92	3610.41	3654.38	1.50	-4.53	-15.90	5.80	3745.21	3489.63	3489.63	3489.63	-7.54	9.92
d) Petroleum	11515.59	11897.86	10023.67	10341.99	-12.96	-13.08	-8.29	9.92	9.59	9.66	9.73	9.73	9.95	9.92
e) Industrial Raw Materials									9.86	9.67	9.74	9.74	10.49	9.92
f) Others														
<b>Total</b>														
<b>Rate of Inflation on the basis of Consumer Price Index for National (Base:2021-22=100)</b>														
a) Twelve Month Average Basis														
b) Point to Point Basis														
<b>Corresponding Period</b>														
a) Twelve Month Average Basis														
b) Point to Point Basis														
<b>Classified Loan</b>														
a) % of Classified Loan on Total Outstanding														
b) % of Net Classified Loan on Net Outstanding														
<b>Agricultural and Non-farm Rural Credit (BDT in crore)</b>														
a) Disbursement **														
b) Recovery														
c) Outstanding														
<b>SME Loan (BDT in crore)</b>														
a) Disbursement														
b) Outstanding														
<b>Industrial Term Loan (BDT in crore)</b>														
a) Disbursement														
b) Recovery														
c) Outstanding														
<b>GDP Growth Rate (Base: 2015-16)</b>														



# Interim Govt To Continue The Japan Funded Project



## Business Outlook Report

**T**he interim government will undertake a lone mega project during its tenure, namely the Matarbari deep-sea port, according to Planning and Education Adviser Prof Wahiduddin Mahmud.

"This will be the sole mega project during the interim government's tenure. It may be completed by 2030," he said at a press briefing in the capital's Agargaon on October 7.

In this regard, the Executive Committee of the National Economic Council (Ecne) approved the "Matarbari Port Development Project", which was revised for the second time. "This

deep-sea port has geopolitical significance. Many countries, including China and India, want to build this port," the adviser said.

However, the government has selected Japan as the development partner considering it charges lower interest and offers a longer repayment period, he said. He added that once the deep-sea port comes into operation, trade and commerce in the country will be boosted while the importance of this route will increase.

"Existing ports will not meet the demands of the future," he said. After revising the project, the overall cost now stands at Tk 24,381 crore with an additional cost of Tk

6,574 crore. The project was taken in 2020 and was supposed to be completed by 2026. However, the deadline was later extended to December 2029. Prof Mahmud said a new road would be built under this project, which will raise the overall cost.

He also opined that the level of corruption and waste of resources had now reduced to some extent. "But the magnitude of extortion has probably not decreased so much," he said.

Besides, Prof Mahmud said the pace of investment in the country is slow. Although the private sector is the engine of the economy, many private sector entrepreneurs and bank owners

are missing. "After such a big political change, such a slowdown in investment is normal," he said. Given this context, Prof Mahmud also said increasing public expenditure to some extent is necessary to spur job creation and ensure smooth functioning of the economy. Prof Mahmud also said there was undue political influence on the growth and inflation figures that were presented in the past.

He added that the Bangladesh Bureau of Statistics (BBS) lacks capacity. "I'm not reprimanding them for that. The situation is the same in all developing countries." The adviser further said the government will prepare a report on the vehicles owned by the government throughout the country. "Different government projects use vehicles but what happens to those once the projects end will be assessed in the report. Besides, for what purposes the vehicles are used will also be assessed," he added.

"We will know the condition of these cars. Road Transport and Bridges Affairs Adviser Muhammad Fouzul Kabir Khan will submit the report to the Advisory Council soon." ■

# Why Our Mobile Data Prices Are Higher Than India, Pakistan



*Mustafa Mahmud Hussain*

**B**angladesh's mobile data prices are among the highest in the region, surpassing Pakistan, India, and even developed countries like France and Italy. In today's world, access to affordable data is a necessity, not a luxury. It's the bridge between a mother staying connected to her children overseas, a farmer consulting a doctor via telemedicine, or a student in a remote village accessing the same quality education as a child in Dhaka. When the cost of data is high, we're not just raising prices, we're raising barriers to progress,

education, and health.

## *The Golden Goose And The Tax Trap*

Bangladesh's telecom sector is like a golden goose -- a powerful engine of economic growth. Yet, high taxes and fees are stifling its potential. The NBR imposed heavy taxes on mobile operators, discouraging innovation and expansion as they struggled to meet both the tax load and growing consumer demand. Without changes, Bangladesh risks sacrificing long-term growth for short-term revenue. In a country where the wealth gap is already

wide, the high cost of mobile data creates a digital divide. While the wealthy enjoy fast, reliable internet, the majority of Bangladeshis are left disconnected. This isn't just about technology, it's about fairness, inclusion and equity for every citizen.

## *The Heavy Tax Burden*

The telecom industry in Bangladesh faces an overwhelming tax burden. Telecom companies are subject to VAT (15 percent), supplementary duty (15 percent), and a 1 percent surcharge on subscriber services, accounting for 25 percent of their

revenue. On top of this, they bear corporate tax, SIM taxes, customs duties, and regulatory fees like revenue sharing (5.5 percent), the social obligation fund (1 percent), and spectrum amortization costs. These fees add another 15 percent to their costs. Ecosystem costs, including payments to TowerCo, NTTN, IIG and others, make up 18 percent while network operations, marketing, capital expenditures and financial costs account for around 26 percent. This leaves operators with a very low profit margin, making it difficult to improve service quality or reduce prices.

### ***CDN Barriers And Content Delivery***

Bangladesh's lack of proper implementation of content delivery networks (CDNs) further contributes to high data costs and slow internet speeds. BTRC announced that IIG operators, the NIX, ANSs, and nationwide ISPs were allowed to set up caching servers with BTRC's permission. CDNs store data closer to users, reducing the need to pull data from international sources, which improves speed and lowers costs.

However, bureaucratic delays have prevented CDNs from being fully adopted. Expediting CDN implementation could significantly reduce international bandwidth costs, improving both speed and affordability for consumers.

### ***The Second-Order Effect***

Imagine you have a toy car, and you push it. The first thing that happens is the car starts moving (that's the first effect). Now, imagine the car bumps into another toy, making that toy move too. This is the second effect -- the ripple. Let's consider a real-life example in Bangladesh.

First-order effect: a telecom company introduces a more affordable data plan. Second-order effect: more people can afford internet access, which leads to improved access to

information, online education, and digital services.

### ***The Ripple Of Cheaper Data***

Imagine students in remote villages accessing online lessons with affordable data. Like watering a garden, this would nurture a more knowledgeable population, driving growth in sectors like ICT, education, and healthcare. Now, picture a small business owner in a rural area setting up an online store with cheaper data, reaching customers far beyond their village. This would open doors to new markets and bring millions of unbanked citizens into the formal financial system through mobile wallets like bKash.



More people online means more demand for services, jobs, and innovation, fueling Bangladesh's economy in ways that are just waiting to be unlocked.

### ***What Needs To Change***

Bangladesh is at risk of being left in the slow lane while countries like India and Pakistan surge ahead with cheaper, faster data access.

### ***To unlock the potential of affordable mobile data, Bangladesh must:***

Reduce the tax burden: Lower VAT, supplementary duty, and regulatory fees to allow operators to offer affordable data plans. The BTRC

should ease its ecosystem costs and spectrum fees to enable more investment in network improvements.

Promote innovation: Lower taxes would encourage operators to invest in technologies like 5G, fostering competition, improving service quality and driving prices down.

Accelerate CDN adoption: The BTRC must fast-track CDN approvals, reducing international bandwidth costs and making data more affordable.

### ***Conclusion***

It's time for policymakers to recognize that affordable data is the key to unlocking Bangladesh's future

potential. The time for action is now. We must reduce the tax burden on telecom operators, accelerate the adoption of new technologies and ensure that every Bangladeshi -- no matter where they live -- has access to fast, affordable internet. The future of our nation depends on it. ■

# Bangladesh Has Strong Potential To Boost Leather Exports



## Business Outlook Report

**C**ommerce and Finance Adviser Dr Salehuddin Ahmed has said Bangladesh has an enormous opportunity to make its leather and footwear items very good products in the export basket.

“The leather sector is very prospective for export diversification. For export diversification the leather sector is a very good option. This sector has prospects and problems as well,” he said while briefing reporters after holding a meeting with the leaders of Bangladesh Finished Leather, Leather Goods and Footwear Exporters’ Association and Bangladesh Tanners Association at his Finance Ministry office on October 6. He

mentioned that they have discussed various issues related to the prospects and problems of the leather sector. “We have discussed all the problems and issues including: Why the factories have been shifted to Savar, what the environmental situation there is, the financing issues the businesses face, the status of certification of different businesses to export leathers, among other issues,” he said.

In the meeting, the adviser said, they discussed ways to make leather and leather footwear items highly prospective export products for the country. “And this sector has every possibility for this upgrade,” he said. The adviser also mentioned that leather is a raw material and it is locally produced.

“This is a big advantage for us.” Bangladesh leather industry comprises the components of tanning and finishing, footwear and footwear components as well as other leather accessories and goods, for example: bags, wallets, belts, accessories, etc.

Products such as fabric-based footwear are also now being produced in Bangladesh for global retailers. International brands like Adidas, Aldo, Timberland, Marks & Spencer, Steve Madden, Esprit, ABC Mart, Nike and K-Mart, Sears etc. are sourcing leather goods from Bangladesh. European countries are the main markets for leather and leather products in Bangladesh. However, Bangladesh also exports to the

United States, Japan, UK, China and a few other countries. The leather sector of Bangladesh includes 200 tanneries, 3,500 MSMEs, 2500 footwear making units and 90 large firms. Bangladesh meets the demand for about 10% of the world’s total leather market.

Recently, a sustainable 205 industrial units Tannery Estate has been developed with CETP and STP and the production of eco-friendly leather and linkage industries—packing, lasts, adhesives, outsoles are growing rapidly. The Bangladesh government has taken many steps to upgrade the industry. The government has already set up a modern leather industrial estate in Savar and two more leather industrial parks will be set up in Chattogram and Rajshahi for unlocking the huge potentials of the country’s leather sector.

Tanneries of the Hazaribagh area have been shifted to a modern environment-friendly tannery estate in Savar. Tanners have now the option to build their industrial unit by applying modern concepts. They can add updated hydraulic and pneumatic machines, apply the latest production processes, and use technology upgrades. ■

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