



Officials of KDS Logistics say they are continuously increasing container handling equipment, ensuring labour management properly as well as complying with all international standards, which have helped them to retain the top position in container handling.

PHOTO: COLLECTED

#### PRIVATE INLAND CONTAINER DEPOTS

## KDS Logistics remains top container handler for fifth year

DWAIPAYAN BARUA, Ctg

KDS Logistics has retained its spot as the top private inland container depot (ICD) in terms of the total volume of export and import cargo handled for a fifth consecutive year in 2022.

There are 19 privately-owned ICDs in and around Chattogram facilitating quick clearance of containers, be it empty or containing goods, easing congestion at the country's premier sea port in the city.

They handled 9,83,452 TEUs (twenty-feet equivalent units) of import and export-laden containers in 2022.

KDS Logistics topped the chart accounting for 16.14 per cent of the total.

It was followed by Portlink Logistics Centre, two units of Summit Alliance Port (East and West), Esack Brothers Industries and Incontrade.

The six jointly handled around 62.4 per cent of the total. They have retained the top six positions for the past seven years.

In terms of just export-laden containers, the six accounted for 58.85 per cent of the 7,43,461 TEUs handled by the 19.

KDS Logistics alone managed 1,18,854 TEUs. It has been retaining the top position since 2016.

In case of import-laden ones, the six accounted for 73.44 per cent of the 2,39,991 TEUs handled by the 19.

Here the KDS has been retaining the second position for the past three years.

In 2022, it was also the top handler of empty containers.

They have been consistently focusing on developing efficiency to ensure better services to clients, including foreign buyers, nominated freight forwarders and importers, said Executive Director

Ahsanul Kabir.

"We are continuously increasing container handling equipment, ensuring labour management properly as well as complying with all international standards," he said.

Among other equipment, the depot has 97 container trucks, six reach stackers for handling goods-laden containers and another seven for empty containers.

Two more reach stackers for handling goods-laden containers will be brought soon, said Kabir.

Portlink Logistics clinched the top position for a seventh year in terms of the volume of import-laden containers handled.

This year it handled 75,931 TEUs of import-laden containers followed by the KDS (39,944 TEUs) and Incontrade (24,113 TEUs).

The volume of export and import-laden containers handled by the 19 is, however, down 2.93 per cent from that in 2021.

This was a result of the overall fall in import, said Bangladesh Inland Container Depots Association (BICDA) Secretary Md Ruhul Amin Sikder.

Hoping for this year to be better, he said all depends on how the global economy turns about.

The 19 ICDs handled about 93 per cent of the total export-laden containers passing through the Chattogram port while around 20 per cent to 23 per cent of the import-laden ones.

Currently 38 types of imports are sent to the ICDs from the port to be delivered to consignees.

The BICDA secretary said they have long been demanding to increase the number of import items the private ICDs were allowed to handle.

## Savings tool sales fall

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In order to help pensioners, the department has recently submitted a proposal to the Internal Resources Division to allow them to provide interest on the investment in pensioners' savings certificates on a monthly basis instead of a quarterly basis, the official added.

Though government expenditure has not increased that much in the first four months, its borrowing from savings instruments came down 106 per cent while bank borrowing rose 32 per cent, according to Bangladesh Bank.

The central bank's data shows that the government set a target to borrow Tk 35,000 crore from savings

certificates this fiscal year.

However, in the first four months, net borrowing dropped by Tk 632 crore, meaning it had repaid the amount instead of borrowing any money.

According to a Bangladesh Bank official, the total borrowing has decreased due to the decline in sales of saving certificates.

At the end of October this fiscal year, there were Tk 3,53,418 crore worth savings certificates with people.

This figure, considering the fact that a number of savings certificates are simultaneously reaching maturity and people are being returned the principal, coupled with the downing of sales shows that the government is in a tight spot.

Md Shah Alam, director of the Department of National Savings, said the need for presenting proof of income tax return submission might have affected sales of savings certificates.

A finance minister official said the government was thinking of relaxing the regulation to boost sales.

Many people are bearing the cost of living amidst high inflation and once savings certificates were seen as a form of a social safety net, said Ghulam Rahman, president of the Consumers Association of Bangladesh.

Now it does not seem that these things are taken into consideration. It appears that the government is discouraging investment here, he said.

cargo in the July-May of 2021-22. It was 1.19 crore tonnes in the entire 2020-21 data from the MPA showed.

"We have already started to reap the benefit of the port. There is a huge potential of the port in handling cargo and facilitating export and import activities," Musa noted.

The authorities earned Tk 340 crore last fiscal year, the highest in the port's 70-year history. It was Tk 316 crore a year earlier.

In FY22, a total of 20,400 cars were imported through the port, up from 14,474 units in FY21.

"We are offering a lower turnaround time and it will improve further once the projects are implemented," Musa added.

The port handled 1.07 crore tonnes of

## Mongla port expansion

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"We will invest the Chinese fund for the modernisation of the port to provide quality and quick services. The Indian fund will be used to build the capacity," said Musa.

"We will invest the funds for the construction of infrastructure such as jetties and adoption of technologies to run the port efficiently."

China has asked the government to strike business contracts in order to complete the required pre-approval procedures. The loan application evaluation material will have to be submitted to the Export-Import Bank of China.

Under the China-backed project,

container terminals at jetty no. 1 and 2, container handling yard, container delivery yard, vessel jetties, sheds, and offices would be constructed, among other facilities.

Besides, a mechanical workshop, equipment yard, equipment shed and pool, the overpass for rail crossing, and the river dam along with the roads and recreation facilities will be built.

The dredging is underway in the Pasur river, the main channel. Once it completes, vessels with drafts up to 9.5 metres would be able to enter the port jetty. Mongla Port's importance has grown after the opening of the Padma bridge in June last year.

"We are offering a lower turnaround time and it will improve further once the projects are implemented," Musa added.

The port handled 1.07 crore tonnes of

## Banks to be asked to set aside dollars

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Consumption of these commodities increase during Ramadan, expected to begin from the third week of March this year, and the fall in the opening of LCs could affect supplies for the coming month of fasting, said participants.

At the meeting, commodity processors and importers urged the government to allow them to open LCs even if it means releasing a portion of funds from the foreign exchange reserve at the central bank.

They also demanded a reduction in the exchange rate of the dollar for settling the import bills to cut costs as some have to pay as high as Tk 111 for a dollar. The commerce ministry paper showed that opening of LCs for the import of raw sugar slumped 28 per cent year-on-year to 3.75 lakh tonnes in the last quarter of 2022.

In case of chickpea, it dropped 47 per cent to 75,319 tonnes and dates 30 per cent to 21,980 tonnes.

Officials of the commerce ministry however said businesses would start

opening more LCs this month to meet the increase in demand.

"We have informed that we are facing problems in opening LCs and urged the authorities to take measures so that banks help us," said Biswajit Saha, director, corporate and regulatory affairs at City Group.

Mohammad Dabirul Islam Didar, head of finance and accounts at Bangladesh Edible Oil, said they urged the authorities to provide dollars to commercial banks from the foreign exchange reserve to help open LCs.

## One third of listed banks' asset quality drops

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The ROA of Union Bank fell from 0.83 per cent to 0.39 per cent in a span of five years, while National Bank's ROA dipped from 1.43 per cent to 0.4 per cent.

Shahidul Islam, chief executive officer of VIP Asset Management, blamed the lending rate cap and the high loan provisioning, among other factors, for the drop in ROA.

The Bangladesh Bank has maintained a 9 per cent interest rate ceiling on loans since April 2020.

"People have a misconception that banks make higher profits every year. But, in reality, many of them saw a fall in profits in comparison to their assets and capital," said Islam.

SBAC, One Bank, Standard Bank, and ICB Islamic Bank also saw a drop in their return on assets during the five-year period.

Officials of ICB Islamic Bank, IBBL, AIBL, Exim Bank and Union Bank could not be reached for comments despite repeated attempts. Officials of ICB Islamic Bank could not be contacted.

## China firm

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trousers, shirts, shorts, underwear, jersey, t-shirt, knit-bottom, baby bumper, swimsuit, sheath dress, hoodie and uniform.

Major General Abul Kalam Mohammad Ziaur Rahman, executive chairman of the Bepza, Mohammad Faruque Alam, member (engineering), Nafisa Banu, member (finance), Nazma Binte Alamgir, executive director (public relations), Md Tanvir Hossain, executive director (investment promotion), and Md Khorshed Alam, executive director (enterprise services), were present.

## IFAD Autos' Tk 300cr bond gets go-ahead

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) yesterday approved the non-convertible bond of IFAD Autos worth Tk 300 crore.

However, the BSEC has attached a condition with the approval -- the bond should be listed at the alternative trading board.

The bond is fully redeemable and will have floating coupon rate, whose lowest coupon rate would be 6 per cent.

The face value of each unit of the bond is Tk 1 crore and it would be issued to financial institutions, institutional investors, and high-net-worth individuals through private placement.

With the bond proceeds, IFAD Autos will invest in IFAD Multi Products Ltd and increase its own working capital.

EC Securities is the trustee of the bond.

## Eurozone recession may not be as deep as expected

**S&P Global's index shows**

REUTERS, London

Eurozone business activity contracted less than initially thought at the end of last year as price pressures eased, according to a survey which suggested the bloc's recession may not be as deep as expected.

S&P Global's final composite Purchasing Managers' Index (PMI) for the eurozone, seen as a good gauge of economic health, rose to 49.3 in December from November's 47.8, above a preliminary estimate of 48.8.

While the index has been below the 50 mark separating growth from contraction since July, December was a five-month high. The final data was compiled earlier than usual last month due to the holiday season.

"The eurozone economy continued to deteriorate in December, but the strength of the downturn moderated for a second successive month, tentatively pointing to a contraction in the economy that may be milder than was initially anticipated," said Joe Hayes, senior economist at S&P Global Market Intelligence.

"Nevertheless, there is little evidence across the survey results to suggest the eurozone economy may return to meaningful and stable growth any time soon."

A December Reuters poll predicted the region's economy contracted 0.3 per cent last quarter and would do so by 0.4 per cent this quarter.

Overall demand declined for a sixth straight month, albeit at a shallower pace than initially thought.

## German inflation drops on gas bill subsidy

AFP, Germany

German inflation eased in December for a second straight month, preliminary data showed Tuesday, as government interventions helped bring down energy prices.

Consumer prices in Europe's top economy rose 8.6 per cent year-on-year, down from 10 per cent in November, federal statistics agency Destatis said.

The drop, which was bigger than analysts had expected, brings the inflation rate in Germany back to single digits for the first time since August.

The sharp slowdown was partly thanks to a one-off subsidy from the German government covering the December gas bill for households and businesses, Destatis said in a statement.

"Due to the December immediate assistance, among other things, the inflation rate was significantly lower than in the previous months," it said.

For the whole of 2022, German consumer price growth reached 7.9 per cent -- the highest on record in post-WWII Germany.

As in other countries across Europe, Germany's jump in consumer prices has been fuelled by Russia's war in Ukraine which has pushed up energy and food prices.

Even though the December inflation rate brings some respite, prices remain "unacceptably high", said LBBW economist Jens-Oliver Niklasch. And while hopes are growing that Germany has reached peak inflation, government subsidies "can't be a permanent answer to price pressures", he added.

"The fight against inflation that began last year remains a marathon, not a sprint," he said.

The German government has rolled out a 200-billion euro (\$21-billion) support package to shield citizens from energy price shocks, including

caps on gas and electricity bills throughout 2023.

The country, which was heavily reliant on Russian gas before the invasion of Ukraine, has also raced to diversify energy supplies.

Chancellor Olaf Scholz last month inaugurated Germany's first floating LNG terminal in the North Sea port of Wilhelmshaven.

The terminal received its first shipment of liquefied natural gas on Tuesday with the arrival of a tanker from the US state of Louisiana, operator Uniper said in a statement.

The ship carried enough gas to supply 50,000 households with energy for a year, it added.

A recent bout of mild winter weather has further boosted Germany's efforts to conserve gas, easing fears of shortages.

The country's federal network agency said better-than-expected temperatures in late December had helped keep gas storage levels at around 90 per cent.

Germany's inflation slowdown will be closely watched by the European Central Bank, which has sought to rein in soaring prices with a series of aggressive interest rate hikes.

## NBR to purchase

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The agreement signing ceremony was presided over by NBR Chairman Abu Hena Md Rahmatul Munim.

On November 23 last year, the Cabinet Committee on Government Purchase approved a proposal for the purchase under Internal Resources Division (IRD).

An NBR source said the NBR and IRD had planned to buy 14 container scanners in October 2019. The NBR initiated two tenders in 2019 and 2021 but those did not yield any result. A third was initiated in June this year in which three companies placed bids.