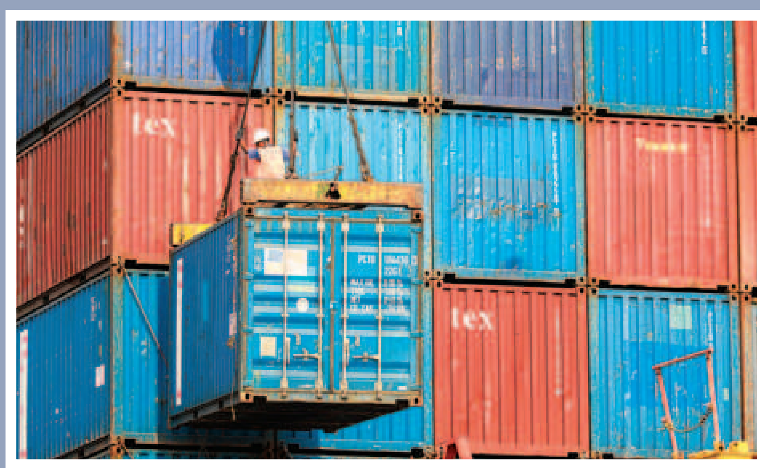
Ctg port saw 5.36% growth in container handling in FY24

DWAIPAYAN BARUA, *Ctg*



The Chattogram port posted a 5.36 percent year-on-year growth in container handling in the just concluded 2023-24 fiscal year.

The port handled 31.69 lakh twenty-foot equivalent units (TEUs) of containers, including import, export and empty ones in FY24, up from 30.07 lakh TEUs in the previous fiscal, according to data provided by the Chattogram Port Authority (CPA).

The figure was prepared by calculating the number of containers loaded and unloaded at the main jetties of the port, Pangaon Inland Container Terminal at Keraniganj and Kamalapur Inland Container Depot in Dhaka, said CPA Secretary Md Omar Faruk.

The overall increase in handling of cargo and container in the concluded fiscal year is a testimony to the rise of foreign trade in Bangladesh, said CPA Secretary Md Omar Faruk

The overall increase in container handling in the concluded fiscal year is a testimony to the rise of foreign trade in Bangladesh, overcoming the downtrend caused by the global economic turmoil amidst the Russia-Ukraine war, he said.

Different types of commercial items, commodity, machineries, chemical products and raw materials of all industries except cement and ceramics sector are imported through containers while export goods are solely carried through containers.

Overall handling of cargo -- containerised and bulk -- experienced 4.18 percent year-on-year growth in FY24.

The port handled a record 12.32 crore tonnes of cargo in FY24, up from 11.83 crore tonnes in the previous year.

The authority is making continuous efforts to enhance the port's capacity and efficiency by expanding yard and equipment facilities, the CPA secretary added.

The port's container storage capacity was increased and different new equipment are also being added, he said.

The port saw a 7.62 percent year-on-year drop in container handling in FY23 after handling a record 32.55 lakh TEUs in FY22, which represented 5.11 percent year-on-year growth.

Container handling grew 3.1 percent year-on-year in FY21, 2.92 percent in FY20 and 3.9 percent in FY19.

The total volume of containers handled in FY21 was 30.97 lakh TEUs compared to 30.04 lakh TEUs in FY20 and 29.19 lakh TEUs in FY19.

Ctg customs logged record revenue in FY24

Enhanced monitoring paid off, customs officials say

STAFF CORRESPONDENT, *Chattogram*

Revenue collected by the Customs House, Chattogram (CHC) jumped 9.4 percent year-on-year to Tk 68,562.72 crore in the just concluded 2023-24 fiscal year.

This was the highest revenue generated by the customs house at the Chattogram port, the country's biggest port handling roughly 90 percent of total annual trade.

The increased collection was a direct outcome of enhanced monitoring efforts to deter misconduct and the revision of the Customs Act-1969 in June 2020, which empowered officials to impose a minimum penalty for inaccurate declarations of imported items.

On June 2020, the National Board of Revenue fixed a minimum fine for false declaration which is twice the amount of revenue dodged. Earlier, there was no minimum fine.

Revenue receipts stood at Tk 62,657.81 crore in fiscal 2022-23.

Revenue worth Tk 19,000 crore was generated through the imports of 12 products, including high-speed diesel, furnace oil, liquefied natural gas, apple cement clinkers, palm oil, broken or crushed stone, and petroleum oils.

The customs authorities reported a surge in the import of these items due to heightened demand in the energy, power, and construction industries.

These products ranked as the most imported goods over the last 10 years.

Other leading revenue-generating commodities included oranges, betel nuts, milk powder, scrap ships, automobiles, automotive components, finished ceramics, and electronic goods.

Custom House Commissioner Mohammad Fyzur Rahman attributed the higher revenue generation to the prevention of false declarations and implementation of good governance.

"We've enhanced surveillance to prevent irregularities in imports and put emphasis on setting tariffs as per actual prices of goods. The customs house has also worked to expedite assessment and clearance."

These efforts have deterred dishonest traders from engaging in irregularities, he added.

Bangladesh an ideal investment destination

Bepza executive chairman tells Chinese delegation

STAR BUSINESS REPORT

Bangladesh is an ideal investment destination, exemplified by the fact that it is the second-largest garment exporter globally, said Maj Gen Abul Kalam Mohammad Ziaur Rahman, executive chairman of Bangladesh Export Processing Zones Authority (Bepza), yesterday.

He was addressing a visiting a 13-member Chinese delegation from the Quanzhou Maritime Silk Road Industry and Commerce Association to the Bepza office, says a press release.

The delegation, led by Jinshan Xu, chairman of Qunfeng Intelligent Machinery Co, expressed interest in exploring potential investment opportunities in export processing zones (EPZ) and Bepza Economic Zone.

Earlier a seminar on promoting the investment opportunities in Bangladesh was organised by the association in Quanzhou city of Fujian province in China on April 30.

The Chinese delegation also visited the Chattogram EPZ and Bepza Economic Zone on June 30 to understand operational procedures, infrastructural facilities, wage structures, customs processes, and the tariffs for land and utilities.

The visit underscores ongoing efforts to strengthen economic ties and promote investment between Bangladesh and China, highlighting the potential for future industrial collaborations in the region, added the press release.

Jinshan Xu acknowledged the progress made by Bangladesh in fast developing new factories.

Md Ashraful Kabir, member of investment promotion, Bepza, laid emphasis on the support Bepza provides to EPZ investors and urged the Chinese delegation to invest in the zones.

Fazlul Haque Mazumder, executive director of investment promotion, Bepza, provided an overview of Bepza's operations, facilities and incentives.

Confidence up among big Japan manufacturers

AFP, *Tokyo*

A key survey of Japan's largest manufacturers showed Monday that business confidence rose for the first time in two quarters, while revised data showed the economy contracted further.

The Bank of Japan's closely monitored Tankan survey comes ahead of a policy meeting for the central bank later this month with speculation growing it will announce another interest rate hike.

The poll reports the difference between the percentage of firms that are upbeat and those not -- with a positive figure meaning more businesses feel optimistic. In June, the reading stood at plus 13, beating expectation of plus 11. It followed previous readings of plus 11 in March and plus 13 in December.

Separately on Monday, government data showed gross domestic product shrank 0.7 percent in the first three months of 2024, compared with the previous estimate of a 0.5 percent contraction.

The risk of a euro crisis is rising

REUTERS, *Benahavis*

One way of looking at the euro zone is as a forest where dry tinder is piling up. The locals are not doing much to clear the debris, and some are wandering around with naked flames. But they know it would be foolish to throw lit matches on the forest floor. Besides, there is a fire engine which will probably ride to the rescue.

In other words, the risks of a new crisis in the single currency area, like the meltdown it suffered over a decade ago, are rising. But the conditions are probably not ripe to trigger one yet.

The main current fear is that France, where the far-right Rassemblement National (National Rally) dominated the first round of snap parliamentary elections, may enter a period of extreme political instability and fiscal profligacy. This could lead to a sharp rise in yields on French government bonds.

Other highly indebted euro zone members, especially Italy, could suffer contagion. The single currency would then be on the ropes. France and Italy are much bigger economies than Greece and the other euro zone members which were at the centre of the last crisis.

But this scenario does not seem imminent because Jordan Bardella, the far-right candidate for prime minister, has been toning down his party's fiscal promises. The National Rally has its eye on winning the French presidential election in 2027 and would be foolish to undermine its credibility by provoking a financial crisis before then.

Investors are not very perturbed. Since President Emmanuel Macron called the election, the difference between yields on French and German 10-year government bonds has widened, from 49 basis points to 85 basis points. The contagion to Italy has been limited: the yield spread on its bonds relative to German bunds has risen to 162 basis points, from 133 basis points. Back in 2011, when Silvio Berlusconi was prime minister, the gap reached 560 basis points.

That said, the medium-term outlook for the single currency is worrying. High debts, pressing spending needs and low growth in many countries at a time of rising nationalism and geopolitical conflict are storing up trouble.

The euro zone has ways to protect itself against a financial crisis. If the spreads on a country's bond yields widen sharply, the European Central Bank could step in and buy its debt. Its Transmission Protection Instrument (TPI) is designed to "counter unwarranted, disorderly market dynamics".

The central bank is much more willing to intervene than it was at the start of the last euro crisis. It was only after Mario Draghi became its president and promised to do "whatever it takes" in 2012 that the ECB developed a tool to fight market mayhem.

The central bank would probably throw its mantle of protection around any well-behaved country which suffered a sharp increase in bond spreads. Even then, the TPI is not a blank cheque. The ECB says it will only ride to the rescue if a country pursues "sound and sustainable fiscal and macroeconomic policies". So a delinquent government could be left to face debt investors on its own, as Greece was until it adopted a responsible fiscal programme in 2015.

Asian factories enjoy solid momentum, Europe faces setback

REUTERS, *London/Tokyo*

Manufacturing activity in Europe suffered a setback last month but Asian factories enjoyed solid momentum, offering policymakers some hope the region can weather the hit from soft Chinese demand, surveys showed.

The downturn in Europe was widespread, with Italy the only big player not to see a fall in its Purchasing Managers' Index (PMI) despite manufacturers largely cutting prices.

HCOB's final euro zone manufacturing PMI, compiled by S&P Global, fell to 45.8 in June from May's 47.3. It has been below the 50 mark separating growth from contraction for two years.

"What looks like the green shoots of recovery seem to be diminishing. We can't take a recovery for granted," said George Moran at Nomura.

Germany's factory sector, which accounts for about a fifth of Europe's biggest economy, experienced a retreat, while in France the manufacturing recession deepened.

France's far-right National Rally party scored an historic win in parliamentary elections on Sunday, stoking risks of a crisis in the euro area even as other political parties rushed to build a united front to block its path to power.

In Britain, which holds a national election on Thursday, manufacturing growth slipped in June from May's 22-month high as ongoing disruption to shipping in the Red Sea led to lower demand from overseas customers.

A euro zone index measuring output, which feeds into a composite PMI due on Wednesday that is seen as a good gauge of economic health, sank from May's 49.3 to a six-month low of 46.1, albeit just ahead of the 46 flash estimate.

A new orders index in the currency union dropped to 44.4 from 47.3, despite factories cutting prices charged for a fourteenth month.

But cost pressures weighed on manufacturers in countries like Japan, where a weak yen is boosting the price companies pay for fuel and raw material imports.

China's Caixin/S&P Global manufacturing PMI rose to 51.8 in June from 51.7. It marked the fastest clip in more than three years and exceeded market forecasts of 51.2.

The private-sector reading followed official PMI data on Sunday showing China's manufacturing activity fell for a second month in June and services activity slid to a five-month low.

The surveys demonstrate how Chinese firms are ramping up production despite weak domestic demand, which Beijing has failed to reverse with a rescue package for an ailing property sector.

Employees are seen working on sun protection clothing at a factory in Fuyang, in eastern China's Anhui province. Chinese firms are ramping up production despite weak domestic demand.

PHOTO: AFP/FILE

In a sign Asia is benefiting from solid global demand, South Korea's factory activity growth quickened in June to the fastest in 26 months on surging new orders, its PMI showed.

Factory activity also expanded in June at a faster pace than in May in Vietnam and Taiwan, other surveys showed.

"Another strong month of data provides further evidence that global industrial activity and trade are picking up," said Joe Hayes, principal economist at S&P Global Market Intelligence, on South Korea's factory activity.

"Viewed as a bellwether for exports due to its integration in supply chains for key intermediate goods like batteries and semiconductors, South Korean manufacturing output and orders often provide leading signals for trends more broadly."

Japan's factory activity expanded in June, but at a slower pace than in May, as companies struggled with rising costs due to the weak yen. The final au Jibun Bank Japan manufacturing PMI was 50, on the break-even line, after a brief improvement to 50.4 in May.

A PMI gauging Japanese firms' future output expectations rose to a six-month high thanks to a better medium-term outlook for the car and chip sectors.