



Chattogram Port Authority wants to maintain activities round the clock to clear the container backlog and speed up import-export processes, which slowed to a snail's pace during the nationwide violence, curfew and internet shutdown.

PHOTO: STAR

# Initiatives taken to reduce container congestion at Ctg port

MOHAMMAD SUMAN

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

These measures were agreed upon after talks with key stakeholders at the Chattogram port building.

The move is designed to clear the container backlog and speed up import-export processes, which slowed to a snail's pace during the nationwide violence and curfew centring the quota reform protest and subsequent five-day internet shutdown.

According to port officials, the Chattogram port usually has 30,000 to 32,000 TEUs (twenty-foot equivalent units) of containers.

However, on Tuesday that figure stood at 43,578 TEUs, which is over 81 percent of the port's total capacity of 53,518 TEUs.

According to port data, 4,338 TEUs of import containers were discharged while 3,955 TUE containers were shipped for export in the 24 hours till 8:00am on Tuesday.

Md Omar Faruk, secretary of the Chattogram Port Authority (CPA), told The Daily Star: "Import and export container congestion is decreasing day by day. We still have fewer containers than capacity."

"However, efforts are underway to bring it to below 40,000 TEUs. We have taken several steps and hope to bring it under control in the next three to four days."

Container congestion is also being witnessed at the 19 private inland container depots, which handle around 90 percent of the Chattogram Port's exports.

Although these depots normally have around 6,000 to 7,000 TEUs of export containers, they are currently storing nearly double the amount, averaging around 15,400 TEUs.

These depots, constructed to alleviate the pressure on the Chattogram Port, release 38 different types of imported goods and store empty containers.

Additionally, the port's dedicated space to store containers to be transported through freight trains is now being

**According to port officials, the Chattogram port usually has 30,000 to 32,000 TEUs (twenty-foot equivalent units) of containers**

clogged by 2,470 TEUs, which is nearly three times greater than its capacity of 876 TEUs.

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

To release some pressure, the port and

customs authorities will give importers the opportunity to release their goods through the Chattogram port and Pangaon port instead of the Kamalapur ICD.

The customs and port authorities also demanded that the railway authority ensure at least 200 TEUs of containers are transported from the port daily, up from the existing 80-100 TEUs. To this end, they said the number of railway engines as well as the number of wagons should be increased.

Mohammad Fyzur Rahman, commissioner of Chattogram Customs House, told The Daily Star: "Container transport to the Kamalapur ICD has been delayed by the shutdown of railway wagons over the past 22 days. The railway authority resumed container transportation last Monday. They also assured us they are working to increase the number of wagons and locomotives."

"We hope the condition will return to normal within the next few days."

## ECB to lower rates in Sept and Dec

REUTERS, Bengaluru

The European Central Bank will cut its deposit rate twice more this year, in September and December, according to an over 80 percent majority of economists polled by Reuters, fewer reductions than markets currently expect.

Since April, economists in Reuters surveys have remained consistent in predicting a total of three cuts this year including the one already delivered in June. By contrast, interest rate futures are pricing a total of four cuts by end-year.

An unexpected rise in euro zone inflation in July, near record-low unemployment and still-steady economic activity in the common currency bloc give ECB policymakers cause to be cautious.

Over 80 percent of economists, 66 of 81, in an August 8-13 Reuters poll predicted the ECB's Governing Council will deliver two more 25 basis point rate cuts this year, in September and December, taking the deposit rate to 3.25 percent. That majority view was broadly in line with the last two Reuters surveys.

Five respondents expected just one more reduction this year while eight predicted three.

**An unexpected rise in euro zone inflation in July and low unemployment give ECB policymakers cause to be cautious**

"The latest developments, particularly on the inflation front, are relatively hawkish," said Fabio Balboni, senior European economist at HSBC. "We don't think the ECB will necessarily feel the urgency to rush towards cutting faster."

The majority of forecasters looking for two more ECB rate cuts this year has held steady despite financial market volatility earlier this month.

Following a weaker-than-expected July US jobs report and inflation trending towards the Federal Reserve's 2 percent target, US rate futures markets priced in as much as 120 basis points of Fed rate reductions in 2024 last week compared with 50 beforehand. It is roughly 100 now.

Although many banks, including some primary dealers to the Fed, have changed their Fed outlook, most of those same banks haven't changed their ECB rate view. The Fed is widely expected to start cutting rates at its September meeting, just days after the ECB next meets.

Euro zone inflation, which unexpectedly rose to 2.6 percent last month from 2.5 percent in June, will average 2.4 percent this year, the poll showed, and not reach the ECB's 2 percent target until the second half of 2025.

That outlook was slightly more optimistic than projections the ECB made in June, but some are bracing for the central bank's staff projections to worsen in September.

"I expect the ECB to slightly revise upward its inflation projections and it's strange then to continue cutting rates," said Carsten Brzeski, chief euro zone economist at ING.

"Without the market turmoil it would not have been clear the ECB is really going to cut in September."

## Economists in China advocate direct support to consumers

ANN/CHINA DAILY

China's central government should consider additional direct support to consumers worth at least 1 trillion yuan (\$139 billion) — either cash or vouchers — in the rest of the year to effectively address the pressing challenge of lackluster domestic demand, economists from government-backed think tanks said.

The likelihood of the Chinese government directly subsidizing consumers — a policy widely seen in developed economies — has significantly increased, they said, citing that a top-level meeting has decided to shift policy focus more toward boosting consumption.

Such a step, which would necessitate expanding this year's deficit ratio or approving additional special treasury bonds, can play a significant role in reviving the country's consumer sentiment and accelerating the transition of economic drivers in the face of trade tensions, they said.

"Compared with the past, it is true that the probability of the central government providing direct support to low and middle-income groups has increased notably," said

Zhang Ming, deputy director of the Institute of Finance & Banking at the Chinese Academy of Social Sciences.

"China is facing a rapid aging of the population and a change in the development trend of the real estate market. Using some new tools at this special stage would be a necessary and natural option," said Zhang, who is also deputy director of the National Institution for Finance & Development.

Zhang suggested that the central government issue consumption vouchers by increasing fiscal deficits or issuing special treasury bonds, with a size of no less than 1 trillion yuan — if the measures are to generate a notable effect.

Previous economic stimulus policies focused on supporting business operations so that improved business conditions can translate into growing household income. Yet, the policy transmission now seems to have met some difficulties, Zhang said.

"At this time, directly backing households can revitalize people's expectations and confidence and bolster household consumption," he said, adding that experiences from developed economies have proven

that issuing consumption vouchers to households can bear good results.

The remarks came at a time when policymakers are placing more emphasis on boosting consumption. At a meeting of the Political Bureau of the Communist Party of China Central Committee on July 30, it was stressed that the focus of economic policies should shift toward bringing real benefits to the people and promoting consumption while vowing to launch a batch of incremental policy measures in a timely manner.

China recently announced that it would allocate about 150 billion yuan in ultra-long-term special treasury bonds to support trade-in deals for consumer goods, such as appliances and autos, deemed by some analysts as a sign that the central government has turned more willing to directly subsidize consumers.

Consumption — which contributed to about 60 percent of China's economic growth in the first half of the year — is assuming even more importance for the world's second-largest economy as its exports could face downward risks amid a rise in protectionist trade policies, economists said.

## ADP spending \$600m loans in FY24

FROM PAGE B1

power division achieved the highest implementation rate, spending 101 percent of its allocation.

The Ministry of Housing and Public Works followed with 96 percent.

The Ministry of Water Resources was the third top implementing agency, spending 94 percent of its allocation, while the Ministry of Agriculture came fourth with 94 percent.

Meanwhile, the Local Government Division achieved implementation of 88 percent and the Road Transport and Highways Division reached 71 percent.

The Ministry of Railways achieved 85 percent, Ministry of Science and Technology 93 percent, Health Services Division 77 percent, Ministry of Primary and Mass Education 89 percent, Bridges Division 80 percent, Ministry of Shipping 74 percent, Ministry of Civil Aviation and Tourism 75 percent, Ministry of Secondary and Higher Education 90, and Prime Minister's Office 63 percent.

### Masrur Reaz made BSEC chairman

FROM PAGE B1

Reaz has spearheaded numerous public policy advisory initiatives to support institutions such as the Ministry of Finance, Finance Division, Ministry of Commerce, Bangladesh Investment Development Authority, National Board of Revenue and Economic Relations Division.

He also engaged with various global institutions, including Blackrock, US Bangladesh Business Council Washington DC, Metlife, Enterprise Singapore, and the Australian Investment Commission.

He is the son of the late Reaz Uddin Ahmed, who was an editor of News Today and was awarded the Ekushey Padak.

## ADP spending \$600m loans in FY24

FROM PAGE B1

The remaining top 20 Dhaka-based companies with overdue loans ranging between \$9 million and \$24 million include Bextex Garment, a concern of Beximco.

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

It is also accused of laundering large sums of money through fraudulent export import transactions. There is an allegation of the group's involvement in securing loans from multiple banks using fake documents and inflated export bills, and these funds were allegedly siphoned off to offshore accounts.

Likewise, Bismillah Group, owner

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

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

The Daily Star tried to contact multiple numbers posted on the websites and social media platforms of Crescent Group, Rimex Footwear, Crescent Leather Products, and Bismillah Group for comment.

However, they could not be reached by the time this report was filed.

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

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

## Govt to prioritise projects that boost business, jobs

FROM PAGE B1

The Finance and Planning Adviser will hold an inter-ministerial meeting today regarding record levels of inflation to come up with steps to bring it down to a tolerable level.

"Taming inflation is now one of the prime concerns and I hope it will come down. We will review the current high inflation and food supply situation in the country."

In his instructions to the Bangladesh Bureau of Statistics, he emphasised collecting timely data and producing accurate figures.

The adviser also met with Abdoulaye Seck, World Bank country director for Bangladesh and Bhutan, and Martin Holtmann, International Finance Corporation country manager for Bangladesh, Bhutan, and Nepal, yesterday.

"The development partners have assured the continuation of existing cooperation in project financing."

"They have no confusion. They will do whatever they can for the people of Bangladesh while maintaining rules and procedures," Ahmed said.

Ahmed was optimistic about Bangladesh's bright image globally in terms of repayment.

Seck said: "We renewed our commitment to Bangladesh, and we stand ready to work with the Finance and Planning Adviser to continue the long-standing, strong partnership between the World Bank Group and Bangladesh."

Ahmed added: "The main goal is to revive the sluggish economy. We can't completely replace a car, but we can repair it."

## BB cuts special liquidity support

FROM PAGE B1

the Bangladesh Bank at 8.75 percent interest. However, in practice, Shariah-based banks cannot charge or pay any interest. Rather, they share "profits" earned from investing deposits.

On the other hand, Bangladesh Commerce Bank has long been a weak bank due to various reasons, including irregularities, while National Bank became weak due

to an internal conflict between its directors.

Experts and economists have always criticised the central bank's continued liquidity support to these banks.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, recently said the central bank should review a bank's financial health and reform the board of directors if needed before providing liquidity support.

"If the banking regulator wants to rescue ailing banks, it has to protect depositors' interest first," he said, adding that Bangladesh Bank cannot waste public money like this.

The economist also opined that the Bangladesh Bank continued to provide money to those banks mainly due to a lack of accountability.

"This is not a solution. A permanent solution should be found out by the central bank to rescue those banks."