

New shipping policy offers platform for running lighters

STAFF CORRESPONDENT, Ctg

The shipping ministry has introduced a new policy for the transportation of goods from seaports to destinations around the country via inland water routes using lighter vessels.

In Bangladesh, lighter vessels are used to unload a major portion of imported goods, including industrial raw materials, foodgrain and fertiliser, from mother vessels at the outer anchorage of the Chattogram port.

Lessening the load in this manner helps the mother vessels meet the draught limit for entering the Chattogram port.

Meanwhile, the lighter vessels, having carrying capacities of 1,000 to 2,000 tonnes, transport the goods to different destinations around the country over inland waterways.

According to the policy, the lighter vessels must be registered with the Department of Shipping (DoS) and avail different approvals, including a permit for traversing the Bay of Bengal, from the regulatory agency.

Coastal vessels, meaning those used for transporting cargo along the coastline, must get their approvals from Mercantile Marine Office.

Moreover, the lighter vessels will be allowed to run only based on allocations and scheduling of a new coordination body, Bangladesh Water Transport Coordination Cell (BWTRC). This will not be applicable for lighter vessels owned by businesses for transporting their own cargo.

Violation of the policy could result in fitness certificates or permits for traversing the Bay of Bengal being revoked or suspended by the director general of the Department of Shipping (DoS).

The ministry issued a gazette in this regard on Tuesday, signed by Delwara



Lighter vessels are used to unload a major portion of imported goods, including industrial raw materials, foodgrain and fertiliser, from mother vessels at the outer anchorage of the Chattogram port.

PHOTO: STAR/FILE

Begum, secretary to the ministry.

A 10-member committee, headed by the DoS director general, will be established to monitor the BWTRC's operations.

Around two decades ago, a "Water Transport Cell" (WTC) used to coordinate

the transport of imported cargo via inland waterways.

It was jointly formed in 2004 by Bangladesh Cargo Vessel Owners Association (BCVOA), the Inland Vessel Owners Association of Chattogram (IVOAC), and the Coastal Ship Owners

Association of Bangladesh (COAB).

However, tension had been rising between the BCVOA and IVOAC leadership in recent years, culminating in the IVOAC deciding to part ways with the WTC on December 19 last year to independently operate vessels under it.

Japan's exports fall for first time in 10 months

REUTERS, Tokyo

Japan's exports fell for the first time in 10 months in September, data showed on Thursday, a worry for policymakers as any prolonged weakness in global demand may complicate the central bank's path to exit years of ultra-easy monetary policy.

Soft demand in China and slowing US growth weighed on exports, while the yen's recent rebound, in part due to the Bank of Japan's unexpected rate hike in late July, helped further push down their value.

"It's possible that exports will continue to struggle in coming months in light of uncertainties particularly in the Chinese economy," Kazuma Kishikawa, economist at Daiwa Institute of Research, said.

China's domestic demand appears to be weaker than expected with the country's stimulus packages slow to make an impact, he added.

Total exports in September dropped 1.7 percent from a year earlier, Ministry of Finance data showed, missing a median market forecast for a 0.5 percent increase and following a revised 5.5 percent rise in August.

Exports to China, Japan's biggest trading partner, slumped 7.3 percent in September from a year earlier, while those to the United States were down 2.4 percent, the data showed. Weak demand for automakers led the export declines for both countries.

ECB set to cut rates again as inflation cools

AFP, Frankfurt

European Central Bank policymakers meet on Thursday with fading price pressures and weaker economic activity in the eurozone nudging them towards making another cut to interest rates.

The 26 members of the governing council are gathering in Slovenia, as they make one of their regular tours away from the ECB's headquarters in Frankfurt.

ECB President Christine Lagarde arrived ahead of her colleagues, "checking on prices" at a market in the capital Ljubljana, she said in a video posted on social media on Tuesday.

What she heard from traders might well have reassured her -- recent data show that inflation in the eurozone has slowed considerably.

In Slovenia, the annual rate of consumer price rises was a mere 0.6 percent in September.

For the whole of the eurozone,



PHOTO: AFP/FILE

the figure was 1.8 percent -- the first time it has been below the ECB's two-percent target in three years.

After cutting rates twice already this year, including at their last meeting in September, policymakers initially signalled a preference to wait until December

to cut again.

But September's below-expectations reading has added to the sense that consumer prices are back under control after they soared in the wake of the coronavirus pandemic and the Russian invasion of Ukraine.

Telecom reforms for a smarter future



MAHTAB UDDIN AHMED

Bangladesh's digital infrastructure services -- towers, fibre networks, submarine cables and data centres -- have all the potential but sadly, it is buried under layers of mismanagement and corruption. A few players hold monopolistic control, which seems to do wonders for their wallets, but not so much for national interests or digital progress. With mobile penetration still under 60 percent and fixed-line broadband crawling at a snail's pace, it is no surprise foreign investors are thinking twice.

There is a massive FDI opportunity here -- if only policies weren't written by those too busy protecting political interests. Fixing this mess could bring balanced growth, jobs, and financial inclusion. If we truly want "Digital Bangladesh," it is time to eliminate the cronyism, encourage competition and let innovation flourish.

TOWER POLICY OVERHAUL

Bangladesh's tower policy is stifling the growth of its telecom sector. Out of the country's 45,000 towers, only 22,000 are managed by tower

companies, with Edotco holding the lion's share. Mobile network operators (MNOs) often hoard their towers, benefiting from current policies while neglecting industry-wide collaboration. This reluctance to share towers limits infrastructure efficiency. Globally, tower companies typically have much higher sharing ratios than MNOs, emphasising the need for policy reform.

To address these issues, the following recommendations should be considered.

Mandatory site sharing: MNOs must be required to share sites within a stipulated timeframe. Large MNOs often refuse to share strategic locations, forcing smaller operators to build redundant infrastructure. This not only wastes national resources but also increases operational costs.

Prioritise tower companies (TowerCos): Policy revisions should empower TowerCos to manage infrastructure. If a TowerCo fails to deliver a site within a specified timeframe, MNOs should be allowed to build towers, but these must eventually be transferred to the TowerCo. Countries like Indonesia (tenancy ratio of 1.65x) and Myanmar (1.72x) outperform Bangladesh (1.28x). Prioritising TowerCos would help achieve economies of scale and enable MNOs to focus on advanced technologies like 5G.

Streamline tower construction: Regulatory hurdles delay tower construction by 6 to 12 months, and border areas can take years. These delays waste resources and slow

customer service improvements. Simplifying the approval process would accelerate development and reduce inefficiencies caused by regulatory bottlenecks.

Maximise active and passive sharing: Incentivising the sharing of active (RAN) and passive (tower, fibre) infrastructure would reduce unnecessary investment, save foreign currency, and prevent unhealthy competition. Active RAN sharing should be promoted to ensure efficient use of resources.

These challenges directly impact

telecom service quality, and without immediate reform, the industry will continue to fall short of expectations. The recent decision by KKR-backed Pinnacle to halt a \$300 million tower investment due to regulatory risks and American Tower's inactivity underscores the urgency for policy change.

Reforming Bangladesh's tower policy could attract up to \$1.5 billion in foreign direct investment (FDI) over the next two years. Selling MNO-owned towers to TowerCos would generate capital gains tax,



Bangladesh's tower policy is stifling the growth of its telecom sector, says an expert.

PHOTO: STAR

BSEC rejects NCC Bank's plan to issue Tk 500cr bonds

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has rejected a proposal of NCC Bank to issue non-convertible subordinated bonds worth Tk 500 crore.

Bonds are issued to raise capital, with the issuer making payments to the bondholder at a fixed or variable interest rate for a specified period.

Non-convertible refers to the fact that the bonds would not be eligible for conversion into equity shares at maturity and the issue will instead redeem the bonds.

Subordinated refers to the fact that the bonds rank below other securities with respect to earnings.

The regulator took the decision on October 9 this year against the bank's application, according to a disclosure on the website of Dhaka Stock Exchange (DSE) yesterday.

NCC Bank has stated its intention to appeal against the BSEC's decision and request a review.

Shares of the bank were unchanged at Tk 10.70 on the DSE yesterday.

Gold sprints to record high in global market

REUTERS

Gold hit an all-time high on Thursday, steered by uncertainty surrounding the US election and expectations of more interest rate cuts by major central banks, while spotlight shifted to a slew of US data.

Spot gold rose 0.3 percent to \$2,680.19 per ounce by 0458 GMT, after hitting a record high of \$2,685.60 earlier in the session.

US gold futures gained 0.2 percent to \$2,695.90. "Investors are seeking safe haven gold as a hedge amid uncertainty over the US election. A Trump presidency should support gold as it might raise trade tensions and widen the budget deficit," said Kelvin Wong, OANDA senior market analyst for Asia Pacific.

Republican presidential candidate Donald Trump on Tuesday defended his protectionist trade policies and other fiscal proposals.

The US retail sales for September and weekly jobless claims data are due later on Thursday.

"Investors will scrutinize data and if it comes below expectations, it could drive gold further up... Lower rate prospects globally are helping as they reduce the cost of holding bullion," Wong added.

Traders see a 92 percent chance of a 25-basis-point rate cut by the US central bank next month.

The European Central Bank is likely to lower rates for the third time this year. While, British inflation slowed sharply last month, which reinforced bets on a Bank of England rate cut next month.

Some analysts said gold could face immediate resistance at \$2,700 but projected prices could climb to \$2,900 levels by next year.

Lower rates and geopolitical tensions boost non-yielding bullion, which is considered a safe asset.

Increasing geopolitical risks amid elevated tensions in the Middle East has also boosted safe-haven demand, said Daniel Hynes, senior commodity strategist at ANZ.

boost national income, and improve shareholder returns, providing a much-needed stimulus to the capital market. As 4G and 5G technologies advance, dependency on tower infrastructure will only increase, making policy reform essential for future growth.

FIBRE: THE LIFELINE OF TELECOM

Bangladesh's telecom infrastructure faces significant challenges due to restrictive policies preventing MNOs and ISPs from laying their own fibreoptic cables, which are critical for digital connectivity. Since 2009, the National Telecommunication Transmission Network (NTTN) operators have controlled fibre rollout, limiting access to dark fibre, essential for building a robust network. This has weakened the transmission network, with 53 percent of overhead fibre being unsuitable for 4G, let alone future 5G. Two private NTTN operators have formed a cartel, refusing to offer dark fibre and proposing unsustainable capacity models instead.

In contrast, countries like India and Malaysia have empowered telecom operators to lay fibre, leading to significant improvements. Large government projects in Bangladesh, such as the Info Sarkar project (19,500 kilometres of fibre), remain underutilised due to a lack of access and poor deals with the above two NTTN operators. The regulators need to review the arrangement and open Info Sarkar for all the MNOs and ISPs.

In addition, MNOs and ISPs should be allowed to build their own dark fibre if NTTN operators fail to offer it at reasonable rates. Opening the fibre market to more players will reduce costs, improve service and support Bangladesh's digital transformation goals.

POWER STRUGGLE TO PROGRESS

In Bangladesh, telecom regulation is in disarray due to overlapping responsibilities between the telecom ministry, BTRC, and DOT, causing inefficiencies. Currently, the ministry handles policymaking, despite lacking the expert resources housed within the BTRC. Previously, policy formulation was the BTRC's role, but power struggles and ill intentions shifted it to the ministry. Meanwhile, the BTRC has transitioned from a revenue collector to a telecom development enabler. To fix this, the interim government must merge DOT with the BTRC, enabling the BTRC to both regulate and create policies while the ministry provides guidance. Without such reforms, meaningful progress will remain elusive.

Bangladesh's telecom sector feels like a never-ending game of favouring a few. Monopolies, red tape, and poor policies are slowing down progress. If we truly want a "Digital Bangladesh," it is time to focus on national interests and ensure everyone benefits, not just a select few.

The author is the founder and managing director of BuildCon Consultancies Ltd