



## Govt to review Bay Terminal project

Shipping ministry calls high-powered meeting on Sunday

DWAIPAYAN BARUA, Ctg

The interim government will review the Bay Terminal project, the biggest expansion project in the Chattogram port's history.

The megaproject, approved by the recently deposed Awami League government, has seen little progress since former prime minister Sheikh Hasina unveiled the masterplan on November 14 last year.

Other than some preliminary digging to prepare the land, there has been no physical progress so far.

Now, the new government wants to thoroughly evaluate the necessity of such a large project, for which global port operators have already expressed their willingness to invest over \$8 billion, according to sources.

The shipping ministry has called a high-powered meeting on November 10 in this regard, inviting senior officials of different government agencies and representatives of development partners for detailed discussions.

It also asked Chittagong Port Authority (CPA) to present a detailed presentation on the project and its progress so far.

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Brig Gen (retd) Dr M Sakawat Hussain, adviser to the shipping ministry, will chair the meeting.

Senior officials of the shipping ministry, Public Private Partnership Authority (PPPA) and officials as well as the chairman of the CPA will be present.

Representatives of interested investors, including the World Bank, will also attend the meeting.

Contacted, CPA Secretary Md Omar Faruk confirmed that the ministry called the meeting to discuss the project.

During a visit to the port last month, the shipping adviser inspected different project sites, including the site for the Bay Terminal. He was also briefed about the projects by port officials during a meeting.

Speaking to journalists during the visit, the adviser said he saw no problem with the project but added that he would need to discuss it further.

He also said he would ask the CPA officials to present a detailed presentation on the project at the ministry later.

A senior CPA official said the move was part of the interim government's ongoing evaluation of different megaprojects that were approved by the previous regime.

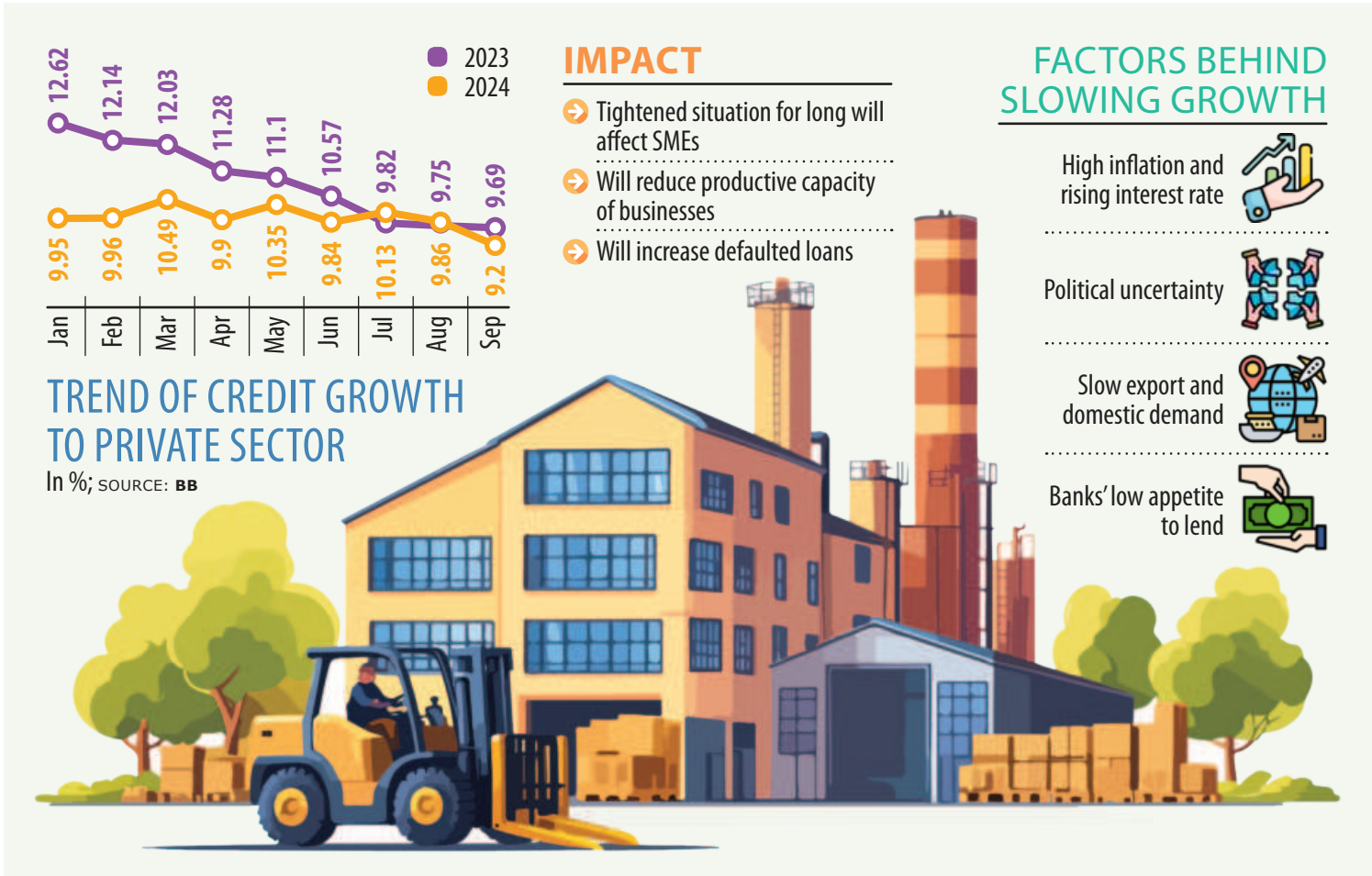
So, the ministry wants to evaluate the project in detail before taking the next step, the official added.

The previous government approved establishing the Bay Terminal, comprising four terminals, on around 2,500 acres of land at Patenga on the coast of the Bay of Bengal.

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## Private credit growth slows to three-year low



MD MEHEDI HASAN

Private sector credit growth decelerated to the slowest pace in three years in September due to uncertainty in the investment environment following the recent political changeover.

Private sector credit growth cooled off to 9.20 percent in September from 9.86 percent the month prior, as per the latest data of the Bangladesh Bank.

September's credit expansion was the most sluggish since September 2021, when it stood at 8.77 percent.

The current investment environment, banks' go-slow strategy after the political changeover, persistent inflation, an increasing lending rate, and lacklustre loan recovery weighed on credit growth, industry insiders said.

September's growth was 0.60 percentage points lower than the BB target of 9.80 percent.

Private sector credit growth has slowed due to several local and global factors, according to Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

Besides, persistent inflation, uncertainty in the investment climate, the weak law-and-order situation and the lack of uninterrupted power and gas supplies are also liable for the slowdown, he said.

Inflation in the county has been hovering above 9 percent since March 2022 and stood at 10.87 percent in October, according to data from the Bangladesh Bureau of Statistics (BBS).

Rahman, also a former chairman of the Association of Bankers Bangladesh (ABB), said the law-and-order situation is improving

gradually.

"Banks are currently very conservative about lending due to the uncertain situation. At the same time, some banks have lost their capacity to lend," he added.

Echoing those sentiments, Sohail RK Hussain, managing director of Bank Asia, told The Daily Star that investment and expansion projects have slowed due to various factors, including rising costs as a result of the devaluation of the local currency against the US dollar.

Currently, the government is managing the



balance of payments and tackling inflation by reducing the demand, which is necessary given the current situation.

"For instance, we imported goods worth \$78 million in a month in 2022, but it has now come down to only \$5 million," he explained. "When you reduce demand, the need for money also comes down."

He expressed optimism that things would get better if positive signs persisted.

"Remittance earnings have increased and if it continues to grow hand-in-hand with increased export earnings, then the difficult situation will be overcome soon."

Industry insiders added another reason for the slowdown in credit growth, pointing to repeated hikes to the policy rate, which has caused lending rates to increase.

On October 22, the Bangladesh Bank raised the key policy rate by 50 basis points to 10 percent, making borrowing costlier for the 11th time since May 2022, when it stood at just 5 percent.

The measure is aimed at taming inflation, with spiralling prices causing a headache for the interim government after it came to office on August 5.

Ashraf Ahmed, president of the Dhaka Chamber of Commerce and Industry (DCCI), said credit growth was slowing due to the contractionary monetary regime, which is restricting money supply and discouraging investment through high interest rates.

"This is likely to help in reducing inflation in the short term, but will reduce the productive capacity of the economy if maintained for a long time," he said.

"In addition, we may see higher non-performing loans due to high interest rates, which can put pressure on existing capital of the banking system.

"Our request would be to reverse the contractionary monetary policy as soon as inflation is under control."

Khondaker Golam Moazzam, research director of the Centre for Policy Dialogue (CPD), said rising interest rates were dampening the appetite for loans.

"It appears that the private sector is not interested in investing now. Many think that the business environment is not suitable for investment. Besides, a slowdown in exports

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## Forex reserves cross \$20b after 2 months

STAR BUSINESS REPORT

Bangladesh's foreign exchange reserves have grown to go past \$20 billion after nearly two months thanks to migrants sending increasing amounts of funds as remittance.

The country's foreign exchange reserves, as per the calculation method of International Monetary Fund, went past \$20 billion yesterday, rising from \$19.87 billion a week ago, according to the central bank data.

"This is the impact of increased flow of remittances," said Husne Ara Shikha, spokesperson of Bangladesh Bank (BB).

Bangladeshis living and working abroad sent a total of \$8.93 billion in remittance in the July-October period of fiscal year 2024-25, up 30 percent year-on-year, as per the BB.

The BB data showed that gross reserves rose to \$25.72 billion from \$25.44 billion a week ago.

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## Garment exports to US drop 6% in Jan-Sep

STAR BUSINESS REPORT

Bangladesh's garment shipments to the US declined 6.29 percent year-on-year to \$5.41 billion in the January-September period this year, according to the Office of Textiles and Apparel (OTEXA).

The US is Bangladesh's largest single-country export destination. Currently, Bangladesh is the third-largest garment exporter to the US, after China and Vietnam.

Overall, total US apparel imports have decreased by 2.47 percent to \$59.32 billion. Garment exports from China to the US declined by 1.95 percent to \$12.50 billion, while that from Indonesia by 4.11 percent to \$3.16 billion.

However, several countries showed growth in apparel exports to the US, including Vietnam (1.27 percent to \$11.21 billion), Cambodia (7.15 percent to \$2.78 billion), and Pakistan (2.41 to \$1.58 billion).

Apparel shipment from India also increased in the January-September period at 0.46 percent to \$3.63 billion, said the data.

## Bangladesh to amend labour law by March next year

REFAYET ULLAH MIRDHA

Bangladesh has committed to amending its labour law by March next year to align it with international standards and meet the 18-point demand raised by workers in September this year.

The country made this pledge at the 352nd session of the International Labour Organization (ILO) Governing Body, held from October 28 to November 7 in Geneva, according to Labour and Employment Secretary AHM Shafiquzzaman.

"We have already begun working on fulfilling the 18-point demand we committed to the workers in September during the labour unrest in the industrial sector," Shafiquzzaman told The Daily Star yesterday over the phone from Geneva.

The secretary said nearly all the 18 demands have already been met, except for two -- amending the labour law and reviewing annual increments, as union leaders sought an annual increase more than the current 5 percent.

A tripartite committee is currently working on possible amendments to the law, including easing trade union rules and documentation requirements, he added.

The ILO Governing Body is the executive body of the ILO. It meets three times a year: in March, June and November. It takes



PHOTO: STAR/FILE

**The wage board suggested that the labour ministry amend the law to ensure strict implementation of wage structures at factories.**

decisions on ILO policy, sets the agenda for the International Labour Conference, adopts the draft Programme and Budget for submission to the Conference and elects the director-

general, according to the ILO.

At the ILO Governing Body meeting, Law Adviser Asif Nazrul also committed to

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## Economy might have expanded in October: PMI

STAR BUSINESS REPORT

All key economic sectors of Bangladesh witnessed expansions in October, although the country continues to grapple with frequent protests, sluggish improvements in law and order and a slowdown in public administration activities, said the MCCI yesterday.

Bangladesh Purchasing Managers' Index (PMI) climbed to 55.7 in October, said the Metropolitan Chamber of Commerce and Industry (MCCI) in its latest PMI report.

This was a 6-point increase from that in the previous month, signalling a shift back to expansion after three consecutive months of contraction, according to an MCCI press release.

The Bangladesh PMI is an economic indicator which helps understand the direction in which the economy is headed and based on data compiled from monthly surveys of over 500 private sector enterprises.

It was developed in 2024 by the MCCI and Policy Exchange Bangladesh, in

cooperation with the Singapore Institute of Purchasing & Materials Management and supported by UK International Development.

A reading of above 50 generally indicates expansion and below that contraction.

The October reading suggests a strengthening economic outlook, with all major sectors--agriculture, construction, manufacturing, and services--posting positive trends, said the MCCI.

**Bangladesh Purchasing Managers' Index climbed to 55.7 in October, said the Metropolitan Chamber of Commerce and Industry**

The manufacturing sector, a vital pillar for Bangladesh's economy, demonstrated accelerated growth across key metrics, including new orders, factory output, and input purchases, despite ongoing contractions in employment, supplier deliveries, and order backlogs, it said.

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