Bangladesh still top shipbreaking destination

Yet imports fall to 6-year low

SOHEL PARVEZ

Bangladesh remained the global shipping industry's first choice for scrapping vessels in 2024, even though the overall import fell to a six-year low amid dollar constraints and subdued demand due to economic woes.

Shipbreaking yards in the densely populated South Asian country imported 130 ships for scrapping last year, according to an annual list on ship dismantling published by NGO Shipbreaking Platform earlier this week.

The figure was 23.5 percent lower than that last year.

The platform said 409 ships were dismantled globally in 2024, of which 255 ended up in South Asian yards.

To be specific, 80 percent of the vessels were scrapped last year under substandard conditions on the beaches of Bangladesh, India, and Pakistan.

"Bangladesh remains the shipping industry's first choice for scrapping, despite the grave consequences for workers, local communities, and fragile coastal ecosystems," the NGO Shipbreaking Platform said in a press release.

Nine workers lost their lives dismantling ships in South Asia in 2024, with another 45 workers injured due to unsafe working practices, it added.

Of those, Bangladesh saw one of last year's worst accidents.

While dismantling an oil tanker, a massive explosion claimed the lives of six workers and left six others critically injured at SN Corporation, a yard on the beach of Chattogram, the platform said.

Bangladesh's shipbreaking yards, situated in the southeastern coastal division of Chattogram, imported 280 vessels for dismantling in 2021, the highest in the past six years. Imports have fluctuated since then.

PHOTO: RAJIB RAIHAN

Parts of scrapped ships, such as small motors and searchlights, are recycled and sometimes repaired to be resold at these shops in Pahartoli area of Chattogram city for use in inland vessels. The photo was taken on Tuesday.

"Local market conditions have not been good this year. This is because of problems with imports due to the dollar crisis and a decline in our sales," said Md Abu Taher, president of the Bangladesh Ship Breakers and Recyclers Association (BSBRA).

Meanwhile, the total weight of the imported scrap vessels dipped by around 52 percent, according to data from the Bangladesh Ship Breakers and Recyclers Association.

"Our main buyers are steel re-rolling mills. They are registering a downturn in business as public construction has declined," he added.

"So, our sales have dropped. We are incurring huge losses. But our establishment costs have not declined, even though business has," Taher added.

He said the prospect of a recovery in business looks grim. "Who will buy scrap from us to make steel rods unless the construction sector is revived?" he questioned.

Bangladesh has 150 shipbreaking yards, and around 30 are currently in operation. Seven yards have so far received clearance as "green" yards, while 15 are preparing to become "green" yards, according to Taher.

Stocks extend rally for 5th day

STAR BUSINESS REPORT

Dhaka stocks rose for a fifth straight trading day yesterday.

The benchmark DSEX index of Dhaka Stock Exchange gained 22.72 points, or 0.44 percent, to close at 5,170.06.

Among the securities that underwent trade, 207 advanced, 129 declined, and 65 remained unchanged.

Turnover stood at Tk 471.15 crore.

Global Islami Bank topped the gainers' list, surging 10 percent, while Sikder Insurance Company saw the biggest drop, falling 5.9 percent.

Takaful Islami Insurance fined Tk 10 lakh

STAR BUSINESS REPORT

The Insurance Development and Regulatory Authority (IDRA) has fined Takaful Islami Insurance Limited Tk 10 lakh.

The insurance regulator imposed the fine through hearings based on objections raised in a special audit report of 2022 on the insurance company, according to an IDRA document.

The Daily Star tried to contact Mohammad Shaheen Miah, the company secretary of Takaful Islami Insurance, for comment, but he did not respond. Takaful Islami Insurance was established in 2001.

A group of businesspeople who had previously launched an Islamic bank in the private sector sponsored the company with a capital of Tk 6 crore, according to the company's website.

IT industry faces skills gap: experts

STAR BUSINESS REPORT

Bangladesh's rapidly expanding IT industry is facing significant skills gap and leadership challenges, according to top local technology executives.

Industry-academic collaboration, improved training, and strategic policies are now essential to addressing these challenges, they said.

The tech experts made these comments at the daylong IT Leadership Community Day 2025, organised by the IT Leadership Community of Bangladesh (ITLC) in Dhaka recently.

The event brought together over 100 IT leaders from corporations, industries, and multinational companies, according to a statement.

Moderated by Sarker Mahatab Masud, project manager of BRAC's enterprise resource planning, the event featured discussions on innovation and leadership in Bangladesh's technology sector.

Md Nurul Hoque, senior vice president of ITLC and head of IT at Orion Group, along with secretary general Md Tanvir Ahamed Sarkar, head of IT at The Daily Star, delivered the opening remarks, outlining ITLC's mission and vision.

A panel discussion on the future of technology leadership in Bangladesh featured top IT executives, including ITLC founder president Md Fokrul Islam, head of IT & MIS at HATIM Group.

Discussions highlighted the low participation of women in IT leadership, stressing the need for mentorship and support.

Personal success stories showcased resilience and innovation in overcoming industry barriers.

Industry leaders emphasised the importance of corporate initiatives, government support, and fostering entrepreneurship to position Bangladesh as a competitive player in the global market.

They called for strategic investments in education, collaboration, and international exposure to strengthen the country's tech landscape.

Amid Trump trade tensions, WTO remains crippled arbiter

AFP, *Geneva*

While US President Donald Trump unleashes trade wars and tariffs, the system for settling such disputes within the World Trade Organization has been paralysed for years -- by the United States.

Having returned to the White House, Trump has imposed a 10 percent tariff hike on Chinese goods, with Beijing immediately retaliating with tariffs on US imports of energy, cars and machinery parts.

China said Tuesday that it would file a complaint with the WTO over the "malicious" US levies -- but that move is likely to hit a dead end, unless Beijing and Washington resolve the spat of their own accord.

Obama, Trump, Biden roadblock

The WTO was founded in 1995 as a successor to GATT, the General Agreement on Tariffs and Trade dating back to 1948.

The process for resolving a dispute at the Geneva-based global trade body goes through several stages.

When a complaint is brought, consultations are initiated between the members at odds with each other.

WORLD TRADE ORGANIZATION

If no agreement is reached, the complainant can request the establishment of a special panel, made up of three to five experts. Countries can appeal against the panel's ruling.

But the WTO's Appellate Body, composed of seven specialists in international law and trade, has not been able to handle any new cases since December 2019: its seats remain empty due to the United States blocking nominations.

This practice began under US president Barack Obama, continued throughout Trump's first term, and carried on under his successor Joe Biden.

Washington accuses the Appellate Body of over-interpreting international trade rules and not respecting WTO deadlines for completing cases.

The United States also insists the body's decisions must not encroach on "national security".

In 2022, the WTO's members decided to hold discussions aimed at having a fully operational system up and running by 2024 -- but no agreement has yet been reached.

In the meantime, a number of WTO members, including the European Union and China, have developed an alternative appellate process allowing some cases move forward.

Among those cases is a spat between Brussels and Colombia over Bogota's anti-dumping duties on imports of frozen fries from three EU nations.

But the United States has not signed up.

So while this temporary system works well for the participating countries, it does not prevent other WTO members from continuing to file appeals to the moribund Appellate Body -- effectively leaving the cases in limbo.

Into the void

Currently, 32 dispute panel rulings "have been appealed into the void", according to the WTO.

Google shares slide on spending plans

AFP, *San Francisco*

Google's parent company Alphabet on Tuesday reported revenue jumped in the recently-ended quarter, but shares sank on concerns it may be pouring too much money into artificial intelligence.

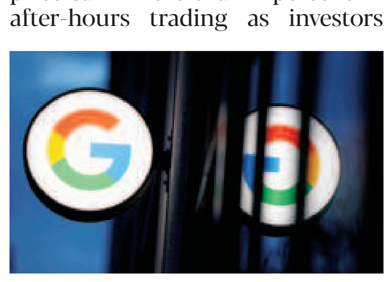
Google and rivals are spending billions of dollars on data centers and more for AI, while meaningful returns on investments remain elusive and the rise of lower-cost model DeepSeek from China raises questions about how much needs to be spent.

"We are pushing the next frontiers from AI agents, reasoning and deep research to state-of-the-art video, quantum computing and more," Alphabet chief executive Sundar Pichai said during an earnings call.

"The company is in a great rhythm and cadence, building, testing, and launching products faster than ever before."

Pichai said this is translating into increased use of its products, including AI search summaries that are now available in more than 100 countries.

Alphabet said revenues jumped 12 percent to $96.5 billion in the quarter, but the company's share price sank more than 7 percent in after-hours trading as investors



were disappointed by lower-than-expected revenue growth and the company's ambitious capital spending forecast for 2025.

Google Cloud revenue, while growing 30 percent to $12 billion, fell short of expectations, raising questions about the division's ability to compete with rivals in the heated AI infrastructure market.

"Q4 was a strong quarter driven by our leadership in AI and momentum across the business," Pichai said.

"We'll continue to invest in our cloud business to ensure we can address the increase in customer demand."

Pichai added that Google is working on "even better thinking models" that it will share with developers soon.

Alphabet announced plans to invest approximately $75 billion in capital expenditures in 2025, a figure that surprised analysts and highlighted the mounting costs of AI development.

Like other tech giants, Alphabet is betting heavily on artificial intelligence across all of its products.

"Part of the reason we are so excited about the AI opportunity is we know we can drive extraordinary use cases because the cost of actually using it is going to keep coming down," Pichai said.

"The opportunity space is as big as it comes, and that's why you're seeing us meeting that moment."

China holds out hope last-minute deal can avert US trade war

AFP, *Beijing*

China's new tariffs on US imports like oil, coal and cars are relatively modest in scale, suggesting that Beijing is hoping for a last-minute deal but also giving them the option to inflict more pain if needed, analysts say.

China on Tuesday fired a return salvo in its escalating trade war with the United States, slapping fresh tariffs on everything from American crude oil to agricultural machinery.

The moves hit roughly $20 billion worth of US goods per year -- roughly 12 percent of total American imports into China, according to calculations by Capital Economics.

Over a third of that is energy: according to Beijing customs data, imports of oil, coal and LNG totalled more than $7 billion last year.

Beijing has also slapped fresh export controls on rare metals and chemicals including tungsten, tellurium, bismuth, indium and molybdenum, used in everything from mining to phone screens.

China dominates global supply chains for rare metals.

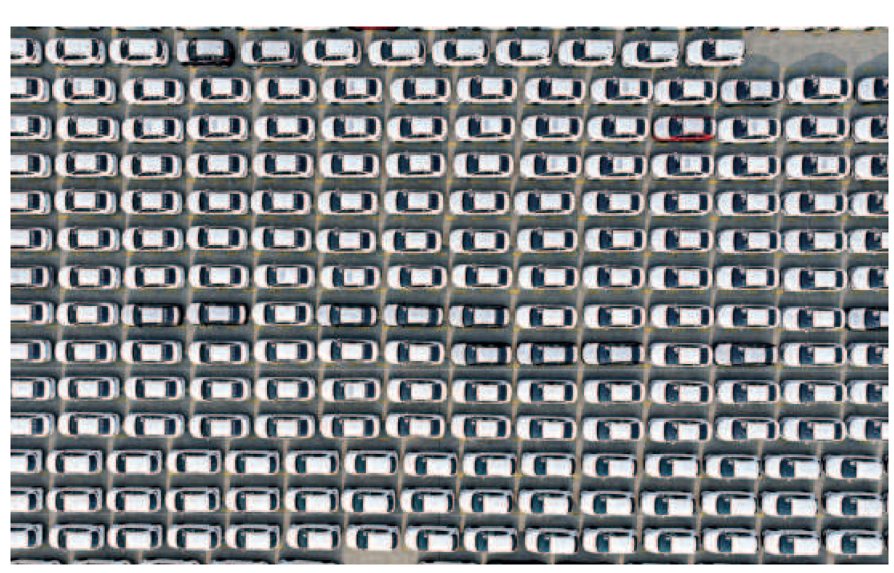
The countermeasures came as a surprise to some -- analysts at UBS this week told AFP they had expected Beijing to keep its powder dry.

But they are a far cry from the 10 percent tariffs slapped on all Chinese imports by US President Donald Trump this week that will affect some $450 billion worth of goods.

"The measures are fairly modest, at least relative to US moves," Capital Economics's Julian Evans-Pritchard said.

They "have clearly been calibrated to try to send a message to the US (and domestic audiences) without inflicting too much damage," he added.

That restraint can in part be explained by China's reliance on many US imports for its industries and its longstanding economic woes at home, Agatha Kratz at the Rhodium Group told AFP.



The aerial photo shows cars for export parked at a port in Lianyungang, in eastern China's Jiangsu province.

PHOTO: AFP

"Given the current economic downturn, China cannot afford -- and does not want -- to impose excessive trade barriers," she said.

"China's economy is in a fragile state, and this limits its ability to act freely," she explained.

"Beijing cannot afford to take reckless actions, and I don't think it wants to."

Far from inflicting deep pain, analysts say Beijing's goal is to send a message to Washington: that China can and will retaliate to swingeing tariffs.

"These tariffs are structured to signal China's capacity to endure prolonged economic confrontation while forcing the US to deal with internal economic pressures," Mingzhi Jimmy Xu, an assistant professor at Peking University, to AFP.

And Beijing can do "serious damage" to the United States should it decide to, Shehzad Qazi from China Beige Book told AFP.

The US remains heavily reliant on China for critical minerals needed to produce electric vehicles, their batteries and other key industrial applications.