Ctg port overrun by Dhaka-bound containers

Railway operations running at half of requirement for over a month

DWAIPAYAN BARUA, *Ctg*

The Chattogram port has been facing acute congestion caused by a pileup of import-laden containers, particularly ones bound for the Kamalapur inland container depot (ICD) in Dhaka.

This issue has been caused by slow railway transport due to a shortage of locomotives.

For over a month, authorities have been running only one or two pairs of freight trains between the port and the Dhaka ICD per day.

But port authorities say at least four pairs of trains need to make the trip daily to clear containers arriving at the dedicated Chattogram Goods Port Yard (CGPY).

An increase in the import of goods ahead of Ramadan, which starts next month, only caused the pressure to intensify.

Around 70 percent of the goods arriving at the port belong to importers based in Dhaka and its surrounding areas. Of those, around 3 percent are transported by railways while the rest are moved over road and river routes.

The CGPY has space to store up to 876 TEUs (twenty-foot equivalent units) of Dhaka ICD-bound import-laden containers.

However, as of yesterday, it had exceeded more than twice the capacity, with 1,818 TEUs being crammed inside, raising concerns among the port authority as well as importers.

Bangladesh Freight Forwarders Association Vice-President Khairul Alam Suzan said containers unloaded from vessels 15 days ago were yet to be loaded onto Dhaka-bound trains.

Sources at the port informed that at least 500 TEUs of Dhaka-bound containers were on board several vessels waiting to berth at the port.

Port users and officials said at least four trains are required to run daily and take away at least 200 TEUs of containers from the CGPY to Dhaka in order for the yard to function smoothly.

Data collected from the port shows that the railway made only 28 trips in the first 15 days of this month, taking 1,167 TEUs of containers to Dhaka.

From January 1 to January 31, a total of 68 trips were made, bringing 2,698 TEUs from the port to Dhaka.

Abdul Malek, chief master of the railway at the CGPY, said they need at least 4 to 5 locomotives to run daily whereas they are currently getting only one or two.

With the introduction of several train services on different routes, including the Chattogram-Cox's Bazar route, several locomotives have become otherwise engaged, causing a scarcity, he added.

To find a solution, the Chittagong Port Authority (CPA) sat in an urgent meeting with officials of Bangladesh Railway and Chattogram Custom House on Tuesday.

CPA Secretary Md Omar Faruk said they urged the railway authorities at the meeting to run at least three trains every day in order to carry a significant volume of containers to Dhaka.

To clear the backlog, he said the Chattogram Custom House was requested to give approval to take delivery of these Dhaka-bound containers either from the port yard or from the Pangaon Inland Container Terminal in Keraniganj.

The authorities of both institutions assured that they would take steps accordingly, Faruk said, adding that they were preparing to send letters to the two in this regard yesterday.

Usually, imported cargo is allowed to be delivered to the recipients from the destination point as mentioned in the import documents.

For over a month, authorities have been running only one or two pairs of freight trains between the port and the Dhaka ICD per day. PHOTO: STAR/FILE

Revenue sharing requirement for ITC operators hiked to 3%

MAHMUDUL HASAN

The Bangladesh Telecommunication Regulatory Commission (BTRC) has amended the licensing guidelines for international terrestrial cable (ITC) operators, raising the gross revenue sharing requirement from 1 percent to 3 percent.

Under the revised terms, ITC licensees must now pay 3 percent of their annual audited gross revenue on a quarterly basis, with payments due within the first 10 days of the following quarter.

The total amount will be reconciled annually based on audited financial statements.

If an underpayment is identified, the balance must be cleared within 90 days of the financial year-end. In the case of overpayment, licensees can adjust the excess amount against future quarterly payments. The BTRC retains the authority to revise the revenue-sharing percentage at any time, and all ITC operators are required to comply with such changes.

This move comes as ITC operators enjoy one of the lowest revenue-sharing rates with the regulator compared to other players in the internet ecosystem.

BTRC Chairman Major General (Retired) Md Emdad ul Bari said the revenue-sharing rate was increased to bring balance to the market as submarine cable companies are required to provide 3 percent in revenue sharing. He added that ITC operators have been enjoying undue benefits.

Md Arif Al Islam, CEO of Summit Communications, the largest ITC operator, said they would comply with the government's decision.

Wealthy nations owe Bangladesh $5.8tn in climate debt

ActionAid says in its 'Who Owes Who?' report

STAR BUSINESS REPORT

Bangladesh, a country grappling with an increasing external debt burden, is owed a staggering $5.8 trillion in climate debt by rich, high-polluting nations, according to a report by ActionAid released this month.

The report, titled "Who Owes Who?", highlights the urgent need for debt cancellation and global financial justice.

Based on historic and projected atmospheric appropriation using low-range estimates since 1992, wealthy nations owe Bangladesh $5.8 trillion in climate debt, the report said.

It also underscored the stark imbalance between the debts that low- and lower-middle-income countries owe and the obligations that high-income countries continue to evade.

The report said that as we enter 2025, 54 countries are in a debt crisis and are being forced to cut spending on basic public services and climate action in order to pay external debts.

Bangladesh, whose external public sector debt stood at $84.44 billion as of September 2024, made debt repayments totalling $4.77 billion to its creditors in 2023.

The country on the Bay of Bengal, one of the most vulnerable to climate change, has to divert its resources towards debt repayment rather than essential public services, while wealthier nations fail to meet their own financial obligations relating to climate justice and reparations.

In 2024, Bangladesh spent 16.9 percent of its national revenue on external debt repayments, while only 3.08 percent was allocated to health and 11.73 percent to education.

Based on historic and projected atmospheric appropriation using low-range estimates since 1992, wealthy nations owe Bangladesh $5.8 trillion in climate debt, the report said

"Bangladesh needs debt cancellation and freedom from colonial debt structures to address both the debt crisis and climate change," ActionAid Bangladesh Country Director Farah Kabir said.

The new report highlights the debt burden of low- and lower-middle-income countries versus the financial obligations of rich nations regarding climate damages, compensations, and unmet commitments, she added.

The Global South, which broadly represents countries mostly in Latin America, Asia, Africa, and Oceania, must secure debt cancellation and push for the establishment of a new UN Framework Convention on debt this year.

She emphasised the impact of the climate crisis, especially on women and girls.

"We have seen time and again how women are at the forefront of the climate crisis. The failure by the rich polluting countries to pay their climate debt is standing in the way of mitigation and adaptation."

The ActionAid report said that lower-income countries collectively paid $138 billion just to service their debts last year, sacrificing health, education, people's rights, and sustainable national development to satisfy wealthy creditors.

It said that, based on the most systematic studies, the climate debt that rich polluting countries owe low- and lower-middle-income countries is $107 trillion.

This is more than 70 times greater than the total external debt of $1.45 trillion that these countries collectively owe.

The report urges global leaders to unite in demanding debt cancellation as part of payment of the climate debt and other reparations owed by high-income countries.

HSBC posts $25b profit

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while navigating diverging interest rate policies and geopolitical turmoil.

Elhedery has moved to trim a layer of senior bankers, with hundreds of managers reportedly told to reapply for their jobs.

Cuts are underway in HSBC's markets division and wider layoffs at its investment bank will start as early as this week, Bloomberg News reported.

The lender said last month it would wind down parts of its investment banking operations in Europe, the United Kingdom and the Americas.

Elhedery said on Wednesday that his initiatives included "a comprehensive transformation of (HSBC) operations, modernising our infrastructure, and investing in technology such as AI, generative AI, data and analytics".

The lender considers both Britain and Hong Kong its "home markets", though the balancing act has come under pressure as relations sour between China and the West.

Elhedery's predecessor Noel Quinn in 2023 fended off a call for HSBC to spin off its Asia assets.

The board approved a fourth interim dividend of $0.36 per share, bringing the total for 2024 to $0.87 per share, including a special dividend of $0.21.

Regarding the outlook for 2025 and beyond, the bank is poised for continued profitability, targeting mid-teens return on tangible equity from 2025 to 2027.

The bank's strategic focus on leveraging its international network, enhancing digital transformation, and optimising cost efficiencies is expected to sustain its growth momentum.

"We look to the future with confidence and clarity of purpose," Elhedery said.

BTRC to hold 700 MHz spectrum auction

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can be allocated without any legal restrictions, according to the BTRC's documents.

The telecom regulator has set the price at Tk 263 crore per MHz, but mobile operators are unhappy with that decision so further negotiations are anticipated in this regard.

To conduct the auction, BTRC has formed a committee comprising key officials from the commission and the telecom division.

"Ideally, mobile operators should be consulted during the process of setting the base price and drafting the auction guidelines, rather than after everything has been finalised," said a spectrum policy expert, wishing to remain anonymous.

"Otherwise, the consultation becomes a mere formality, with little room for meaningful input."

On January 30, GSMA, a global organisation representing mobile network operators, sent a letter to the BTRC about the 700 MHz auction.

In the letter, GSMA said, as per the spectrum roadmap released by the BTRC in October last year, 2x45 MHz in this band is planned to be available in 2025.

"However, we understand BTRC's current plan is to auction only 2x25 MHz. This raises concerns about artificial scarcity," it said.

"This limited supply of spectrum for auction is likely to drive spectrum prices higher and restrict operators' ability to acquire sufficient spectrum."

With only 2x25 MHz, the assignments are likely to be fragmented and sub-optimal (e.g., 10 MHz or 5 MHz) for achieving the desired productivity and efficiency for 4G or 5G, it said.

Considering that there are three operators in Bangladesh, the investment in this band may not deliver the anticipated benefits, without at least 10-15 MHz per operator for optimal network performance, it added.

Unable to return deposits

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Of the deposits, the highest amount, Tk 701.09 crore, is with FSIB. Another Tk 206.5 crore is with Union Bank PLC, while Tk 195.72 crore is with Global Islami Bank PLC.

"Due to a liquidity crisis, we are unable to encash the FDRs at the moment," said Mosharraf Hossain, manager of the FSIB's Agrabad branch.

"The BPC is one of our major corporate clients. We are providing them with some profit amounts periodically. We have informed them about the situation in response to their letter," he claimed.

"Due to a fund crisis, we are unable to encash the BPC's FDRs, but we are paying profit amounts regularly," said Rezaul Karim, manager of Union Bank's Khatunganj branch.

He also claimed that they are maintaining continuous communication with the BPC and all other depositors.

"We are unable to release the funds due to a liquidity crisis. The relevant BPC officials have been informed verbally," said Md Mainuddin, operations manager of Global Islami Bank's Agrabad branch.

"Furthermore, we are waiting for approval from the Bangladesh Bank to release the profit amount to the BPC," he added.

Islami Bank holds Tk 207 crore of the corporation.

Although the Shariah-based lender cannot encash the entire amount right now, it has been meeting the state-run entity's financial needs by opening letters of credit for the import of fuel oil and lubricants and subsequently adjusting the balance.

BPC Chairman Ahsan said, "Some banks are paying us the interest or profit, whatever you call it. You are aware of the current situation of the banks. We are also trying our best to recover the funds."

"We are in regular communication with the banks," he added.