



Slowdown in container delivery resulted in the accumulation of more than 9,000 TEUs of additional containers within a span of seven days till yesterday. PHOTO: RAJIB RAIHAN

# Container delivery yet to return to normalcy at Ctg port

But situation is still better than in previous years

DWAIPAYAN BARUA, Ctg

Chattogram port is seeing a backlog in import container delivery as many businesses are yet to collect their cargo despite five days having passed since the Eid-ul-Fitr holiday.

Although the country's premier seaport remained fully operational during the holiday, the expected benefits could not be seen in container delivery activities, officials said.

This resulted in the accumulation of more than 9,000 TEUs of containers within the span of seven days till yesterday.

Until the morning of March 30, the day before Eid-ul-Fitr, there were 31,707 TEUs of all types of containers inside the port.

As of yesterday, the number climbed to

40,948 TEUs.

Port officials blamed importers for not taking proper delivery, thereby causing the accumulation.

According to berth operators, delivery of import containers started dropping two to three days before Eid, which was celebrated on March 31.

The delivery rate came down to only 1,753 TEUs on March 29 and 809 TEUs on March 30 against the average daily delivery of 4,500 TEUs to 5,000 TEUs.

Not a single container was delivered on Eid day.

On the following four days till yesterday morning, an average of only 933 TEUs was delivered from the port.

However, port users and berth operators expect that the situation this year is not as bad as it was in previous years, mainly due to some measures taken

by the authority far ahead of Eid.

In mid-February, the authorities warned of imposing four times higher storage rent for longer stay of containers, said Nazmul Hoque, executive director

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of Saif Powertec, the berth operator of the port's New Mooring Container Terminal.

Such measures yielded significant results, which created enough vacant space in most port yards before the

holiday started.

"If the yards did not have that much space, the situation could have turned out worse," he added.

However, Hoque admitted there has been an accumulation of containers in the last few days.

As such, the port yards started to face congestion since Saturday, he said.

Chittagong Port Authority Secretary Md Omar Faruk said though delivery remained low, the arrival of ships and unloading of imports went on at normal pace over the holiday, except for an eight-hour halt on Eid day.

The importers did not show up since factories remained shut due to the festival and holidays, he added.

Faruk hoped that as overall activities gained momentum, the situation would improve quickly.

## Trump tariffs to test resilience of US consumers

AFP, New York

In unveiling tariffs this week challenging the decades-old international trade order, President Donald Trump lambasted globalization as a raw deal for the United States that has devastated US manufacturing towns.

Trump left out the upside to the United States from the liberal flow of goods: a reliable supply of affordably priced appliances, clothing and electronics whose consumption has helped lift US economic growth above other developed economies in recent years.

"Obviously we've benefited significantly," said Paul Gruenwald, global chief economist at S&P Global Ratings. "We get to consume a lot of things that are produced more efficiently in other countries."

Trump's tariffs are almost certain to negatively impact this dynamic, say economists who see the levies lifting the price on everything from Gap t-shirts to the Apple iPhone to French wine.

"This is very clearly going to raise consumer prices," Michael Pearce, a US economist with Oxford Economics, said of the barrage of levies announced late Wednesday in an unveiling the White House billed as "liberation day."

Winners in Trump's policy include communities that benefit from reshored manufacturing, while losers include export-focused industries like plane manufacturing and pharmaceuticals if there are retaliatory tariffs, Pearce said.

**"This is very clearly going to raise consumer prices," said Michael Pearce, a US economist with Oxford Economics**

But imports represent only about 14 percent of US gross domestic product, while exports account for 11 percent – figures that are even lower if energy is taken out. Moreover, goods account for one-third of US consumption compared with services, which comprise the rest.

"The net impact on the US economy may be surprisingly small given the headlines we're seeing," said Pearce, who warned that Trump's levies could end up disproportionately hurting low-income consumers if the tariffs are paired with tax cuts that benefit the wealthy.

Gruenwald, who described US consumer resiliency as a core strength in recent times, said S&P will lower the US outlook somewhat amid a higher inflation outlook for 2025. But he said the trade war "wouldn't move the needle" in the short-term "for a big economy like the United States."

Trump's Wednesday White House event unveiled levies on dozens of countries including all major US trading partners. These included the imposition of 20 percent levies on the European Union, 24 percent on Japan and an additional 34 percent on goods from China – bringing the new added tariff rate there to 54 percent.

Trump cast the event in historic terms, saying Wednesday "will forever be remembered as the day American industry was reborn" and the country turned the page on globalization.

"For decades, our country has been looted, pillaged, raped, and plundered by nations near and far, both friend and foe alike," he said.

## Bangladesh earned Tk 1,500cr

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In FY23, tax collected from US imports amounted to Tk 1,316 crore.

In the first nine months of the current fiscal year, Bangladesh imported more than 2,200 items from the US, but just 10 of those accounted for over Tk 500 crore in tax revenue.

Among these, motor cars faced the highest total tax incidence (TTI) at 150.76 percent, while chemical wood pulp had the lowest at 20 percent.

Bangladesh has over 7,500 tariff lines, with the highest TTI reaching as much as 1,021 percent.

In terms of value, major imports from the US included ferrous waste and scrap at Tk 202 crore, artificial filament tow of cellulose acetate at Tk 118 crore, and almonds at Tk 55 crore.

The internal NBR exercise was carried out after US President Donald Trump slapped a steep reciprocal tariff on Bangladeshi goods citing widening trade deficits.

The US government claimed Bangladesh effectively imposes a 74 percent tariff on American goods. In response, a 37 percent "discounted reciprocal tariff" will now be levied on Bangladeshi products entering the US market.

However, an NBR official, speaking on condition of anonymity, told The Daily Star yesterday that the

average weighted tariff on US imports currently stands at around 3 percent.

"If we include other duties such as supplementary and regulatory duties, the average tariff would be closer to 3.5 percent," added the official.

Another senior NBR official said there is a zero-duty privilege for a number of US items, including cotton, soybeans, liquefied natural gas and petroleum products.

"So, the total effective import tax on merchandise goods from the US stands below 5 percent."

According to the revenue official, as the issue centres on reducing the trade deficit with the US, they have selected nearly a dozen items on which import tariffs could be reduced.

"Even if we reduce import duties on certain US items, imports may not increase unless the private sector is willing to source items from the American market. An option could be government purchases to narrow the trade gap," he said.

Similarly, MA Razzaque, chairman of the Research and Policy Integration for Development, a local think tank, dismissed Washington's claim of a 74 percent tariff being imposed by Bangladesh on American products.

"The Trump-era reciprocal tariff formula is completely unscientific and economically irrational," the economist said. "It's methodologically

flawed and fundamentally wrong."

Razzaque argued that simply lowering tariffs would not significantly boost US exports to Bangladesh.

"As the US is not a competitive player in the manufacturing sector, simply reducing tariffs won't lead to a significant increase in imports," he commented. "Under the current circumstances, it's very difficult to boost imports from the US."

Razzaque warned against making unilateral concessions. "Bangladesh has a tariff structure for all countries. If we make an exception for the US, other nations like India and Japan may demand the same preferential treatment," he said.

Asked how Bangladesh should respond, he advised initiating discussions with the US and engaging in stronger negotiations.

As of 8pm yesterday, Chief Adviser Professor Muhammad Yunus was at an emergency meeting with leading economists, advisers, and senior government officials to formulate a response.

A source who attended the meeting said the NBR is likely to recommend reducing tariffs on around 15 products from the US. These include plastic goods, capital machinery, generators, frozen meat, electric bulbs, and cables, among others.

CEO of Giordano Korea.

Baroness Rosie Winterton of Doncaster DBE, the UK's trade envoy to Bangladesh, Jarno Syrjäla, under-secretary of state for international trade at the ministry for foreign affairs of Finland, and Mike Orgill, senior director, public policy and government relations for the Asia Pacific at Uber, are also expected to feature.

At a press briefing held at the Foreign Service Academy in Dhaka on March 23, Ashik Chowdhury, executive chairman of the Bida, reaffirmed the government's commitment to fostering an investment environment anchored in economic stability and policy transparency.

## Rising costs erode business

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Bangladesh's reliance on expensive imported liquefied natural gas (LNG) and furnace oil has exposed businesses to volatile and elevated electricity prices.

Vietnam and India, by comparison, have successfully expanded renewable energy capacity and secured stable, long-term energy supplies, reducing production uncertainty.

Cambodia, despite its economy being smaller, benefits from affordable hydropower imports from its neighbours.

The situation is further aggravated by the rising cost of finance.

The recent adoption of the SMART interest rate regime has driven business lending rates above 13 percent.

In comparison, Vietnamese firms enjoy borrowing rates between 7 to 9 percent, while India's recent monetary easing has brought small and medium enterprise lending rates to around 8 to 10 percent.

Policy inconsistency is also becoming a serious impediment.

Frequent changes to tariff structures, regulatory delays, and a lack of predictability in key business policies have diminished confidence among both foreign and domestic investors. By contrast, Vietnam and Cambodia have pursued stable, investment-friendly regulatory environments.

A comparative study by the Policy Research Institute (PRI), titled "Vietnam's Superb Export Performance: Lessons for Bangladesh" and conducted in 2021, shows that Vietnam now attracts nearly \$27 billion in annual foreign direct investment (FDI).

Meanwhile, Bangladesh struggles to reach even \$3 billion.

Even Cambodia, with a far smaller economy, performs better than Bangladesh in FDI inflows per capita.

Selim Raihan, executive director of the South Asian Network on Economic Modeling, observed that Bangladesh was caught in a web of deep-rooted structural problems.

"We are stuck in several fundamental areas," he said. "Logistics,

business finance, and the high cost of capital have become significant constraints. Our only sustained advantage has been low labour costs – and even that is now under threat."

Raihan warned that unless Bangladesh addresses its critical weaknesses in infrastructure, port management, business finance, and skills development, the country's ambitions to diversify beyond ready-made garments would remain elusive.

Raihan said Bangladesh urgently needs policy reforms, robust infrastructure development, and skilled workforce training to enhance its export competitiveness.

It is essential to formulate supportive policies to attract foreign investment and expedite the implementation of free trade agreements (FTAs), he said.

"Efforts should also be undertaken to reduce tariffs and diversify exports. Active participation in bilateral, multilateral, and regional cooperation is crucial for global trade," he said.

He emphasised that immediate initiatives were vital to addressing upcoming challenges following Bangladesh's graduation from least developed country (LDC) status.

M Masrur Reaz, chairman of Policy Exchange Bangladesh, echoed similar concerns.

"The issue is no longer confined to the garment sector. The entire business environment is under pressure due to high costs and structural inefficiencies," he said.

"Geopolitical shifts, rising protectionism, and automation are reshaping global value chains. Countries with stronger fundamentals are taking advantage of this transition, while Bangladesh is falling behind," he said.

Reaz underlined the urgent need for reforms to enhance trade facilitation, modernise logistics, strengthen infrastructure, and build human capital. "Without timely and coordinated actions, Bangladesh's position as a competitive manufacturing and export hub will continue to weaken," he said.

Adding to these concerns, Asif

Ibrahim, a leading exporter of the readymade garments sector, said Bangladesh's exports to the US would face challenges following the hiking of the tariff on imports from Bangladesh.

"This tariff will be a significant burden for Bangladesh's overall exports to the United States, especially when some of the countries that Bangladesh compete with for US market share have been imposed with lesser tariffs," Ibrahim said, referring to India.

He urged policymakers to address this challenge on an urgent basis by reducing import tariff of the main export items of the US to Bangladesh.

"This is crucial for protecting Bangladesh's long-term trade interests and for ensuring sustained economic growth," he added.

With the upcoming LDC graduation in 2026, Bangladesh's competitiveness will be tested further as preferential trade treatments begin to phase out.

Without significant reforms, the rising cost of doing business could become the biggest obstacle to Bangladesh's future growth.

## IMF mission

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Subsidies, which have been rising significantly in recent years, will also be among the key areas of focus.

The government's budgetary allocation for subsidies soared from around Tk 8,000 9,000 crore a few years ago to Tk 40,000 crore in the original budget for fiscal year 2024-25. In the revised budget for the same year, the subsidy allocation ballooned to Tk 62,000 crore.

As such, the IMF mission will place an emphasis on reducing it.

Finance Adviser Ahmed told journalists last week that he was hopeful the IMF would disburse two instalments in June. He was also optimistic that Bangladesh would be able to meet the prior conditions to avail the instalments by June.

The \$4.7 billion loan programme was approved by the IMF in January 2023. So far, Bangladesh has received \$2.3 billion in three tranches.