

Star BUSINESS



Govt gives nod to Bay Terminal support project

STAFF CORRESPONDENT, Ctg

The government yesterday gave the go-ahead to a support project for the construction of key marine infrastructures for the Chattogram port's mega expansion Bay Terminal project.

The Executive Committee of the National Economic Council (Ecne) at a meeting yesterday approved the "Bay Terminal Marine Infrastructure Development Project" involving Tk 13,525.57 crore.

While addressing a press briefing following the Ecne meeting, Planning Adviser Wahiduddin Mahmud said the Bay Terminal project was very crucial for the country's ever-growing economy since the country has no deep-sea port. "The Chattogram port is termed a seaport, but it is actually a river port. The jetties are located on the bank of river Karnaphuli, and ships need to navigate through the narrow river channel," he said.

Considering the country's ever-growing economy, trade and future cargo demand, a deep-sea port facility is necessary in this part of the Bay of Bengal, which is also geographically important, said the adviser.

"A limited port facility has been developed along the sea at Matarbari, which has been built for importing coal only," he said.

"Construction of the Matarbari deep-sea port being developed by Japan is also time-consuming," said Mahmud, who opined that the Payra port seemed to be a failed project.

The proposed Bay Terminal will be developed on the banks of the Bay of Bengal, he said.

There have been talks for a long time about the Bay Terminal, but it has not seen any progress, he said, adding that the project should have been taken much earlier.

He also termed the approved project as a primary project of the Bay Terminal.

The adviser said that under this project, a breakwater would be created in the sea to protect the terminal from waves, while the hinterland connectivity for the port would be developed.

The original Bay Terminal will comprise four terminals, including two container terminals and a multipurpose terminal, Mahmud said.

The government is already in talks with two global port operators – PSA Singapore and DP World of the UAE – to develop the two container terminals under the public-private partnership (PPP) model, he said.

As a whole, the Bay Terminal is a mega project, he said, adding that it would take six years to complete this primary project, and it may take more time to construct the terminals.

The government has taken up a project to develop the Mongla port with Chinese loan assistance and is also progressing with the Matarbari Deep Sea Port project, the adviser said.

PROJECT SUMMARY

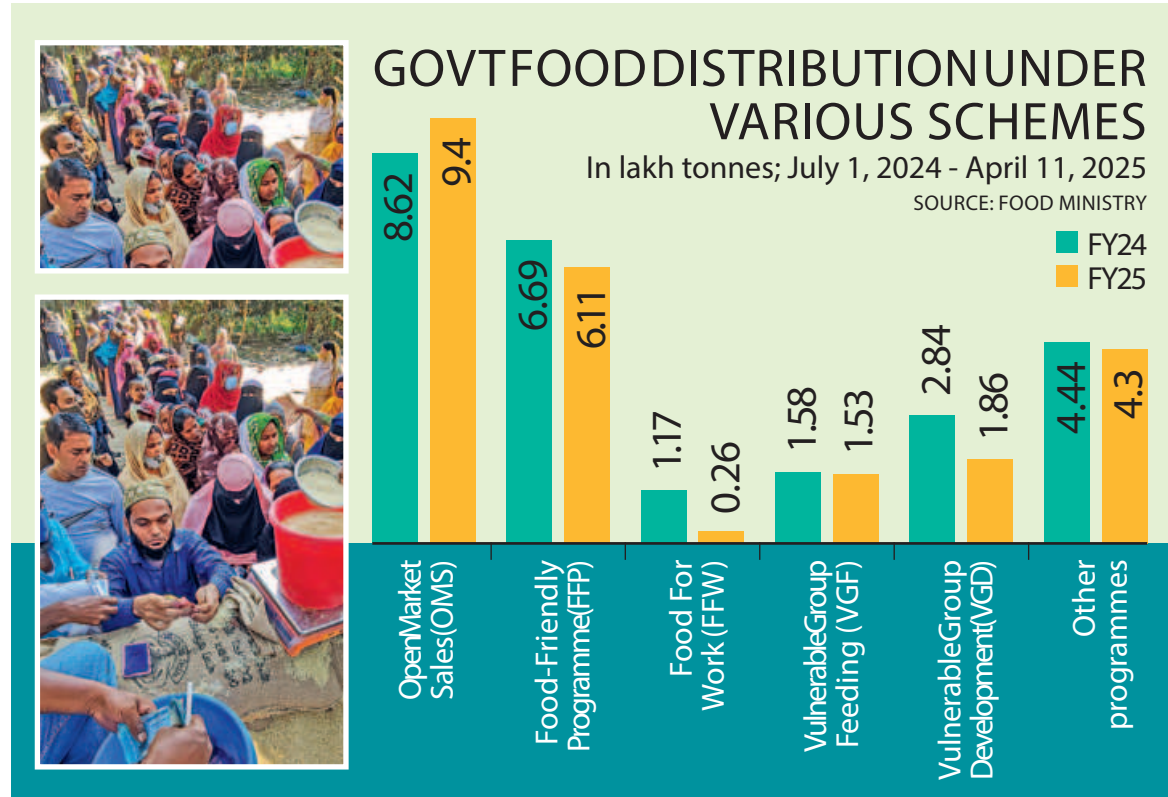
Of the total cost, Tk 4,192.57 crore would be provided from the CPA's own funds, while the remaining Tk 9,333 crore is expected to come from foreign loans, according to the project documents.

The World Bank has already approved \$650 million for the construction of a wave-preventing breakwater and dredging of the access channel, two major components of the project.

In addition to the approved \$650 million, the CPA is also expecting another \$200 million from the global lender.

An agreement for the \$650 million loan is expected to be signed between the Economic Relations Division (ERD) and the World Bank in Washington this week on the sidelines of the "Spring Meeting" of the International Monetary Fund (IMF), said a finance ministry official.

Food distribution falls despite high inflation



AHSAN HABIB

Although stubborn inflationary pressures have worsened the situation of poor people in recent years, public food distribution under various social protection schemes fell by more than 7 percent year-on-year in the first three quarters of the current fiscal year, driven by political instability and dysfunctional local governance.

Public agencies, including the Directorate General of Food and the Ministry of Disaster Management and Relief, distributed about 23.46 lakh tonnes of rice and wheat through food distribution programmes until April 11 of fiscal year 2024-25 (FY25), according to food ministry data.

This was a marked decrease from the 25.34 lakh tonnes distributed by state agencies between July 1 and April 11 of the fiscal year prior.

Selim Raihan, executive director of the South Asian Network on Economic Modeling (SANEM), said one possible reason for the decline was the political changeover last year affecting distribution channels.

Identifying the decline as "a

cause for concern", he added that there should have been an alternative system for basic social protection activities.

Raihan added that though vegetable prices fell during winter owing to ample supply, prices of fresh summer produce remained high. So, low-income people remain in a state of hardship.

According to the Bangladesh

is unexpected, said Raihan, also a professor of Economics at the University of Dhaka.

The Awami League government, which was ousted by a mass uprising on August 5 last year, had slashed food distribution plans this fiscal year, lowering its target from 33.56 lakh tonnes in FY24 to 30.3 lakh tonnes in FY25.

Instead, the government should have expanded food distribution activities during the prolonged inflation regime, he said.

Increasing allocation for food distribution programmes does not conflict with the conditions laid out by the International Monetary Fund (IMF) for a \$4.7 billion loan programme.

The IMF's condition is related to cutting subsidies in the energy sector, not those for social safety net programmes, Raihan said.

Until April 11, food distribution through the Open Market Sales programme saw an uptick, rising 9 percent year-on-year to 9.40 lakh tonnes.

Under the Food Friendly Programme, the relief and disaster management ministry distributed 6.11 lakh tonnes, down 8.6 percent.

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Dhaka to place trade commitments at USTR meet

REFAYET ULLAH MIRDHA

In response to Washington's reciprocal tariff measures, Bangladesh is going to place its commitments, including duty-free access for a wider range of American goods and introduce a warehousing facility for US cotton.

As part of efforts to reduce the trade imbalance between the two countries, the government is expected to place these commitments during a meeting with officials from the United States Trade Representative (USTR) on 23 April at the USTR's headquarters in Washington, DC.

For reducing the trade gap with the US, Bangladesh will also increase purchases of Boeing aircraft, liquefied natural gas, gas turbines, and cotton, said Commerce Secretary Mahbubur Rahman.

At the same time, the private sector will also be encouraged to import more from the United States, he added.

Rahman is scheduled to meet Brendan Lynch, the assistant USTR for South and Central Asia, at his office in Washington, DC.

Lutley Siddiqi, the chief adviser's special envoy for international affairs, is set to lead the Bangladesh delegation at the meeting.

Rahman informed that they will also highlight the country's intent to import more soybean oil, soybean seeds, consumer goods and industrial raw materials in bulk to reduce the trade gap.

Furthermore, issues regarding child labour and improving labour rights in Bangladesh will be discussed with the USTR officials, he said.

He also said representatives of the finance ministry and the National Board of Revenue (NBR), who are currently in the US for meetings with the International Monetary Fund (IMF), will be present at the USTR discussion.

Finance Adviser Salehuddin Ahmed and Finance Secretary Md Khairuzzaman Mozumder are already in Washington to participate in the IMF meeting, Rahman said, adding that issues

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Bureau of Statistics (BBS), inflation has remained at over 9 percent since March of 2023. After declining for each of the past three months, overall inflation in Bangladesh increased to 9.35 percent in March as non-food prices spiralled to 9.70 percent.

The 12-month average inflation stood at 10.26 percent in March.

Against this backdrop, a reduction in food distribution

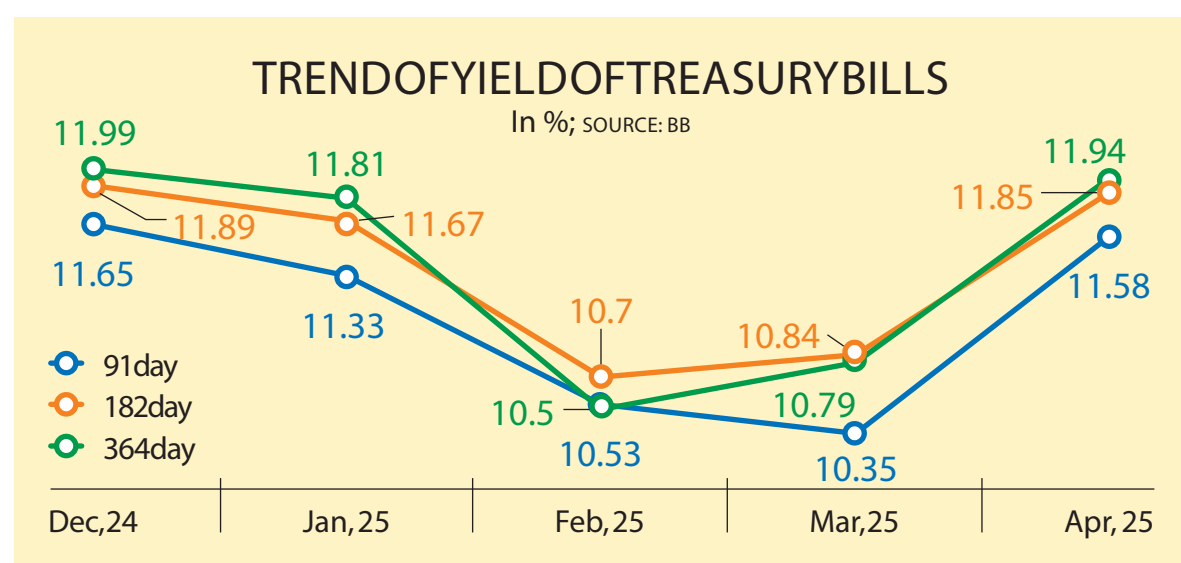
sector, not those for social safety net programmes, Raihan said.

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STOCKS	
DSEX ▼	CASPI ▼
0.45%	0.43%
5,074.38	14,197.95

COMMODITIES	
Gold ▲	Oil ▲
\$3,315.13	\$64.43
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 1.96%	▲ 1.03%	▲ 1.58%	▼ 0.11%
78,553.20	34,730.28	3,720.33	3,276.73



T-bill yields rise as govt turns to banks for funding

MD MEHEDI HASAN

Interest rates on government treasury bills rose again this month, reversing a brief downward trend and signalling a continued liquidity crunch in the banking sector.

The rise also indicates the government's growing dependency on bank borrowing to finance its expenditure.

Separate auctions were held yesterday for treasury bills maturing in 91, 182, and 364 days. The government raised Tk 9,000 crore through the sales.

The yield on the 91-day bills stood at 11.58 percent, the 182-day at 11.85 percent, and the 364-day at 11.94 percent, according to Bangladesh

Bank data.

In an earlier auction this month, those figures were slightly lower – 11.44 percent for the 91-day bills, 11.74 percent for the 182-day, and 11.86 percent for the 364-day.

A month ago, yields hovered around the 10 percent mark.

Treasury officials at several commercial banks said there are several factors responsible for the rising rates.

Chief among them is the ongoing liquidity situation across most banks, due mainly to sluggish deposit growth and the central bank's suspension of the 28-day repo facility.

"The government is offering high interest rates on its T-bills to attract

banks," said the treasury head of a private commercial bank.

"But most banks are in a tight liquidity situation due to slow deposit growth and the discontinuation of the 28-day repo facility," said the banker, preferring anonymity.

A former treasury official of a state-run bank pointed to another pressure point, which is poor loan recovery.

"A major portion of bank funds is tied up in defaulted loans," he said. "This has largely weakened the financial position of many banks."

Default loans in the banking sector surged to a record Tk 3,45,765 crore at the end of 2024.

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Gas price hike, US tariff double blow to industries Say experts

STAR BUSINESS REPORT

The fresh gas price hike has become a major challenge for local industries at a time when they are at risk of experiencing a fall in exports to the US due to the new Trump tariffs, a trade expert said yesterday.

New tariff rates and an increase in gas prices are not good decisions to encourage new investments, said Shams Mahmud, a former president of the Dhaka Chamber of Commerce and Industry.

"The government's gas price hike for new industries, following Trump's tariff rate announcement, has made us even more anxious," he added.

He made the comments at an event titled "The Emerging Landscape of Trade: Trump's Reciprocal Tariff and Its Implications for Bangladesh" at the Bishwo Shahitto Kendro in Dhaka, organised by the Dacca Institute of Research and Analytics.

From now on, new industrial gas connections will have to pay Tk 40 per cubic metre, up from Tk 30, Mahmud said.

"It does not make any sense to open new factories at a time when the gas price is rising," he said.

Five-star hotel opens in Bhaluka next year



FIRST 5-STAR HOTEL IN INDUSTRIAL BELT

- Marriott will be the operator of a 5-star hotel
- Established in Bhaluka, a major industrial belt
- Total investment: Tk 1,172cr
- Bank finance accounts for 60%
- Equity accounts for 40%
- To create over 400 direct jobs
- To promote the decentralisation of luxury business infrastructure
- To attract global buyers and investors to an emerging industrial corridor
- To support key export sectors such as RMG and pharmaceuticals

JAGARAN CHAKMA

Best Holdings Ltd is set to open the first five-star hotel in Bangladesh's industrial belt by June 2026, introducing luxury hospitality to Bhaluka in Mymensingh district.

The company is developing a five-star business hotel in Mawna Hobirbari, under Bhaluka upazila – a rapidly expanding industrial hub just 60 kilometres north of Dhaka and Hazrat Shahjalal International Airport (HSIA).

"This hotel is a bridge between industrial efficiency and five-star luxury," said Md Abul Kalam Azad, company secretary of Best Holdings Ltd.

"We are not just offering

accommodation—we're elevating the way business is conducted in Bangladesh's next-generation industrial zones," he said.

Bhaluka is currently home to over 2,500 industrial units, including those of readymade garments, textiles, pharmaceuticals, ceramics, agro-processing, and mobile phone assembly.

The region is rapidly emerging as a key industrial corridor and is increasingly hosting supplier expos, trade summits, and industry-wide conferences that attract both local and international participants.

The hotel project, running on 4.47 acres of land, is planned as a luxury retreat for the country's growing business community.

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