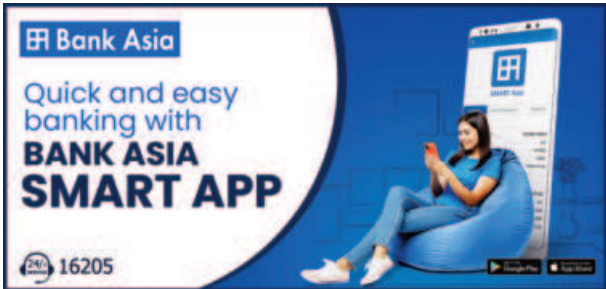


star BUSINESS



Offer duty-free access for garments made of US cotton

BTMA writes in letters to US

STAR BUSINESS REPORT

Local textile millers yesterday sought duty-free export facilities to the USA for garment items produced in Bangladesh using American cotton.

The Bangladesh Textile Mills Association (BTMA), a platform for the primary textile sector, made the call through two letters – one sent to Gary Adams, president and CEO of the National Cotton Council of America, and another to Eric Geelan, counsellor for political/economic affairs at the US embassy in Bangladesh.

In the letters, BTMA President Showkat Aziz Russell also urged the US government to permanently remove Bangladesh from the list of countries subject to the additional duty.

Earlier, on April 2, US President Donald Trump imposed reciprocal tariffs on various countries; for Bangladesh, the rate was set at 37 percent. However, Trump issued a 90-day pause on imposing new tariffs, while maintaining a 10 percent baseline tariff rate.

“We are confident that these measures will significantly boost bilateral trade and further embed US cotton into global supply chains via Bangladesh’s growing ready-made garment (RMG) industry,” said the BTMA president.

“BTMA is committed to prioritising US cotton in a substantial portion of our production, much of which is exported to the US and other global markets.”

To support this vision, BTMA highlighted several government initiatives currently underway, including the establishment of a central warehouse in Bangladesh dedicated exclusively to US cotton, aimed at quadrupling import volume.

The Bangladesh government has expressed a strong commitment to strengthening trade ties with the United States, particularly in cotton and textiles, the BTMA president said in the letters.

He also referenced comprehensive proposals made by Chief Adviser Professor Muhammad Yunus directly to US President Donald J. Trump, outlining a strategic roadmap for mutual economic growth.

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Customs flags hurdles at 3rd terminal of Dhaka airport

KEY FACTS ABOUT THIRD TERMINAL

- ➔ Construction cost: over Tk 21,300cr
- ➔ Floor space: 230,000 square metres
- ➔ Check-in counters: 115
- ➔ Departure immigration desks: 66
- ➔ Arrival immigration desks: 59
- ➔ VIP immigration desks: 3
- ➔ Annual passenger handling capacity likely to be 2.4 crore at the HSA
- ➔ Cargo handling capacity to double

IMPACT OF THIRD TERMINAL

PROBLEMS AT THE TERMINAL

PASSENGER RELATED

- Narrow and small customs hall space with low ceiling ➔ May create long queues and passenger congestion
- Lack of valuable & transit goods warehouse ➔ May pose security risks for seized items
- No identified place for scanner ➔ May lead to inefficiencies, operational delays & risks
- Lack of diversion belt for risky baggage ➔ May lead to revenue evasion, smuggling

ISSUES RELATED TO IMPORT AND EXPORT TERMINALS

- Lack of a yard for physical examination of consignments
- Insufficient scanning infrastructure
- No space for seized cargo

SOHEL PARVEZ and RASHIDUL HASAN

The customs authorities have identified a number of operational bottlenecks at the much-anticipated third terminal of Hazrat Shahjalal International Airport (HSIA), widely known as Dhaka airport.

In a letter sent to the Civil Aviation Authority of Bangladesh (CAAB), the Customs House Dhaka said it has found more than a dozen issues related to infrastructure, security, and operational readiness of the new terminal, which is expected to open in early 2026.

The assessment comes as authorities move to efficiently manage the rise in

passenger traffic and cargo volumes at the country’s largest airport.

In March this year, the customs authorities, operating under the National Board of Revenue (NBR), conducted inspections of the third terminal, as well as the new Import Cargo Terminal (ICT) and Export Cargo Terminal (ECT).

The NBR’s field office, in its letter sent to CAAB in the third week of March, said it had held several meetings with various agencies, including CAAB, to ensure smooth operation at the third terminal.

Built at a cost of more than Tk 21,300 crore, the majority of which was funded by loans from the Japan International

Cooperation Agency (JICA), the iconic terminal is seen as a milestone for Bangladesh’s aviation sector.

However, customs officials, after the inspection, say unresolved issues could undermine its efficiency.

“The third terminal is a significant development in Bangladesh’s aviation sector, but certain key challenges must be addressed to ensure smooth customs operations,” said the Customs House Dhaka.

One of the major challenges is the size and design of the customs hall, which officials say is too narrow, with a low

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Deal signed for constructing Matarbari deep-sea port

DWAIPAYAN BARUA, Ctg

After a long wait, the Chittagong Port Authority (CPA) finally signed a deal yesterday with a Japanese joint venture to construct a terminal for a deep-sea port at Cox’s Bazar’s Matarbari, some 350 kilometres southeast of capital Dhaka.

This will pave the way towards handling mother container vessels.

It will also lessen to a good extent the country’s years-long dependency on transshipment ports for transporting import and export cargo.

The Japanese joint venture comprises Penta-Ocean Construction Co Ltd and TOA Corporation.

It will develop a 760-metre terminal comprising a container jetty and a multipurpose jetty under a “Matarbari Port Development Project (CPA Part) Phase-1 Package I: Procurement of Civil Works for Port Construction”.

CPA Chairman Rear Admiral SM Moniruzzaman and Tomokazu Hasegawa, general manager of the Penta-Ocean, signed the contract at a hotel in Dhaka.

The total estimated cost of the phase-1 project is Tk 6,196.67 crore while the deadline is 2029.

Of the cost, Japan International Cooperation Agency (Jica) will provide Tk 5,426.67 crore as a loan while the remaining Tk 770 crore will come from the CPA.

The cost of the project to develop the whole Matarbari port is estimated at Tk 24,381.40 crore.

The CPA and Roads and Highways Department will implement the project in two phases by 2041.

Addressing yesterday’s signing ceremony as chief guest, Shipping Adviser Brig Gen (ret’d) Sakhawat Hussain said the Matarbari deep-sea port would show the way to new horizons in the country’s international trade.

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Bangladesh GDP to grow 3.76% in FY25: IMF

STAR BUSINESS REPORT

The International Monetary Fund (IMF) has kept Bangladesh’s economic growth projections nearly unchanged for the current and next fiscal years, while revising down its inflation forecasts.

In its World Economic Outlook released yesterday from Washington, the IMF projected Bangladesh’s gross domestic product (GDP) growth at 3.76 percent for the current fiscal year (FY) 2024-25, slightly down from the 3.8 percent forecast made by its mission that visited Dhaka in December last year.

For FY26, the multilateral lender has revised down the GDP growth prediction for Bangladesh to 6.53 percent from the previous forecast of 6.7 percent.

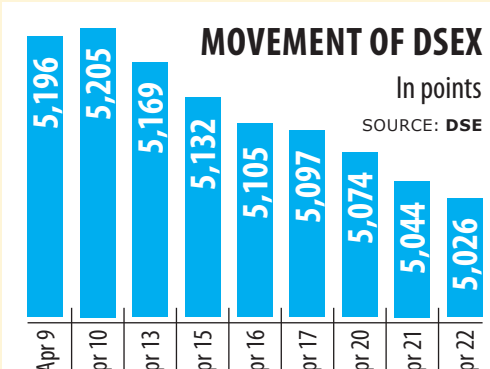
The IMF has not discussed Bangladesh in detail in the latest outlook. But Chris Papageorgiou, who led an IMF mission earlier this month, said, “The Bangladeshi economy continues to face multiple challenges amidst elevated global uncertainty.”

The reduced growth projections reflect ongoing economic disruptions caused by domestic unrest, tighter monetary and fiscal policies, and heightened uncertainty impacting investment.

“To address the mounting external financing gap and ensure continued disinflation, near-term policy tightening remains essential,” Papageorgiou said.

On inflation, the IMF revised its projection for FY25 to 9.98 percent, down from its previous forecast of 11 percent.

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Stocks fall for seventh straight day. Here’s why

STAR BUSINESS REPORT

Stocks fell for the seventh straight trading day at Dhaka Stock Exchange (DSE) yesterday as cautious investor sentiment continues to drive the market downwards amidst a confidence crisis.

The benchmark DSEX index opened the day on a positive note, gaining 4.17 points, or 0.08 percent, till 10:30am.

However, the momentum did not sustain, and the index eventually dropped 18.27 points, or 0.36 percent, from that on the day before to close at 5,026.

The Shariah-based DSES index declined 0.41 percent to end at 1,121, while the DS30, which comprises blue-chip stocks, fell 0.18 percent to 1,859.

At Chittagong Stock Exchange, the CSE All Share Price Index declined 0.49 percent to 14,065.36.

Turnover at the DSE, meaning the total value of shares changing hands, a key indicator of market activity, declined 3 percent to Tk 340 crore yesterday.

Of the 395 issues that were traded, prices of 119 advanced, 214 declined, and 68 remained unchanged.

MBL 1st Mutual Fund was the top gainer of the day, surging 9 percent, while shares of Beach Hatchery lost 9 percent – the highest fall.

Abdul Mannan, an investor, said the stock market has remained downbeat as investors are not seeing any hope of getting good news from the listed firms amidst the prevalence of a challenging environment for businesses.

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Rancon Auto enhances factory with painting facility



Employees and machines work in harmony at an assembly line at the Rancon Auto Industries facility, located within its industrial park in the Kashimpur union of Gazipur. In addition to assembly and inspection, the factory is now capable of painting certain models, including those of brands such as Mitsubishi and Proton.

PHOTO: COLLECTED

STAR BUSINESS REPORT

In a major stride for the local automotive industry, Rancon Auto Industries Limited has established a facility to paint cars ahead of assembly.

Previously, this factory brought already painted parts, assembled them and conducted various inspections before release into the market. But now, car bodies and components are painted before the other steps, said SM Shahjahan Selim, deputy general manager of factory operations.

Some models of Japanese brand Mitsubishi and Malaysian brand Proton cars are now undergoing this process at Rancon’s facility, located within its industrial park in Bhabanipur village of Kashimpur union in Gazipur.

Over the past year, the facility has undergone modernisation and expansion works to implement this initiative, he added.

This not only enhances the country’s technological capabilities but also helps make cars more affordable for local customers, he said.

A group of journalists from Dhaka were taken to the Rancon Industrial Park yesterday to visit the factory.

Shihab Ahmed, chief operating officer at Rancon Auto Industries Ltd, said the company began its journey in 2017 with the assembly of the Mitsubishi Outlander model. Since then, the factory has been further modernised.

Rancon Auto Industries has so far invested Tk 350 crore and employs over 300 people at the factory, he said.

Currently, the sprawling 98,000 square-foot facility assembles four types of vehicles. Among them, vehicles of Japan’s Mitsubishi and Malaysia’s Proton brands are both painted and assembled onsite, Ahmed said.

Additionally, JAC pick-up trucks from China and Mercedes-Benz buses built with German technology are assembled at the facility, he added.

The main body structures of Mitsubishi and Proton vehicles are imported in welded form, after which all other processes, including painting, assembly, and finishing, are carried out at the factory.

Md Badiuzzaman, executive director at Rancon Auto Industries, said the facility houses the only international-standard test track in the country, where new vehicles undergo thorough testing for speed, braking,

handling, stability, suspension, and overall performance, ensuring that durable and reliable vehicles reach customers.

Currently, this factory has the capacity to produce 2,000 units of Mitsubishi Xpander vehicles, 300 to 400 units of Proton X70 vehicles (trucks) and 360 units of commercial Mercedes vehicles (buses) annually, he added.

Mohammad Fahim Hossain, divisional head of marketing of the “Automotive Division 1” at Rancon Auto Industries, said trial production of the Mitsubishi Xpander and Proton X70 passenger car models are currently underway at their factory.

These two vehicles are expected to be officially launched in the market by June, he said.

The prices have not yet been finalised, but the company has given assurances that they will be set at an attractive and affordable range for Bangladeshi consumers, he added.

“We want to inform the people of the country that we have the capability to produce Japanese-standard vehicles. The world-class production facilities at this factory are certified by Japan’s Mitsubishi Motors Corporation.”