

# Real estate sector facing 'existential threat'

REHAB president says, urging reforms

## STAR BUSINESS REPORT

Bangladesh's real estate sector is facing a deepening crisis and housing could soon become entirely unaffordable for the middle class unless urgent reforms are undertaken, warned Md Wahiduzzaman, president of the Real Estate and Housing Association of Bangladesh (REHAB).

Speaking at a press conference at the Jatiya Press Club yesterday, he said, "We have reached a critical juncture where ownership, regulation, and production in the housing sector are being adversely affected. Government institutions like the National Housing Authority are failing to deliver effectively due to a lack of coordination."

Although 98 percent of construction materials are sourced domestically, many housing projects have stalled due to spiralling costs.

"Small, medium, and large developers who create employment for millions are now under existential threat," the REHAB president added.

He pointed out that the ongoing housing stagnation is intricately linked to uncoordinated policies, interference by vested groups, and indecisiveness among policymakers.

Wahiduzzaman recalled a time when

housing projects were built on 50-50 partnership models involving respected national figures. "Today, certain groups are attempting to hijack the sector to serve foreign interests," he alleged.

He further highlighted the burdensome registration processes, land scarcity, and overall uncertainty in new project investments, urging the government to undertake swift policy reforms and coordinated action.

"If immediate steps are not taken, production will decline further, impacting the economy and the lives of citizens," Wahiduzzaman warned.

REHAB underscored the broader economic impact, saying over 200 linkage industries — including rods, cement, bricks, tiles, cables, paints, elevators, and sanitaryware — are dependent on the real estate sector.

The industry directly employs about 40 lakh people and supports the livelihoods of nearly two crore, contributing approximately 15 percent to Bangladesh's gross domestic product.

"Currently, the housing sector is stagnant. Naturally, the related industries are also under immense pressure," Wahiduzzaman said, citing the fallout of the Detailed Area Plan (DAP 2022-2035) and restrictive building regulations.

"Due to the FAR (Floor Area Ratio) issue, building height and volume have been drastically reduced, discouraging landowners from partnering with developers."

He claimed that developers are now unable to initiate new projects, which has led to a sharp decline in demand for construction materials.

The demand for rods, the largest component of construction, has dropped by 50 percent, with several manufacturers reducing their production shifts and laying off workers.

REHAB leaders also criticised the annulment of the 2008 Dhaka Metropolitan Building Construction Rules and the 2010 Master Plan.

"This was done under pressure from a vested group supported by a former autocratic regime," Wahiduzzaman alleged.

The association claimed the resulting regulatory discrimination paralysed development in Dhaka and other cities, stalled numerous industries, and had a direct impact on revenue generation and employment.

"Unemployment and resulting social unrest are threatening the legal and social fabric of the country," he said.

As the national budget approaches,

REHAB has called for a people friendly and business-friendly fiscal plan.

At present, the apartment registration charge is 8 percent and VAT is 4.5 percent. These are borne by buyers and create extra burden, he said.

"There are significant value-added tax (VAT) and tax-related challenges for both the housing and linkage industries. We urge the interim government to present a realistic budget that stimulates investment and employment," Wahiduzzaman said.

The association also revealed it is in talks with various ministries and plans to submit a comprehensive proposal aimed at reviving the sector.

"There is deep dissatisfaction among landowners, developers, and investors regarding the discriminatory DAP. Even flat buyers are losing confidence," he added.

"We expect the interim government to take decisive steps to address these challenges without delay."

He also demanded that the NBR reduce registration fees and VAT by 50 percent.

Sheikh Masadul Alam Masud, founding chairman of the Bangladesh Steel Manufacturers Association (BSMA), said the real estate slowdown is severely impacting related industries.

## US tariffs have increased financial stability risks: IMF

AFP, Washington

Donald Trump's stop-start tariff rollout has significantly increased global financial stability risks, the International Monetary Fund said in a new report published Tuesday.

The IMF's Global Financial Stability Report (GFSR) was published as global financial leaders gather for meetings in Washington under the cloud of policy uncertainty triggered by Trump's tariff announcements.

The administration's tariff plans "triggered a bout of policy uncertainty," which was only exacerbated by the retaliatory measures unveiled by China, the IMF said.

Against this backdrop, the GFSR's authors found that "global financial stability risks have increased significantly, driven by tighter global financial conditions and heightened economic uncertainty."

The Fund identified three vulnerabilities to financial stability: High valuations in "key" equity and corporate debt markets; highly-leveraged financial institutions including some hedge funds; and the possibility of "further turbulence" in sovereign bond markets in countries with high debt levels.

The bond markets became an unlikely cause for concern in the United States earlier this month, with yields jumping sharply after Trump's tariffs went into effect.

The risk, however, extends far beyond the decisions taken in Washington, with higher bond yields in countries considered a safe bet feeding through into even higher borrowing costs elsewhere.

"Emerging market economies already facing the highest real financing costs in a decade may now need to refinance their debt and fund fiscal spending at higher costs," the IMF said.

## Deal signed for constructing

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Terming the project as a strategic investment for the country's future, the adviser said once operational, the port will be capable of handling large ships of up to 100,000 deadweight tonnage capacity.

"With this port, which will help reduce congestion at the existing port facilities and speed up the supply chain, the country will turn into an important energy and transhipment hub," the adviser said.

Under phase-1, a terminal comprising a 460-metre container jetty and a 300-metre multi-purpose jetty will be built.

The terminal, which will have a deep navigation channel, will allow the berthing of container ships up to 350 metres long and capable of carrying 8,200 TEUs (twenty-foot equivalent unit) of containers.

The Chattogram port can currently allow feeder container ships of only up to 200-metre with at best

2,500 TEU capacity.

These transport export containers to hub ports in Colombo, Singapore, Port Klang and Tanjung Pelepas, where mother ships arrive.

Port users hope that such a facility will significantly reduce the cost and time of foreign trade as exports and imports will not have to depend on transhipment ports.

Khairul Alam Suzan, vice-president of Bangladesh Freight Forwarders Association, pointed out one of the Matarbari port's key advantages.

It can accommodate container ships which are over three times larger than the feeder ships that arrive in Chattogram at present, he said.

"Such berthing facilities will reduce transportation costs and, most importantly, direct shipping services to Europe and the US could be introduced. This will place Bangladesh in a more advantageous position in international trade," he said.

CPA Member (Engineering) Commodore Kausar Rashid, also the project director, said the whole Matarbari deep sea port will be developed in two major phases.

The first phase will have two packages and be completed by 2035, said Rashid, adding that under the two packages a container jetty, a multipurpose jetty and three other jetties to handle LNG, LPG and liquid cargo would be developed.

The second package is expected to be completed by 2041. By then, the port will have turned into an important commercial and industrial hub, according to project documents.

Meanwhile, the government published a gazette on April 1 informing that a 17-member coordination committee, headed by the principal secretary to the chief adviser, would coordinate the activities of a fast-track project titled "Moheshkhali-Matarbari Infrastructure Development Initiative".

## Customs flags hurdles

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ceiling and limited capacity.

The space may be required to handle as many as 7,000 to 8,000 passengers at a time, but it can accommodate only around 300 people.

"There are 16 belts at the new terminal compared to only 8 now at Dhaka airport. Just imagine how long the queue of passengers will be for customs checks at the new terminal," said a senior customs official.

Officials fear the cramped conditions will lead to long queues even before passengers reach the hall.

The low ceiling could also cause poor ventilation and congestion, slowing down clearance processes.

"It may require a longer time for passenger clearance and, as a result, may have a negative impact on the overall performance

indicator of the airport," the customs letter mentioned, recommending an expansion of the customs area.

Spanning 230,000 square metres, the third terminal features 115 check-in counters, 66 departure immigration desks, 59 arrival desks, and three VIP counters.

Upon full operation of the new terminal, the annual passenger handling capacity of Dhaka airport will rise to 2.4 crore, including throughput from the existing terminals.

At present, the airport manages around 800,000 passengers and 500,000 tonnes of cargo per year.

With the new terminal in operation, cargo handling capacity at the airport is also expected to double, but customs authorities have pointed out a number of issues.

For instance, there is no designated warehouse

## Offer duty-free

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"Additionally, we are preparing to send an official BTMA delegation to the United States, in collaboration with the National Cotton Council of America, at the earliest possible date," Russell said.

"This mission, comprising 12-13 representatives, will engage in high-level dialogue and negotiations with key US government and private sector stakeholders to advance our shared goals," the BTMA stated.

In both letters, the BTMA noted that it is a trade body representing 1856 member mills engaged in yarn and fabric manufacturing, dyeing, printing, and finishing — and has been a cornerstone of Bangladesh's industrial and export economy.

"We strongly believe this volume can be increased by four to five times in the near future with mutual collaboration and policy support," Russell also stated.

Over 90 percent of total exports to the USA are garment items, which face over 15 percent duty, while Bangladesh levies 2.2 percent duty on imports of US goods.

Alongside the chief adviser's letter to the Trump administration, Commerce Adviser Sk Bashir Uddin, in a separate letter sent to US Trade Representative Jamieon Greer, offered zero duty benefits to 100 additional US goods, on top of the existing 190 products.

### গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

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#### উন্মুক্ত দরপত্র বিজ্ঞপ্তি

চলতি ২০২৪-২০২৫ অর্ধবর্ষের আগামী উদ্যোগ প্রশাসনের বিভিন্ন ধরনের ব্রায়ারি/মালামাল সরবরাহের নিমিত্ত প্রাক্তিরহেন্ট আইন, ২০০৮ ও প্রার্থনাকৃত প্রক্তিরহেন্ট বিভিন্ন ধরনের ব্রায়ারি প্রস্তুতির স্বত্ত্বালোচনা করা যাচ্ছে।

০১ মন্ত্রণালয়ের নাম জনপ্রশাসন মন্ত্রণালয়

০২ সংস্থার সংস্থার নাম জাতীয় উদ্যোগ প্রশাসন একাডেমি

০৩ দরপত্রের বিষয় (i) বিভিন্ন ধরনের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (ii) বিভিন্ন ধরনের ক্ষেত্রে ক্ষেত্রের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (iii) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (iv) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (v) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (vi) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (vii) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (viii) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (ix) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (x) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (xi) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (xii) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (xiii) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (xiv) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (xv) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (xvi) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (xvii) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (xviii) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (xix) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (xx) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (xxi) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (xxii) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (xxiii) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (xxiv) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (xxv) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (xxvi) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (xxvii) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (xxviii) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায়ারি এবং (xxix) বিভিন্ন ধরনের ক্ষেত্রের ব্রায়ারি প্রস্তুতির ব্রায