

IsDB to give \$241.3m for climate-resilient bridges

STAR BUSINESS REPORT

Bangladesh has signed a \$241.3 million financing agreement with the Islamic Development Bank (IsDB) to construct five climate-resilient bridges in the Mymensingh division.

The project, named "Construction of Five Climate-Resilient Bridges in Mymensingh Division, Bangladesh," will be implemented by the Roads and Highways Department under the Road Transport and Highways Division.

The initiative aims to strengthen road connectivity and promote socio-economic inclusion in remote and marginalised communities along the Sunamganj-Jamalpur and Shyamganj-Durgapur border areas, which are frequently disrupted by floods and river erosion, the Economic Relations Division (ERD) said in a statement.

The initiative aims to strengthen road connectivity and promote socio-economic inclusion in remote and marginalised communities

The new bridges will be specially engineered to withstand climate shocks, ensuring year-round mobility and reducing travel time for thousands of rural residents, according to the statement.

Md Shahriar Kader Siddiky, secretary of the ERD, and Rami Ahmad, vice president of the IsDB, signed the agreement yesterday on the sidelines of the IsDB Group's annual meeting in Algiers, Algeria. Among the key dignitaries present were Mohammad Hasan Arif, alternate governor of Bangladesh to the IsDB; Rashed Ahmed, chargé d'affaires at the Bangladesh Embassy in Algiers; and Muhammad Sulaiman Al Jasser, chairman of the IsDB.

"This investment is not just about infrastructure—it's about empowering people in vulnerable areas," the ERD said in the statement.

The project supports Bangladesh's broader climate adaptation and resilience goals, as outlined in its Nationally Determined Contributions and Vision 2041 development framework.



As construction of many onion storage sheds is still incomplete, farmers who harvested their major onion variety in April are now facing trouble storing their produce.

PHOTO: SUZIT KUMAR DAS

Incomplete storage sheds force onion farmers to sell at losses

SUZIT KUMAR DAS

Using low-cost, locally sourced materials, the authorities began the construction of 300 model onion storage sheds in November last year in five major onion-producing districts. The target was to complete the sheds by March, enabling farmers to preserve their harvest for months and reduce post-harvest losses.

But with many sheds still incomplete, farmers who harvested their major onion variety in April are now facing trouble storing their produce.

Helal Uddin, director of the government's project to modernise onion and garlic storage and marketing, blamed the delay on slow fund disbursement.

Meanwhile, farmers in Rajshahi, Pabna, Kushtia, Rajbari and Faridpur said the missed deadline left them with no choice but to sell their onions at rock-bottom prices. Many had not arranged alternative storage this season, having pinned their hopes on the promised facilities being ready in time.

"We were excited when we were told the sheds would be ready by 30 March. I harvested a large amount of onions with hopes of storing them and selling at a better price later," said Zahurul Haque, a farmer at Khoar village in Saltha upazila of Faridpur. "But now I am being forced to sell at those throwaway prices," he added.

Of the 300 sheds, 90 were allocated for Saltha and Boalmari upazilas of Faridpur this year. But progress has been patchy.

Kamal Khan, another farmer of Saltha upazila, said only the floor of his shed had been completed. "I couldn't store my onions as planned."

Shakhawat Hossain, a farmer of Kazipara village in Jadunandi union of the same

upazila, said the contractor has now promised to finish work by the end of May. But given the slow pace, he was doubtful.

Some 90 farmers from Saltha and Boalmari were selected for the project in fiscal year (FY) 2024-25. Each was to receive one storage shed, built on a one decimal plot of their own land, according to the Department of Agricultural Marketing (DAM).

Each shed covers 375 square feet, measuring 25 feet by 15 feet. Equipped with six exhaust fans and a hygrometer to monitor temperature and humidity, the units are designed to preserve 350 to 400 maunds of onions for six to nine months.



Built at a cost of Tk 5.9 lakh each, the sheds use affordable, locally available materials such as bamboo, wood, corrugated sheets, RCC pillars and ebonite. But in many areas, farmers were left to fend for themselves.

Md Enamul Haque, a farmer of Habaspur village in Rajbari's Pangsha upazila, harvested around 250 maunds of onions this year. Although he was allotted a model shed, it was not ready in time.

With no place to store the produce, Enamul spent Tk 8,000 to convert part of his home into a makeshift storage space.

Another farmer, Md Asaduzzaman of

Bosakustia village in the same upazila, said only the pillars of his shed had been erected so far. "We were assured that we could use the model house this onion season. But with the work incomplete, I had to sell off nearly half of my harvest," he said.

In Rajbari district, construction of 50 sheds began in January, with an April deadline. But according to Project Director Helal Uddin, only 13 have been completed so far, while the rest are under construction.

Some farmers, however, have had better luck. Subroto Pal of Thakurpur village in Boalmari said he expects his shed to be finished within days.

Meanwhile, Rezaul Sheikh of Kaniar village in Gatti union has already begun using his shed, having stored onions there a month ago.

Md Zakir Hossain, a contractor involved in the project, also blamed the delays on late fund releases from the ministry.

DAM field officer Shahjahan Ali said that the demand for the sheds in Saltha was more than the supply. "There is overwhelming demand for these sheds here."

Project officials say the model sheds can effectively cut down on post-harvest losses, which account for nearly 30 percent of total onion production.

"Though the deadline was 30 March, delays in fund allocation hampered progress. We hope to complete all sheds within this month," said Project Director Helal Uddin.

In FY24, some 65 sheds were built—30 in Saltha and 35 in Nagarkanda.

Anzad Hossain, a beneficiary of the project at Jhunkhali village in Gatti union, said, "I stored 140 maunds of onions in my shed. Only five maunds went bad. The rest remained in excellent condition."

Mobile industry: growth, challenges and the road ahead

REZWANUL HOQUE

Over the past decade, the mobile phone industry has been a driving force in Bangladesh's economic and digital transformation. From creating thousands of jobs to empowering millions of users, it has become much more than a consumer electronics sector. Local manufacturing has grown significantly, supported by investments from both global and domestic brands. Today, smartphones are not just communication tools—they power mobile banking, e-commerce, online education, ride-sharing, and access to vital services across both cities and rural communities. This ecosystem has helped bridge the technology gap and enabled the rise of a new generation of digital entrepreneurs and tech-savvy consumers.

Opportunities ahead

The global manufacturing landscape is evolving, and Bangladesh is well-positioned to benefit. With rising production costs in China, the spotlight is shifting toward cost-effective alternatives, and Bangladesh offers a strategic advantage. With the right policy support and timely action, the country could realistically capture up to 10 percent of global mobile phone manufacturing, generating around \$4 billion in annual exports and creating over 60,000 new jobs.

One key enabler of this growth is the expansion of the artificial intelligence of things (AIoT) ecosystem, which encourages the development of backward linkage industries, fosters innovation, and drives broader economic progress. Bangladesh has already achieved self-sufficiency in meeting local demand, opening the door for a new phase centred on exports. With targeted incentives and strong infrastructure, mobile phone manufacturing can follow in the footsteps of the readymade garment (RMG) sector. Just as garments have become a global success story, mobile phones have the potential to do the same—fueling exports, creating employment, and placing Bangladesh firmly on the global tech map.

Key challenges

Despite the growth and potential, the industry is facing several serious challenges that threaten its momentum.

First, the grey market has emerged as the most critical threat to fair competition. With over 40 percent of mobile devices entering the country through illegal channels, compliant businesses are struggling to compete. This not only results in a significant revenue loss for the government but also undermines the confidence of legitimate investors and players in the ecosystem.

Second, inconsistent policies are driving up the total tax burden on officially manufactured devices. As a result, products in official channels are becoming less price-competitive, pushing consumers toward unofficial alternatives. Additionally, there is currently no clear policy for the manufacture of the AIoT devices, leaving a significant gap in a rapidly evolving segment.

Third, 4G adoption in Bangladesh remains slow despite the presence of adequate infrastructure. Factors like poor network quality, limited digital literacy, and costly data hinder usage, especially in rural areas.

Finally, Bangladesh lags behind in leveraging the global manufacturing shift, focusing mainly on local demand amidst the absence of export-driven policies and infrastructure to compete internationally.

What needs to be done

To move forward, a few focused policy actions are essential. Neighbouring countries like India and Pakistan are gradually reducing total taxation to support their mobile industries, while in Bangladesh, the tax burden continues to rise. This imbalance needs to be addressed with a more balanced and competitive tax structure to ensure the sustainability of our market.

Additionally, a solid, well-defined policy is urgently needed for the expansion of the manufacturing of the AIoT devices and mobile accessories. This will be crucial for unlocking growth in this emerging segment and attracting investment.

Most importantly, the government must introduce a comprehensive export-oriented policy, supported by the necessary logistics, infrastructure, and long-term vision to help the industry scale globally.

To control the grey market, the National Equipment Identity Register (NEIR) system must be activated without further delay. This will help enforce market discipline, protect legitimate businesses from unfair competition, and significantly boost revenue generation for the government.

With the right reforms and a shared vision, Bangladesh's mobile phone industry has the potential to become a key pillar of the national economy by driving innovation, boosting exports, and enabling sustainable growth for years to come.

The writer is CEO of ISMARTU Technology BD Limited and vice president of Mobile Phone Industry Owners' Association

US importers race to create bonded warehouses amid Trump tariffs

REUTERS, London/New York

Companies importing goods into the United States from China are rushing to convert warehouses into facilities that are exempt from President Donald Trump's tariffs until they are ready to sell the merchandise.

The US has more than 1,700 bonded warehouses, facilities where imported goods can be held without immediate payment of customs duties such as tariffs, currently 30 percent for shipments from China. Such fees are only paid when the goods leave the bonded warehouse, allowing businesses to manage funds more effectively at a time of extreme trade policy volatility.

The rush to bond US warehouses for goods ranging from clothing to auto parts is a bet for some that raised US tariffs will be only a short-term policy by the Trump administration.

Due to Trump's tariff war, many of these bonded warehouses are now at full capacity, and prices for space in them have skyrocketed, four industry sources told Reuters, prompting companies to apply to US Customs and Border Protection to expand bonded space.

Utah-based fulfillment firm LVK Logistics, for instance, is in the process of making one of its warehouses bonded "in response to the tariffs," CEO Maggie Barnett told Reuters, adding she expects the process to take three to four months.

"You can bond more or less anywhere," said Chris Rogers, who manages the supply chain research team at consultancy S&P Global Market Intelligence. "It involves money and it takes time, but if you are a big company and expect tariffs are going to remain elevated for an extended period, you can convert (existing) spaces into bonded warehousing."

Other companies and logistics firms are seeing their applications with the CBP backlogged in some cases by over six months, said Chris Huwaldt, vice president of solutions at WarehouseQuote, a logistics research firm. Last year, the process would have taken a couple of months, he added.

Huwaldt said getting storage space certified as bonded "could cost thousands of dollars or it could cost six figures," depending on the state the warehouse is based in, the

financial status of the company and the additional security measures required by the CBP for a specific location.

Trump's on-again, off-again tariff policy - which pushed duties on Chinese goods to as much as 145

percent in April before lowering them - makes the flexibility afforded by bonded warehouses appealing to companies.

"A lot of companies importing from China - not just China-based, but US importers as well - are taking

advantage of bonded warehouses to assist with cash flow," said Cindy Allen, shipping consultant at Trade Force Multiplier and a former FedEx Logistics executive.

"It doesn't necessarily save them money as the tariffs have to be paid when the goods are withdrawn from the warehouse. But it allows companies to pay duties in smaller increments as they are sold," she said.

The CBP said it has noticed an increased interest in the use of bonded warehouses for continued compliance with new regulations and executive orders.

The White House did not immediately respond to a request for comment.

In early 2024, bonded storage space was rented at approximately twice the cost of standard storage rates, but since the start of 2025, it has risen to four times the price to rent non-bonded space, according to WarehouseQuote data.

"This rush to bonded warehouses to ease cash flow is unprecedented," Allen said.

During the first Trump administration, many companies simply accepted the levies on China.

But this meant firms paid more over a prolonged period of time while also being forced to invest in alternative sources to China. Importers "don't want to repeat the past mistakes," Allen said.

Setting up new bonded warehouses could be risky, because the United States may go back to higher tariffs once its 90-day reprieve ends.

Vladimir Durshpek, cofounder of Venice, Florida-based warehousing and storage company CargoNest, said he is weighing adding a third bonded warehouse to his assets until US tariff negotiations are completed.

"What we don't want to do is rush into providing more capacity, and then things change," he said.

Fremont, California-based storage company DCL Logistics has not made definitive plans for bonded space because "it's unclear if the demand will stay this high," Chief Revenue Officer Brian Tu said.

"By the time a lot of warehouses would be able to achieve bonded status right now, these additional tariffs might be gone, and the demand for bonded space might not be there," said Jacob Roseborough, director of marketing at WarehouseQuote.



A general view of CargoNest's bonded shipping container yard, where the company manages supply chain operations, in Florida, US on May 20. The US has more than 1,700 bonded warehouses, facilities where imported goods can be held without immediate payment of customs duties such as tariffs.

PHOTO: REUTERS