Yunus calls for faster infrastructure development of Matarbari

STAR BUSINESS REPORT

Prof Muhammad Yunus

Chief Adviser Prof Muhammad Yunus has called for the rapid development of key infrastructure in the Matarbari region to transform the coastal zone into Bangladesh's premier manufacturing and export-oriented free trade hub.

At a high-level meeting at State Guest House Jamuna in Dhaka on Monday, he reviewed the progress of the Moheshkhali-Matarbari Integrated Infrastructure Development Initiative (MIDI), according to a statement.

Envisioned in 2014, the MIDI has been jointly undertaken by Bangladesh and Japan to transform around 20,400 acres of land in the Moheshkhali-Matarbari region into a strategic economic corridor, integrating logistics, energy, and industrial development.

Sarwar Alam, director general of the MIDI Cell, which is driving the initiative some 350 kilometres southeast of the capital Dhaka, presented an overview of ongoing projects.

"Matarbari is envisioned as the country's largest hub for ports, logistics, manufacturing, and energy. To realise this vision, we must attract substantial foreign investment," said Prof Yunus.

He stressed the importance of a coordinated master plan to facilitate such investments and noted growing international interest in the region's strategic sectors.

The chief adviser directed the road transport and shipping secretaries to expedite the construction of road networks linking the MIDI region to other parts of the country.

He also emphasised the need to build terminals capable of accommodating large ocean-going container vessels.

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In addition, the chief adviser underlined the necessity of urban development in the area, calling for a planned city to support the anticipated workforce for industries expected to emerge in the free trade zone.

Prof Yunus is scheduled to highlight the development of the MIDI region during an official visit to Japan starting May 28.

He is set to attend the 30th Nikkei Forum on the Future of Asia in Tokyo and hold bilateral talks with Japanese Prime Minister Shigeru Ishiba on May 30 to secure funding for key projects.

The meeting also disclosed that Japan plans to set up its second exclusive Japanese economic zone in the MIDI region. The first, in Araihazar of Narayanganj, has already attracted significant foreign investment.

Several global companies, including Saudi petrochemical giant Aramco, Abu Dhabi Ports, Saudi port operator Red Sea Gateway, Japanese power producer JERA, and Malaysian petrochemical firm Petronas, have expressed interest in investing in the region.

In a major development, Dhaka recently signed a deal with Japan's Penta-Ocean Construction Co Ltd and TOA Corporation to build Bangladesh's first deep-sea port at Matarbari.

The project, supported by the Japan International Cooperation Agency (JICA), is a flagship component of the MIDI.

The meeting was chaired by Principal Secretary Md Siraj Uddin Miah and attended by SDG Principal Coordinator Lamiya Morshed, alongside secretaries from the ministries of road transport, shipping, energy, power, and local government.

Regulator to cap SIM card ownership at 10 per user

67 lakh SIM cards may be disabled

As of March 2025, the country had over 18.62 crore active SIM cards, while the number of unique registered users stood at 6.75 crore.
PHOTO: STAR/FILE

MAHMUDUL HASAN

The Bangladesh Telecommunication Regulatory Commission (BTRC) has decided to reduce the maximum number of SIM cards a user can register under their name from 15 to 10.

As a result of this change, approximately 67 lakh SIM cards registered under 26 lakh users who currently exceed the new limit will be disabled.

This decision was made during a BTRC meeting on May 19 and has already been sent to the Ministry of Posts and Telecommunications for final approval.

According to the telecom regulator, the decision is based on four key reasons: prevention of criminal activities, mitigation of fraudulent activities, customer protection and data privacy, and ensuring national security.

Before taking this step, the commission conducted an internal review, which found that most users do not require so many SIM cards. The review considered issues of national security, unhealthy competition among operators, and international best practices before concluding that a limit of 10 SIM cards per user was appropriate.

The BTRC introduced the initial cap of 15 in 2017 and updated the registration process in 2022 while keeping the number unchanged.

As of March 2025, the country had over 18.62 crore active SIM cards, while the number of unique registered users stood at 6.75 crore. This means numerous SIM cards are registered under the names of individuals other than their actual users.

The decision is based on four reasons: prevention of criminal activities, mitigation of fraudulent activities, customer protection and data privacy, and ensuring national security

According to BTRC data, 80.32 percent of registered users have five or fewer SIM cards, while 16.23 percent hold 6 to 10. Only 3.45 percent of users possess 11 to 15.

The BTRC analysed the usage patterns of five individuals, each of whom had 15 SIM cards registered under their name from three mobile operators.

The findings revealed that these users typically kept only five to six SIM cards active at a time.

The commission concluded that allowing up to 15 SIM cards had incentivised operators to engage in unscrupulous competition, leading to large numbers of unused or redundant SIM cards in circulation.

Its analysis also revealed a worrying pattern: the same user often registers multiple SIM cards in a single day—an indicator of possible fraud or misuse. Some dishonest retailers were found to be storing fingerprints and using them to illegally register extra SIM cards, posing a risk to data privacy and national security.

The BTRC also reviewed SIM card ownership policies in neighbouring countries. In India, the cap is 9 per user. Pakistan allows 5, the Maldives 10, and Indonesia only 3. Sri Lanka and Bhutan, however, do not have specific limits.

In Thailand, the cap is 5 per user; South Korea 5; and Russia 20. However, the United Kingdom, Japan, and China haven't specified any limits.

Shahed Alam, Robi's chief corporate affairs officer, said the limit of 15 SIM cards was set for valid reasons, including the growing need for SIMs in IoT devices and social realities such as women's limited access to registration centres.

"Such decisions should involve consultation so that a consumer-friendly policy can be adopted," he said.

Can Bangladesh navigate the US tariff trap?

M SHAHRIAR AZAD BHUIYAN

The announcement of steep tariff hikes by the United States under its new trade posture—currently on a 90-day pause—has sent ripples across global markets. For Bangladesh, the stakes are especially high. The readymade garment (RMG) sector, which accounts for more than 84 percent of national export earnings and employs over four million workers, faces a new wave of uncertainty. Since the US is Bangladesh's single largest RMG export destination, purchasing over $6.8 billion worth of apparel in fiscal year 2023-24, the proposed tariff regime poses real challenges.

At the heart of this development is the US shift toward "reciprocal tariffs", a policy designed to match the duties American goods face abroad. While initially aimed at China, the new tariff expansion now covers apparel from key manufacturing hubs, including Bangladesh, Vietnam, and India. For Bangladesh, the impact is striking—tariffs on cotton-based garments have surged to 37 percent, up from 15.2 percent, while synthetic garments—an area where Bangladesh is still building its capacity—now face a 9 percent duty.

The immediate risk is clear—a loss of price competitiveness in the US market. Bangladesh's exports are dominated by low-cost cotton garments such as T-shirts, trousers, and knitwear. With higher tariffs, American buyers may pass on the extra costs to consumers, reduce order volumes, or shift sourcing to other countries. Vietnam, with its diversified and higher-end apparel portfolio, particularly in synthetic and man-made fibre (MMF) garments, may weather the tariff storm more effectively and could even capture some market share. In a tariff war, the vulnerabilities show up more in the low-cost end, where margins are razor-thin.

Despite the gloomy headlines, Bangladesh's strength in fast fashion and affordable apparel can still help cushion the blow, especially given the fact that inflation in the US is projected to climb from 2.8 percent to around 4 percent. History offers some comfort—after the 2008 global financial crisis, Bangladesh's RMG exports to the US jumped by over 44 percent in 2010-11, as cost-conscious American consumers sought out budget-friendly clothing. However, global competition has evolved. Buyers today are increasingly shifting toward synthetic, functional, and sustainable fabrics—areas where Bangladesh still lags behind competitors. Without bold adaptation, Bangladesh risks ceding ground not just to Vietnam but also to emerging players across Asia.

Strategic responses and the road ahead

One promising path lies in negotiating stronger trade ties through targeted imports. Currently, only about 9 percent of Bangladesh's cotton is sourced from the US, with most coming from Brazil, India, and West Africa. By increasing US cotton imports, Bangladesh could build goodwill with American policymakers and strengthen its case for tariff relief. Moreover, marketing products under a "Made with US Cotton" label may resonate positively with American consumers and trade officials alike.

Diversification is equally critical. Geographically, Bangladesh needs to push harder into markets in Asia, Latin America, and Africa to reduce its reliance on the US. Product-wise, moving up the value chain into MMF, sportswear, and sustainable apparel will be essential. This requires focused investment in synthetic and recycled fabric capabilities, allowing Bangladesh to meet shifting global demands and strengthen its supply chain resilience.

The ripple effects of tariffs also extend into Bangladesh's financial and manufacturing ecosystems. Many listed textile and spinning mills are deeply exposed to US orders, and sustained tariffs could compress their margins, forcing production cuts and dampening earnings. Already, textile stocks on the Dhaka and Chittagong exchanges are lagging behind. The knock-on effects are likely to be felt by accessory makers, dyeing units, and even banks with large RMG loan portfolios. A sudden drop in orders could strain loan repayments, potentially adding stress to an already cautious banking sector.

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Sri Lanka begins privatisation

AFP, COLOMBO

Sri Lanka's leftist government said Tuesday it was selling a failed hotel project, marking its first privatisation move in line with an IMF bailout.

Government spokesperson Nalinda Jayatissa said the cabinet had agreed to revive the previous administration's stalled process "of disposing of shares in Canwill", a fully state-owned company established in 2011 to operate hotels.

The sale of Canwill marks the first major privatisation under the government of President Anura Kumara Dissanayake, a self-avowed Marxist.

Jayatissa told reporters the government had decided to retain Deloitte, a leading professional services firm, to manage the sale.

The government said Canwill, with an issued capital of $61 million, needed at least another $120 million to complete its 47-storey, partially built, 458-room beachfront hotel in Colombo.

With no prospect of raising the capital to complete the project, the new administration decided to divest the asset instead.

The company also owns another beach property in the south of the island.

The International Monetary Fund, which extended Sri Lanka a $2.9 billion loan in early 2023 after the country defaulted on its $46 billion foreign debt in April 2022, had urged reforms of loss-making state-owned enterprises.

Dissanayake had previously been reluctant to sell state assets, instead promising to revive unprofitable government-owned firms through improved management.

The International Monetary Fund had urged reforms of loss-making state-owned enterprises of Sri Lanka

However, since winning the presidency in September, Dissanayake has made a U-turn on his pledge to renegotiate the terms of the unpopular IMF bailout agreed by his predecessor.

He has retained the high taxes imposed by the previous administration and agreed to remove subsidies on fuel and electricity.

The IMF bailout programme requires the government to reform 52 state-owned enterprises that are straining the national budget.

Developing nations face 'tidal wave' of China debt: report

AFP, *Sydney*

The world's poorest nations face a "tidal wave of debt" as repayments to China hit record highs in 2025, an Australian think-tank warned in a new report Tuesday.

In this file photo, China's President Xi Jinping speaks at a press briefing at the Belt and Road Forum at the China National Convention Centre at the Yanqi Lake venue outside Beijing. China's Belt and Road Initiative lending spree of the 2010s has paid for shipping ports, railways, roads and more from the deserts of Africa to the tropical South Pacific.
PHOTO: AFP/FILE

China's Belt and Road Initiative lending spree of the 2010s has paid for shipping ports, railways, roads and more from the deserts of Africa to the tropical South Pacific.

But new lending is drying up, according to Australia's Lowy Institute, and is now outweighed by the debts that developing countries must pay back.

"Developing countries are grappling with a tidal wave of debt repayments and interest costs to China," researcher Riley Duke said.

"Now, and for the rest of this decade, China will be more debt collector than banker to the developing world."

Beijing's foreign ministry said it was "not aware of the specifics" of the report but that "China's investment and financing cooperation with developing countries abides by international conventions".

Ministry spokeswoman Mao Ning said "a small number of countries" sought to blame Beijing for miring developing nations in debt but that "falsehoods cannot cover up the truth".

The Lowy Institute sifted through World Bank data to calculate developing nations' repayment obligations.

It found that the poorest 75 countries were set to make "record high debt repayments" to China in 2025 of a combined US$22 billion.

"As a result, China's net lending position has shifted rapidly," Duke said.

"Moving from being a net provider of financing – where it lent more than it received in repayments – to a net drain, with repayments now exceeding loan disbursements."

Paying off debts was starting to jeopardise spending on hospitals, schools, and climate change, the Lowy report found.