Import containers pile up at Ctg port for poor Eid deliveries

DWAIPAYAN BARUA, *Ctg*

Containers packed with imports are starting to pile up at the Chattogram port due to a drastic drop in the delivery of goods, as factories and vehicles are yet to resume running in full swing amidst the Eid-ul-Azha holidays.

Port users are apprehensive of acute congestion as the volume of goods handed over to consignees each day may not rise until most factories and related offices reopen on Sunday.

The volume of daily deliveries and transfers of import containers started to fall on the day prior to Eid, which was on June 7.

On June 6, the port saw the clearance of only 521 TEUs (twenty-foot equivalent units) of import containers, which were either transferred to different private inland container depots (ICDs) or had their goods handed over to the recipients.

On an average day, the port usually witnesses the delivery of around 4,500 TEUs.

Though the country's premier seaport has remained open during these Eid holidays, except for several hours on Eid day, the expected benefits in container deliveries did not materialise.

Not a single container was delivered on Eid day. And on the following days, the deliveries did not pick up.

Only 437 TEUs of import containers were delivered and transferred in the 24 hours since the morning of June 8. It was 1,381 TEUs and 1,787 TEUs on June 9 and June 10, respectively.

Meanwhile, a long queue of incoming container vessels had formed at the outer anchorage of the port following Eid day. The scenario has improved remarkably in the last two days.

On Monday, the number of vessels waiting to berth reached 20. The figure, however, dropped to nine yesterday.

Port users are apprehensive of acute congestion as the volume of goods handed over to consignees each day may not rise until most factories and related offices reopen on Sunday. PHOTO: STAR/FILE

Berth operators said vessels' stay time at jetties increased by a day due to the low number of container deliveries and transfers since June 6.

Officials of the firm running New Mooring Container Terminal (NCT) said they tried to get the vessels to depart within 48 hours in the last few days, and it helped reduce the number of vessels waiting for berth.

Most vessels, however, had to wait anywhere from three to six days to get berths.

Sol Resilience, a vessel carrying 1,099 TEUs of import containers and arriving at the outer anchorage from Colombo on June 4, got berth yesterday after waiting for six days.

Nazmul Hoque, executive director of Saif Powertec Ltd, the operator of NCT, said the port actually started to face an acute container backlog since mid-May.

This was due to a daylong strike observed by prime mover drivers and a weeklong pen-down programme afterwards by customs officials, he said.

Before those container backlogs could be fully addressed, the weeklong Eid holidays began, he said.

Port data show that a total of 40,661 TEUs of containers were lying at the port yards till yesterday, occupying around 76 percent of the space available.

The port has a capacity to store up to 53,518 TEUs of containers.

Khairul Alam Suzan, a top official of the Bangladesh Freight Forwarders Association, said daily deliveries were yet to gain momentum as most factories and related offices like banks were still closed.

He feared that the situation may deteriorate in the next few days, since most of the factories and offices would remain shut till June 14.

High inflation, weak demand: what's really wrong?

MASUD KHAN

For nearly two years, the Bangladesh Bank has pursued a tight monetary policy to curb inflation. Policy rates have risen, private sector credit growth has slowed, and liquidity has been restricted. The aim has been to reduce aggregate demand and bring inflation down to the target of 6.5 percent. Yet inflation remains stubbornly high, hovering around 9–10 percent. This raises a critical question: is inflation being driven by excessive demand, or by deeper structural and policy-related constraints?

In Western economies, contractionary monetary policy works more effectively because of the population's reliance on credit. Rising interest rates increase mortgage and loan payments, quickly reducing disposable income and consumption. But Bangladesh is not a credit-dependent society. Most consumption is cash-based, and household debt levels, particularly mortgage debt, are low. This weakens the transmission of interest rate hikes to household spending.

Indeed, private sector credit growth has fallen to about 7 percent, a sharp drop from the pre-pandemic average of 14–15 percent, yet inflation has barely budged. This mismatch suggests the problem lies less with excess demand and more with structural and policy-induced supply constraints.

Initially, inflation rose due to external shocks: global commodity prices surged following the pandemic and the Ukraine war, while the taka depreciated by over 30 percent, raising import costs. But these pressures have largely eased. Commodity prices have declined to multi-year lows, and the exchange rate has stabilised. Yet inflation remains high -- indicating that domestic structural issues are now the dominant driver.

One key factor is the fragility of Bangladesh's agricultural supply chain. The lack of cold storage and poor rural logistics leads to large post-harvest losses. Farmers are often forced to sell perishable vegetables at distress prices, while consumers pay inflated rates. This inefficiency results in high prices even when harvests are abundant.

A recent Daily Star report supports this view, noting that while rice farmers benefit from more stable procurement systems, vegetable growers are exploited by layers of middlemen. The gap between farmgate and retail prices is often massive -- not due to scarcity, but due to weak value chains and poor price transmission.

Additionally, fiscal policy plays a significant but under-discussed role in sustaining inflation. Import duties in Bangladesh are often calculated on a "tariff value" set by the government, which is frequently higher than the actual international transaction price. This raises both duties and VAT, artificially inflating the cost of imported goods. On top of this, the "minimum tax" provision, where advance income tax and tax deducted at source become the final tax liability regardless of actual profit, raises the cost of doing business, creating a cost-push effect on inflation.

The government's heavy bank borrowing to finance fiscal deficits is another concern. It crowds out private investment and puts upward pressure on interest rates, while doing little to address supply bottlenecks. As a result, the overall policy mix has failed to ease inflationary pressures.

Yes, there are pockets of demand-led inflation, in urban housing or certain services, but they are not broad-based enough to explain persistent high inflation. In fact, inflation has already eroded consumer purchasing power, dampened investment, and held back economic activity. If inflation were demand-driven, these conditions would have brought it down. They haven't, because the core problem lies elsewhere.

This paradox of weak demand alongside high inflation points clearly to structural dysfunction. Fixing it requires more than adjusting interest rates.

A coordinated strategy is urgently needed, including investment in cold storage and rural transport infrastructure, reforms to break syndicate control over agricultural markets, better price discovery tools to empower farmers and fiscal reforms that remove distortions in import valuation and tax treatment.

Unless these root causes are addressed, inflation will remain entrenched. The solution lies not only in policy rates, but in fixing the broken links between farms and kitchen tables.

The writer is the chairman of Unilever Consumer Care Limited.

Janata Bank reports massive Tk 3,066cr loss in 2024

STAR BUSINESS REPORT

Janata Bank PLC plunged into massive losses in 2024 as its net interest income dropped significantly.

The state-run bank posted a loss of Tk 3,066 crore in 2024, marking a sharp reversal from a profit of Tk 62 crore in the previous year.

Its loss per share stood at Tk 132.51, compared to earnings per share of Tk 2.68 in 2023, according to the state-run lender's financial statements.

The bank's net interest loss amounted to Tk 3,042 crore last year, a steep fall from net interest income of Tk 282.32 crore in 2023.

Its net operating cash flow per share also dropped significantly, reaching negative Tk 102.87, down from negative Tk 31.21 in the same period a year ago.

In light of the financial performance, the bank's board has declared no dividend for the year.

Founded in 1972, Janata Bank was corporatised as Janata Bank PLC on November 15, 2007.

It is the second-largest commercial bank in the country by deposits and assets, according to its website.

Vietnam talks to Gap, Levi Strauss to head off Trump tariffs

AFP, *Hanoi*

Vietnam has sought to enlist major US garment companies including Gap and Levi Strauss as it tries to head off President Donald Trump's threatened 46 percent trade tariff.

The country, a major producer of clothing and footwear for international brands, has the third-biggest trade surplus with the United States after China and Mexico, making it a target for Trump's "Liberation Day" tariff blitz in April.

Officials have been locked in talks with their US counterparts to avoid being hit, seeking support from American tech giants and signing agriculture deals with Washington to ease the problem.

On a visit to the United States, Vietnam's minister of industry and trade Nguyen Hong Dien on Monday met leaders from the American Apparel and Footwear Association (AAFA) and leading brands Gap, Levi Strauss, and Under Armour.

The United States was Vietnam's number one export market with $57 billion in the first five months of 2025 -- up from $44 billion over the same period a year ago.

Textiles and footwear were among the leading products sent to American clients.

A trade ministry statement posted online late Tuesday said Dien wanted to cement Vietnam's willingness "to be a reliable partner in the global supply chain".

"Cooperation with Vietnam will bring long-term strategic benefits

Vietnam, a major producer of clothing and footwear for international brands, has the third-biggest trade surplus with the United States after China and Mexico

and contribute to improving the trade balance in a fair, harmonious and sustainable direction between the two countries," he was quoted as saying.

Dien also met Jeffrey Perlman, the head of Warburg Pincus Investment Fund, the statement said.

When announcing his raft of levies in April, Trump claimed Vietnam charged the United States a 90 percent tariff, which was based on Hanoi's trade surplus of $123.5 billion last year.

His administration also appeared particularly angry about what it sees as the Asian nation's role in attempts to get around tariffs imposed on China.

But given Vietnam's vital role in global supply chains, many parties -- including US companies in the country -- have urged the White House to walk back the tariffs.

Vietnamese and US trade negotiators held their latest round of talks in Paris last week, and are scheduled to meet again in the next few days.

Hanoi last week signed several agreements worth up to $3 billion of agricultural products and other raw materials from the United States as it sought to rebalance their trading partnership.

Trump's real estate group also broke ground last month on a $1.5 billion luxury golf resort in Vietnam, while his son Eric has been scouting locations for a potential tower project in Ho Chi Minh City, the country's southern business hub.

Inditex shares drop as sales disappoint

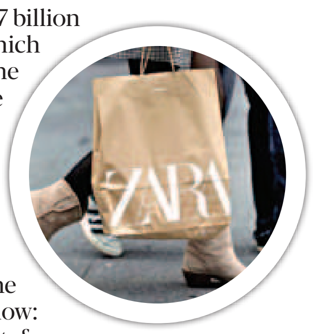
AFP, *Madrid*

Shares in Zara owner Inditex fell Wednesday after the world's biggest fashion retailer posted disappointing first quarter sales as concerns mount over US President Donald Trump's trade war.

The Spanish group -- whose other brands include Massimo Dutti, Bershka and Pull&Bear -- posted a profit after tax of 1.3 billion euros ($1.1 billion) for the three-month period ending April 30, up 0.8 percent from a year ago.

It was a new record for the first quarter and in line with the average forecast by analysts surveyed by the FactSet financial data firm.

But the pace was slower than that which Inditex has been used to in recent years since the end of the Covid crisis.



Sales grew 1.5 percent to 8.27 billion euros over the same period, which is typically a slower time of the year for the sector. The figure was lower than the 8.37 billion euros forecast by FactSet.

"Sales are slowing more than expected," analysts at Bankinter said in a note, describing the results as "soft".

Sales in the start of the second quarter remained slow: They increased by six percent from May 1 to June 19, down from 12 percent growth in the same period a year ago.

"Inditex missed operational forecasts," said Renta4 analyst Ivan San Felix.

Inditex did not give a reason for the slower sales growth, saying in a statement it had posted a "solid operational performance led by the creativity of our teams and the strong execution of the fully integrated business model".

Shares in Inditex fell 3.25 percent in late morning trade to 47.61 euros. The Ibex-35 index of most traded Spanish shares was down just 0.37 percent.

Countries and companies around the world have had to navigate Trump's tariffs onslaught, which he launched on April 2.

The US president has imposed 10 percent tariffs on goods imported from around the world, and threatened to hit the European Union and dozens of other countries with even higher duties in July.

US, China agree on trade 'framework' after high-level talks

AFP, *London*

Top officials from the United States and China said Tuesday that they had agreed on a "framework" to move forward on trade, following two days of high-level talks in London to resolve tensions.

US Commerce Secretary Howard Lutnick expressed optimism after a full day of negotiations that concerns surrounding rare earth minerals and magnets "will be resolved" eventually, as the deal is implemented.

But this framework will first need to be approved by leaders in Washington and Beijing, officials said, at the end of meetings at the British capital's historic Lancaster House.

All eyes were on the outcomes of negotiations as both sides tried to overcome an impasse over export restrictions. US officials earlier accused Beijing of slow-walking approvals for shipments of rare earths.

The world's two biggest economies were also seeking a longer-lasting truce in their escalating tariffs war, with levies currently only temporarily on hold.

"We're moving as quickly as we can," US Trade Representative Jamieson Greer told reporters.

***Left to right,* US Trade Representative Jamieson Greer, US Secretary of Commerce Howard Lutnick, US Secretary of Treasury Scott Bessent, Chinese Vice Premier He Lifeng, Chinese Commerce Minister Wang Wentao, and Chinese International Trade Representative and Vice Minister of Commerce Li Chenggang, pose for a photo during trade discussions at the Lancaster House in London on June 9.** PHOTO: AFP

"We would very much like to find an agreement that makes sense for both countries," he added, noting that the relationship was complex.

"We feel positive about engaging with the Chinese," he maintained.

Speaking separately to reporters, China International Trade Representative Li Chenggang said: "Our communication has been very professional, rational, in-depth and candid."

Li expressed hope that progress made in London would help to boost trust on both sides.

US Treasury Secretary Scott Bessent earlier described the closely-watched trade talks as productive, although scheduling conflicts prompted his departure from London with negotiations still ongoing.

Bessent, who led the US delegation with Lutnick and Greer, left early to return to Washington for testimony before Congress, a US official told AFP.

Chinese Vice Premier He Lifeng headed his country's team in London, which included Li and Commerce Minister Wang Wentao.

Both sides do not yet have another gathering scheduled.

But Lutnick said Tuesday that US measures imposed when rare earths "were not coming" would likely be relaxed once Beijing moved forward with more license approvals.

Global stock markets were on edge, but Wall Street's major indexes climbed on hopes for progress earlier Tuesday.

The London negotiations follow talks in Geneva last month, which saw a temporary agreement to lower tariffs.

This time, China's exports of rare earth minerals -- used in a range of things including smartphones, electric vehicle batteries and green technology -- were a key issue on the agenda.