

CPA prepares to run new mooring terminal with final nod pending

DWAIPAYAN BARUA, *Atg*

The Chittagong Port Authority (CPA) is preparing to take over the New Mooring Container Terminal (NCT) for now, as the current contract with private operator Saif Powertec Ltd is set to expire on July 6.

The CPA yesterday floated an open tender to buy tractor-trailers with prime movers for NCT operations.

The tender, issued by the office of the CPA's chief mechanical engineer, is set to close at noon on July 3.

On June 18, a meeting at the Ministry of Shipping agreed in principle to hand over the operations of the port's largest terminal to the CPA. Following this, the port authority sought final approval from the government through the ministry.

However, the CPA is yet to receive any written confirmation, said its Secretary Md Omar Faruk.

"In the meantime, we are making all necessary internal preparations to operate the terminal for at least six months," he told The Daily Star yesterday.

"CPA is capable of arranging everything required for the job if the ministry gives the nod," added Faruk.

Saif Powertec has been running the NCT since 2015, after being awarded the contract through direct tender.

The interim government has recently been in talks with UAE-based port operator DP World over a potential agreement to run the terminal. The initiative, which originated during the previous Awami League government, has faced opposition from major political parties.

Meanwhile, port users said that uninterrupted operations and performance at the terminal must be ensured, regardless of who takes over.

Mohammed Amirul Haque, chairman of Seacom Group, said port terminals should remain under the management of private firms.

Addressing concerns raised by political parties over potential threats to national supply chain security if the terminal were handed to foreign operators, he suggested an alternative approach.



Port users said uninterrupted operations and performance at the New Mooring Container Terminal must be maintained, regardless of who takes over.

PHOTO: STAR/FILE

"Foreign operators with modern technology could work in joint ventures with local partners to increase productivity," said Haque.

He recalled the dissolution of the Dock Workers Management Board and Staff Union in 2007. It enabled private berth operators to take over jetty and terminal operations. Haque now insists that the private operators should be selected through open tenders to ensure a fair and competitive process.

He also called for the appointment of capable professionals at the CPA who have technical expertise.

"Competent officials from the Bangladesh Navy are appointed in key top management posts of the CPA, but most of them cannot continue their job as they are transferred in a short period, which is a problem," said the businessman.

Syed M Arif, chairman of the Bangladesh Shipping Agents' Association, said, "We only want the current performance and productivity at NCT to be maintained and, if possible, it needs to be improved further."

Fazle Ekram Chowdhury, president of the Berth Operators, Ship-Handling Operators, and Terminal Operators' Owners' Association, said the CPA could manage the NCT on a temporary basis, adding that most container-handling equipment there is owned by the authority.

"They would only need some manpower and prime movers, which is not that difficult," he added.

Nurul Qayyum Khan, president of the Bangladesh Inland Container Depots Association, said private terminal operators often do not have the equipment found in inland container depots.

He advocated involving a foreign operator to enhance the NCT's efficiency and productivity.

Forex reserves highest since August 2023

STAR BUSINESS REPORT

Bangladesh's foreign exchange reserves hit \$22.24 billion on June 24, the highest since August 2023, boosting the country's capacity to pay import bills for over four months, as multilateral lenders released budget support funds for the government.

On Monday, the government signed a \$400 million loan agreement with the Asian Infrastructure Investment Bank as part of budget support.

Earlier, the World Bank announced that it would provide \$500 million, while the Asian Development Bank approved \$900 million in loans to help Bangladesh reform its banking sector and strengthen its resilience to the impacts of climate change.

Data released by Bangladesh Bank showed that foreign exchange reserves, calculated using the International Monetary Fund's method, rose to \$22.24 billion, up from \$21.38 billion on June 19.

Gross reserves also increased, reaching \$27.30 billion this evening from \$26.55 billion at the end of last week.

On April 30 this year, Bangladesh's foreign exchange reserves were \$22.04 billion.

Gold steadies

REUTERS

Gold steadied on Wednesday after falling in the previous session on improved risk appetite following a truce between Israel and Iran, while attention shifted to upcoming US economic data.

Spot gold was little changed at \$3,325.56 per ounce at 1045 GMT. On Tuesday, prices hit their lowest in over two weeks.

US gold futures were up 0.2 percent at \$3,339.30.

"De escalation of tension in the Middle East, and less need for safe-haven assets, was a reason for gold giving up earlier gains yesterday. Still, uncertainty about the future of Iran's nuclear program is likely to keep investors still preferring to hold some gold allocation," said Giovanni Staunovo, an analyst at UBS.

The ceasefire brokered by US President Donald Trump between Iran and Israel appeared to be holding on Wednesday, the day after both countries signalled that their air war had ended.

The dollar index struggled to regain lost ground as investors decided to take on more risk following the truce. A weaker dollar makes greenback-priced bullion more attractive for holders of other currencies.

Global central banks are eyeing a move away from the dollar into gold, the euro and China's yuan for their reserves amid geopolitical upheaval, a report showed.

Gold is seen as a safe haven during turmoil and tends to perform well in low interest rate environments.

The market's focus is now on first-quarter US GDP data due on Thursday, which will offer insights into the pace of economic growth. On Friday, attention turns to the closely watched Personal Consumption Expenditures (PCE) report, the Federal Reserve's preferred inflation gauge.

If the PCE data comes in on the lower side, the pressure on the Fed to cut rates will increase and help gold, Staunovo said.

Fed Chair Jerome Powell told members of Congress on Tuesday that higher tariffs could begin raising inflation this summer. Meanwhile, data showed US consumer confidence unexpectedly deteriorated in June.

REUTERS

US President Donald Trump said on Tuesday that China can continue to purchase Iranian oil after Israel and Iran agreed to a ceasefire, a move that the White House clarified did not indicate a relaxation of US sanctions.

"China can now continue to purchase oil from Iran. Hopefully, they will be purchasing plenty from the US, also," Trump said in a post on Truth Social, just days after he ordered US bombings of three Iranian nuclear sites.

Trump was drawing attention to no attempts by Iran so far to close the Strait of Hormuz to oil tankers, as a closure would have been hard for China, the world's top importer of Iranian oil, a senior White House official told Reuters.

The president continues to call on China and all countries to import our state-of-the-art oil rather than import Iranian oil in violation of US

sanctions," the official said.

After the ceasefire announcement, Trump's comments on China were another bearish signal for oil prices, which fell nearly 6 percent on Tuesday.

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Any relaxation of sanctions enforcement on Iran would mark a US policy shift after Trump said in February he was re-imposing maximum pressure on Iran, aiming to drive its oil exports to zero, over its nuclear program and funding of militants across the Middle East.

Trump imposed waves of Iran-related sanctions on several of China's

independent "teapot" refineries and port terminal operators for purchases of Iranian oil.

"President Trump's greenlight for China to keep buying Iranian oil reflects a return to lax enforcement standards," said Scott Modell, a former CIA officer, now CEO of Rapidan Energy Group.

In addition to not enforcing sanctions, Trump could suspend or waive sanctions imposed by executive order or under authorities a president is granted in laws passed by Congress.

Trump will likely not waive sanctions ahead of coming rounds of US-Iran nuclear talks, Modell said. The measures provide leverage given Tehran's demand that any deal includes lifting them permanently.

Jeremy Paner, a partner at law firm Hughes Hubbard & Reed, said if Trump chooses to suspend Iran oil-related sanctions, it would require lots of work between agencies.

Market access is the missing link for CMSMEs

SALEKEEN IBRAHIM

In Bangladesh, we cannot think of a holistic economy without attending to the CMSME sector. From rural artisans to urban tech start-ups, CMSMEs are everywhere, creating jobs, generating income, and driving inclusive growth. Over the past decade, it is evident that the Bangladesh Bank, along with private commercial banks, has made significant strides in improving access to finance. This effort continues to evolve.

However, alongside this remarkable journey towards greater financial inclusion, another crucial pillar for CMSMEs remains weak: access to markets and market information.

We must accept that even the finest product, with superior utility, can fail without access to the right market. Case studies of CMSME shutdowns across different timelines show a common cause: lack of access to local and global markets, and insufficient market knowledge. These enterprises didn't collapse due to product failure, but because no one knew about them. And they didn't know where or how to reach their market.

Imagine a farmer growing organic mangoes in Rajshahi. Thanks to government initiatives and the aggressive push by private banks, he secures a low-interest agri-loan to expand his farm. But the farmer is unaware of the rising demand for organic mangoes in Dubai or how to connect with an exporter. As a result, his produce fetches lower prices in the local market, and profits fall short of covering loan repayments. Despite having a viable product, the farmer exits the market early, saddled with bad debt, all due to poor market access.

Globally, many countries have devised innovative solutions to bridge this market access gap for CMSMEs. Vietnam's national e-commerce platform voso.vn, supported by Viettel Post, allows small businesses to list their products and reach wider audiences.

India's government e-marketplace (GeM) enables CMSMEs to sell directly to government buyers, doing away with middlemen and ensuring better prices. Malaysia's MATRADE helps SMEs identify overseas markets, offers export coaching, and hosts virtual trade fairs and buyer-seller events. These are not just ideas, they are functioning gateways to markets.

Bangladesh should consider establishing a national CMSME market intelligence hub, a one-stop digital platform offering real-time market trends, pricing data, consumer behaviour reports, and export-import insights. Information is vital in business; timely and relevant data empowers smarter decisions.

We can also develop a national digital platform where verified CMSMEs can showcase their products and services and connect directly with buyers, both local and international. Through the SME Foundation, district-level workshops and mobile booths could train entrepreneurs in market research, branding, digital marketing, and pricing. Educational video content should be widely accessible to improve market literacy.

In the longer term, a national MSME market development authority could be established to focus on market expansion, data collection, product certification, innovation scaling, and trade facilitation.

Like South Korea's "SME Specialisation Complexes", Bangladesh can create specialised clusters, like Bogura for agro-machinery and Khulna for handicrafts, equipped with logistics, e-commerce facilities, research and development, and market linkages. These clusters can be scaled up nationwide. A trade intelligence lab, in partnership with universities and think tanks, could provide sector-wise insights, demand forecasts, and competitor analyses, giving CMSMEs the edge they need in an increasingly competitive world.

Let us envision a Bangladesh where a village-based honey producer exports to Japan, where a young woman running a digital embroidery shop in Sylhet sells on Etsy. A Bangladesh where entrepreneurs not only grow their businesses, but also boost innovation, create jobs, and drive GDP growth.

Access to finance helped many CMSMEs stand up. Now, access to markets will help them run, grow, and lead. The sky is the limit for our SMEs.

The writer is a senior banker.

Made-in-China planes face bumpy flight abroad

REUTERS, Hong Kong

Chinese factories may be making most of the world's ships and electric cars, but one thing remains out of reach for them: passenger planes. State-owned Commercial Aircraft Corporation of China, or Comac, wants to sell its C919 single aisle jet to international airlines but is better placed to chip away at the dominance of Western rivals Boeing and Airbus in the People's Republic.

Challenging the duopoly is slow work. Comac's long-delayed C919 - meant to compete with the Airbus 320 and Boeing 737 - only completed its first commercial flight in 2023. The Chinese company previously said it was aiming for the European Union Aviation Safety Agency (EASA) to certify the plane this year - a crucial endorsement if Comac wants to sell it in other markets.

To date, the manufacturer has built less than two dozen C919s, and it is hoping to ramp up annual production to 200 by 2029. Still, that would be less than a third of Airbus' output last year. Moreover, the process of winning European certifications can take up to six years.

Any attempt by Beijing to use next month's summit celebrating 50 years of

diplomatic relations between the EU and the People's Republic to speed things up looks like it will be a hard sell even if President Xi Jinping's administration purchases Airbus planes as a sweetener. The bloc is already reeling from a surge of overall Chinese exports and the two sides

have a long list of thorny trade issues to tackle spanning electric vehicles, French cognac and rare earths.

There are other hurdles to Comac's journey West. The company depends on imported components, including the C919's engine, for instance. That makes



This file photo shows an aircraft of Commercial Aircraft Corp of China, the country's first domestically produced large passenger jet, before it was formally handed over to China Eastern Airlines.

it vulnerable to US President Donald Trump's export controls. Switching to domestic suppliers may also push back the EU certification process.

At least Comac has its home market, where the country's top airlines are all state-backed. In its Made in China 2025 policy document unveiled roughly a decade ago, the government laid out goals including having local manufacturers account for 10 percent of the domestic aircraft market by 2025 and even higher percentages for related equipment and components.

By 2044, China's domestic travel market will be the world's largest by traffic flow, Boeing estimated this month, and the country's commercial fleet will more than double to 9,755, equivalent to 19 percent of the total. That should help make up for what will be a fraught journey overseas.

European Union leaders will travel to China to meet their counterparts on July 24 and 25, news platform Politico reported on June 12, citing diplomatic sources.

China may conclude a deal to purchase up to 500 Airbus planes in July when European and Chinese leaders hold a summit in Beijing, Bloomberg reported on June 4, citing people familiar with the matter.

PHOTO: AFP/FILE