

## 5 MoUs to be signed during Pak ministers' visits

PORIMOL PALMA

Bangladesh and Pakistan will sign five memorandums of understanding (MoUs) during the visits of Pakistani Foreign Minister Ishaq Dar and Commerce Minister Jam Kamal Khan this week.

Khan will arrive in Dhaka tomorrow on a four-day visit, while Dar will arrive on August 23, marking the third ministerial visit from Pakistan to Bangladesh since the political changeover in August last year.

Earlier in July, Pakistan's Interior Minister Mohsin Naqvi visited Dhaka following the foreign secretary level consultation on April 17 by Bangladesh and Pakistan in Dhaka that took place after 15 years.

The last foreign ministerial-level visit to Bangladesh was in November 2012, when Hina Rabbani visited Dhaka to invite then-Prime Minister Sheikh Hasina to the D-8 summit in Islamabad.

The highlights of the visits will be the signing of five MoUs to boost bilateral relationship in the areas of

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Family members of the three teachers killed in the Milestone School and College jet crash meet Chief Adviser Prof Muhammad Yunus at the State Guest House Jamuna yesterday.

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## Distressed loans surge

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rescheduled loans to the defaulted loans.

Among the distressed assets, defaulted loans stood at Tk 345,765 crore, rescheduled loans at Tk 348,461 crore, and written-off loans Tk 62,300 crore.

The breakdown of distressed assets was unearthed in the Financial Stability Report 2024 by the Bangladesh Bank.

The central bank has revealed the distressed assets as part of the conditions agreed with the International Monetary Fund for the \$4.7 billion loan programme.

"This is a reflection of the massive irregularities and a lack of strict action against loan defaulters," said Moinul Islam, economist and a former professor at the Chittagong University.

Distressed loans will increase in future.

"The figure that is now being said has already crossed Tk 7 lakh crore, but it will increase further as around Tk 2.5 lakh crore is stuck in various cases in money loan courts, the High Court and the Supreme Court," he said.

Unless the top defaulters of the banking sector are tried in tribunals and the judicial process is expedited, there will be no way out.

"That is the reality," he added.

The sharp increase in bad loans in the banking sector indicates a decline in asset quality, likely caused by imprudent lending and weak oversight of loans and advances, said the Financial Stability Report 2024.

The sluggish pace of defaulted loan recovery has contributed to the piling up of distressed loans, it said.

The top 10 banks accounted for 74.87 percent of the defaulted loans.

## Influenza wave grips

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vulnerable groups such as the elderly and those with comorbidities, who should seek medical attention.

According to the World Health Organisation, seasonal influenza is an acute respiratory infection caused by influenza viruses. It spreads easily through droplets when people cough or sneeze, and most patients recover without specific treatment.

However, the illness can still significantly weaken and pose risks to patients belonging to high-risk groups.

Md Habib, a private job holder, has been tending to his wife and two children suffering from high fever and severe cough for almost 10 days.

"It started with my son," Habib said. Arhaan, a sixth-grader, returned home with a fever after attending school on August 10. "Many of his classmates were also down with fever."

As Arhaan's temperature spiked to 104 degrees on multiple occasions, the family tested him for dengue and chikungunya three days after he fell ill, but the results came back negative.

Three days after that, Habib's wife developed fever and body aches. The following day, their daughter, a first-grader, also came home from school with a high fever.

"I feared it might be dengue," Habib said. "Thankfully, none of them tested positive. But I still don't know what kind of fever this is -- it has left my wife and kids extremely weak. Now I'm worried I might catch it too."

Like them, thousands across Dhaka and beyond are experiencing similar symptoms as the country enters peak flu season. Dengue has compounded the crisis, with infections and deaths already surpassing last year's figures by a wide margin.

From January until August 18, 105 people have died and 26,758 have been hospitalised with dengue. In the same period last year, there were 74 deaths and 9,551 cases, DGHS data shows.

**INFLUENZA SPIKE**

The 19 hospitals where IEDCR and icddr,b conducted the surveillance study are: Medical college hospitals in Dhaka, Rajshahi, Cumilla, Khulna, Chattogram and Dinajpur; Jahurul Islam Medical College Hospital in Kishoreganj; Jalalabad Rabib Rabea Medical College Hospital in Sylhet; Sher-e-Bangla Medical College Hospital in Barishal; and district hospitals in Naogaon, Thakurgaon, Patuakhali, Satkhira, Narshingdi, Habiganj, Cox's Bazar, Joypurhat, Jashore and Gazipur.

Among 2,455 patients, who visited these hospitals with fever, cold and body aches in July, 1,453 tested positive for the flu.

## Logistics not yet ready for post-LDC graduation needs

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Distressed assets have increased sharply after the fall of the Awami League-led government in August last year as the party's affiliated businesspeople enjoyed different kinds of policy support, all of which are now suspended, said Bangladesh Bank officials.

Some Sharib-based banks controlled by the controversial business conglomerate S Alam Group and Bashundhara Group, defaulted heavily after the AL's fall, pushing the total distressed assets to an unprecedented level, they added.

Reputed companies are now facing trouble and are unable to repay bank loans due to the country's economic situation, said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

"These companies are now rescheduling their loans due to domestic and external economic pressures, which have pushed up distressed loans," said Mahbubur, also the former chairman of the Association of Bankers, Bangladesh.

The situation has arisen due to the overall slowdown of the economy.

The total distressed loans in the banking sector are hitting the capital adequacy ratio, he said.

The Financial Stability Report 2024 showed that the banking industry's Capital to Risk-weighted Asset Ratio (CRAR) declined by 8.56 percentage points and stood at 3.08 percent at the end of 2024.

He said efficiency today depends as much on information and digital tools as on physical infrastructure.

The private sector is already investing in warehouse automation and digital processes. But competitiveness also depends on national infrastructure -- ports, airports, waterways -- that require reform, selective privatisation, and better multimodal integration."

Rahman argued that LDC graduation should be seen not with fear, but as a reality check. "Whether Bangladesh graduates in 14 months or later, it will have to compete in a more open, rules-based system. What truly matters is having an integrated roadmap, tracking progress periodically, and ensuring accountability through continuous communication with stakeholders."

He called for stronger contingency planning. "If Chattogram Port is closed for two or three days, what is our way out? Global buyers are already asking this."

Rahman also underscored the importance of free trade agreements. "Several competing countries already benefit from FTAs with key markets, giving them a head start. Once GSP ends, Bangladesh will risk falling behind unless it strengthens logistics and actively pursues new trade deals."

He said the logistics reforms should be done smartly. "It is about sharpening our competitive edge. And logistics lies at the very heart of that transformation."

In his welcome remarks, Mahfuz Anam, editor and publisher of The Daily Star, said logistics will play a decisive role in determining Bangladesh's export competitiveness post-LDC graduation.

"Actually, we are going through a major viral outbreak, which is why so many people are coming down with fever. Influenza is now the most common cause. Both type A and type B are being detected in significant numbers."

Fazle Rabbi Chowdhury, associate professor at Bangladesh Medical University, said the country generally sees two major flu seasons -- March-April and August-September. "This year, after a brief lull following March-April, cases rose again and have yet to subside."

He said multiple viruses are spreading simultaneously, including dengue, chikungunya, Covid-19 and other respiratory viruses.

"Actually, we are going through a major viral outbreak, which is why so many people are coming down with fever. Influenza is now the most common cause. Both type A and type B are being detected in significant numbers."

Fazle Rabbi added that viral diseases are highly contagious and spread rapidly through coughing and sneezing, particularly in densely populated cities like Dhaka.

In public transport, on streets and in schools and colleges, the flu virus has spread swiftly among large groups.

About prevention, he said the guidance mirrors Covid-19: people, especially those with cold and cough, should wear masks, avoid crowded places, and follow hygiene rules to avoid spreading the virus.

He urged school authorities to tell guardians to keep children with fever, cold or cough at home for five days to reduce transmission. "But interpreting a consensus document or determining its validity does not fall under the court's

exports -- central to this conversation."

Syed M Tanvir, managing director of Pacific Jeans, flagged twin hurdles: bottlenecks in domestic logistics and strains in global supply chains.

He said lead time and transit time are now as critical as product cost in the RMG sector, but airport delays, customs hurdles, and poor coordination continue to erode competitiveness.

Tanvir called for a joint public-private study to identify inefficiencies and recommended automation and process improvements. Without action, Bangladesh risks falling further behind Vietnam and China, he warned.

"Logistics reform is about systems and execution -- not just infrastructure. The private sector is ready, but government support is essential," he said.

Ziaur Rahman, regional country manager at H&M, said the Dhaka-Chattogram highway currently allows an average speed of around 20 km/h.

### RECOMMENDATIONS

- 1 Draft 30-year logistics master plan, then implement it
- 2 Prepare roadmap and track progress
- 3 Form interministerial panel to address logistics issues
- 4 Prioritise implementation of port related projects
- 5 Ensure, strengthen multimodal transport
- 6 Involve global terminal operators
- 7 Build bonded transit warehouses
- 8 Digitalise, modernise customs

"Regarding smart logistics, if we reduce inefficiencies, costs will naturally fall. But beyond automation and paperless systems, we first need to address basic issues."

For example, if it takes 18 hours to move product from Dhaka to Chattogram, it would be more valuable to reduce that time to 6-8 hours than to introduce paperless systems, he said.

"Time is money."

He said waterways are also underused. Chattogram port remains congested while Mongla is underutilised, not just due to infrastructure, but also because of policy.

He said the problem isn't technology, but people and processes, with poorly aligned systems. Unlike Singapore, India, and Sri Lanka, Bangladesh's logistics suffer from

jurisdiction."

He added that tasking the Appellate Division with interpreting the July Charter would "create many complications".

Also yesterday, BNP Secretary General Mirza Fakhrul Islam Alamgir said his party will not accept a proportional representation (PR) system of election, as "people of Bangladesh are not familiar with it."

"The people do not know or understand it," he told reporters at Hazrat Shahjalal International Airport after returning home from Thailand.

The PR is an electoral system in which seats in a legislative body are allocated in close proportion to the share of votes

weak public private coordination.

"Logistics is no longer a secondary issue -- it's central to Bangladesh's economic transformation," said M Asrur Reaz, chairman and CEO of Policy Exchange Bangladesh.

Reaz emphasised the urgent need for logistics reform to secure long term competitiveness. "The Trump-era tariffs and EU compliance requirements like the Green Deal are reshaping global value chains. Without logistics reform, we won't cope with these structural shifts."

He pointed to Bangladesh's poor global rankings: 88th on the World Bank's Logistics Performance Index, 334th for Chattogram Port in the Container Port Performance Index, and 176th in the former Trading Across Borders index. "We're falling behind competitors like India and Vietnam. These impact foreign direct investment, exports, and trade capacity."

Reaz noted that logistics, which spans over 22 subsectors, has been neglected for decades. Although the National Logistics Policy (2024) was a major step, implementation has stalled. "This private-sector-led policy must be revived immediately."

He called for the simultaneous development of hinterland connectivity alongside the development of rail and land ports.

According to him, two areas that often get overlooked are rail logistics and land ports, which are vital for regional cooperation.

The current railway law, which dates back to the British era, doesn't allow for private investment in railway infrastructure or services, an obstacle that needs immediate reform, he said.

Reaz recommended designating the Ministry of Commerce as the lead coordinator in reforming the logistics sector, and opening port terminal development to global operators such as PSA and DP World. "Bangladesh needs a long-term logistics master plan. Bay Terminal must be prioritised. With reform, logistics can be our top growth enabler," he concluded.

Mohammad Iqbal Chowdhury, CEO of LafargeHolcim Bangladesh, said efficient logistics can be a "game changer" for industrial cost management.

He noted that logistics accounts for 16-17 percent of the cement sector's \$3 billion value -- around half a billion dollars.

With heavy raw materials and finished goods, the sector depends heavily on transport. Currently, 80 percent of cement moves by road, while waterways account for just 16-17 percent.

Road transport costs up to Tk 8 per ton per km, compared to Tk 2 by water, meaning logistics costs could be reduced by 75 percent if waterways were scaled up.

Rail remains underutilised at just 4 percent, far behind India's 20 percent. Freight costs Tk 9 per ton per km in Bangladesh, compared to Tk 2 in India. "Strengthening rail could yield immediate and sustainable savings," Chowdhury said.

He also pointed out the road

The three teachers are our pride, role models  
Says Yunus about educators who died in the Milestone tragedy

BSS, Dhaka

Three teachers -- Maherin Chowdhury, Masuka Begum, and Mahfuz Khanam -- who died after the air force jet crash at Milestone School and College in Uttara's Diabari, will be remembered forever by the nation as a unique example of humanity and bravery, said Chief Adviser Muhammad Yunus.

Family members of the three teachers met the chief adviser at the State Guest House Jamuna in Dhaka yesterday afternoon.

Teacher Maherin Chowdhury's husband Mansur Halal, two sons Adil Rashid and Ayan Rashid, sister Mehtaz Chowdhury, and brother Munaf Mujib Chowdhury; teacher Masuka Begum's sister Papri Rahman and brother-in-law Khalilur Rahman; and teacher Mahfuz Khanam's daughter Ayesha Siddiqua, sister Mursida Khanam, and nephew Maidul Islam were present during the visit.

Yunus said, "We can express our condolences to you, but we do not have the power to erase this unbearable memory. However, I can say this grief is not yours alone. As a nation, we bear this grief."

Maherin's husband, Mansur, said, "The scene I saw at the burn institute that day is beyond my words. I wish no one would experience that in their lives."

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## July Charter must

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The issues on which there was consensus will get legitimacy once they are placed before the parliament."

He criticised one of the proposals of the charter, which said the Appellate Division will be authorised to make the final determination on any question relating to the interpretation of its provisions, proposals, or recommendations.

"This is not rational," he added.

Salahuddin argued that under the constitution, the Appellate Division can only hear appeals against High Court judgments. "But interpreting a consensus document or determining its validity does not fall under the court's

jurisdiction. In other words, if a party wins, say 30 percent of votes, it should receive approximately 30 percent of the seats in parliament.

He said the system prevents voters from electing their representatives through direct voting.

"The people of Bangladesh want an election because it's the only way to overcome the political and economic crises the country is facing."

Fakhrul said his party is in favour of a free and fair election as per the traditional system.

In the PR system, he said, voters do not know for whom they are casting their votes. "That cannot be acceptable."

## We'll leave in February

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