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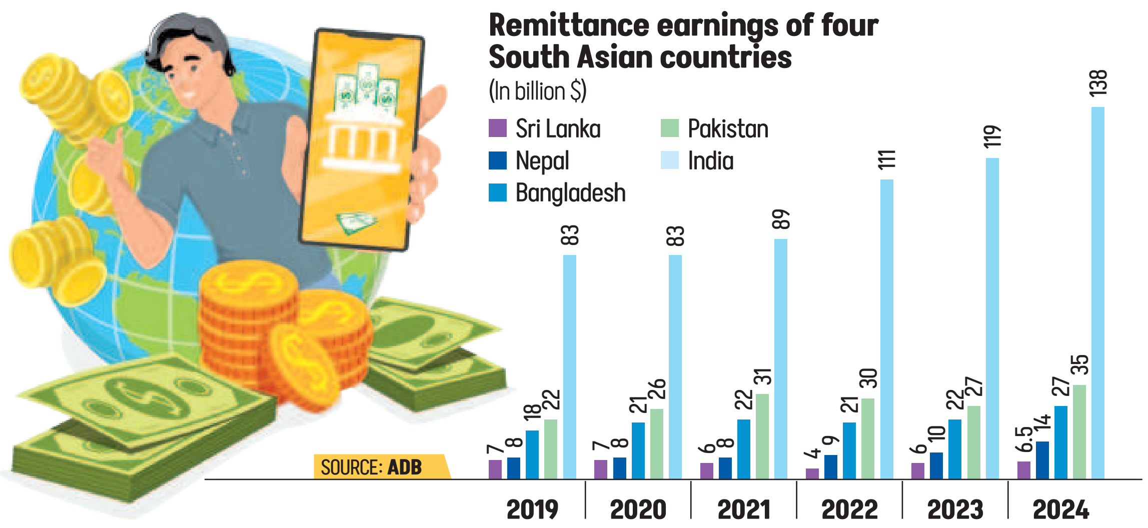
Bangladesh back in South Asia remittance race



REJAUL KARIM BYRON *and* AHSAN HABIB

Bangladesh has returned to a competitive remittance growth path in line with its South Asian neighbours, with a larger-than-usual flow of money sent home by expatriates following the political changeover in August last year.

Although Bangladesh posted strong growth in remittance earnings last year, Pakistan and Nepal recorded much higher spikes over the same period, according to the Asian Development Bank (ADB).

After the pandemic-hit 2020, remittance inflows to Bangladesh, Nepal and Pakistan had been rising gradually before surging in 2024.

Last year, Nepal led the region with a 36 percent jump to $14 billion, while Pakistan recorded a 31 percent rise to about $35 billion.

In its "Key Indicators for Asia and the Pacific 2025: Measuring Sustainable Global Production" report published last week, the ADB showed the trend.

Last year, Bangladeshis staying abroad sent home a record $27 billion, up 23 percent year-on-year. In the first seven months of this year, the country's remittances climbed 26 percent year-on-year to $19 billion, according to the Bangladesh Bank.

Zahid Hussain, former lead economist at the World Bank's Dhaka office, said the main driver was the drop in the demand for hundi, an informal and illegal money transaction channel.

"A diversion of remittance income from informal channels shifted after the July uprising. So, remittance income in the formal channel rose," he said.

Hussain added that demand for hundi fell as money launderers were thrown out of power, which caused informal transfers to dwindle.

"It is the biggest reason for the spike in remittance in Bangladesh."

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Tariff leverage could bring $2b in extra orders

Economist says

STAR BUSINESS REPORT

Bangladesh could secure an additional $2 billion in export orders, largely shifted from India and China, as it benefits from lower tariffs in the US market compared with the two largest Asian economies, said Zahid Hussain, former lead economist of the World Bank's Dhaka office, yesterday.

The Trump administration slapped as much as a 50 percent reciprocal tariff on exports from India, while China faces 30 percent on its exports to the American market. Bangladesh is in an advantageous position as the Trump administration has imposed a 20 percent tariff on its goods entering the US.

The majority of the additional orders are likely to come from India, with a smaller portion from China, as many American clothing retailers and brands are expected to shift sourcing to avoid higher tariffs.

"It is an opportunity for Bangladesh," Hussain said at the commemorative lecture on Moazzem Hossain, former editor of The Financial Express, Bangladesh's first financial daily. The Economic Reporters' Forum (ERF) organised the lecture on Hossain, who was the founding president of the ERF.

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Patented drug prices may soar after LDC graduation

Says economist

STAR BUSINESS REPORT

Prices of some patented medicines may rise by 10 to 30 times as Bangladesh will no longer enjoy a waiver from complying with intellectual property rights after its graduation from a Least Developed Country (LDC) to a developing country, said a noted economist yesterday.

In addition, many small and medium firms may risk closure for failing to compete after the graduation, said Prof Mustafizur Rahman, distinguished fellow at the Centre for Policy Dialogue (CPD), at a debate on Bangladesh's capacity to meet the challenges of graduation.

The Debate for Democracy (DFD) organised the event at the Bangladesh Film Development Corporation, with DFD Chairman Hassan Ahamed Chowdhury Kiron chairing the session.

Bangladesh is scheduled to graduate from the LDC category in November next year. However, businesses have been urging the government to take steps to delay graduation by up to six years so they can better prepare for the challenges of losing duty-free market access in major destinations such as the European Union bloc.

Rahman said the country should remain prepared even if it applies for an extension.

"We have to focus on increasing competitiveness, technological development, productivity growth, establishing national single window systems to facilitate trade, and reducing lead time to meet the challenges after graduation," he said.

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Ctg port slips in global container rankings

DWAIPAYAN BARUA, *Ctg*

The Chattogram port has slipped in the global container handling rankings despite recording its highest-ever container volume in 2024.

The country's premier seaport fell one notch to the 68th position in the "Lloyd's List: One Hundred Ports 2025" rankings.

According to the London-based Lloyd's List, the world's oldest shipping news outlet, Chattogram port handled a total of 3,275,627 TEUs in 2024, up from 3,050,793 TEUs in 2023, marking a 7.4 percent year-on-year increase in container throughput.

Saudi Arabian port of Dammam clinched 67th position by handling 3,290,538 TEUs in the same year.

Like previous years, China's Shanghai port has topped the Lloyd's List ranking by handling 51,506,300 TEUs, while Singapore port has secured the second position.

In a summarised comment on the port, the publication observed, "Launch of Bangladesh's first foreign-operated facility is hoped to mark a turning point in easing congestion and modernising operations."

Saudi Arabia-based port operator Red Sea Gateway Terminal began operating the newly built Patenga Container Terminal (PCT) of Chattogram port in June last year.

The port had retained its 67th position in the 2024 edition of Lloyd's List, despite a 2.9 percent year-on-year decline in container handling in 2023.

In the 2023 edition, the port had slipped three places to return to 67th by handling 3,142,504 TEUs in 2022, a 2.2 percent annual drop, erasing gains made the previous year. It had advanced three spots in the 2022 edition to rank 64th.

Globally, the port climbed steadily for seven consecutive years starting in 2014. However, it slipped nine places to 67th in the 2021 edition, mainly due to

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Govt moves to amend consumer protection law

Draft introduces strict penalties for e-commerce crimes, hoarding

SUKANTA HALDER

The interim government is moving to strengthen the consumer protection legislation, with draft amendments to the Consumers' Rights Protection Act, 2009 introducing strict penalties for hoarding, e-commerce crimes, adulteration and overpricing.

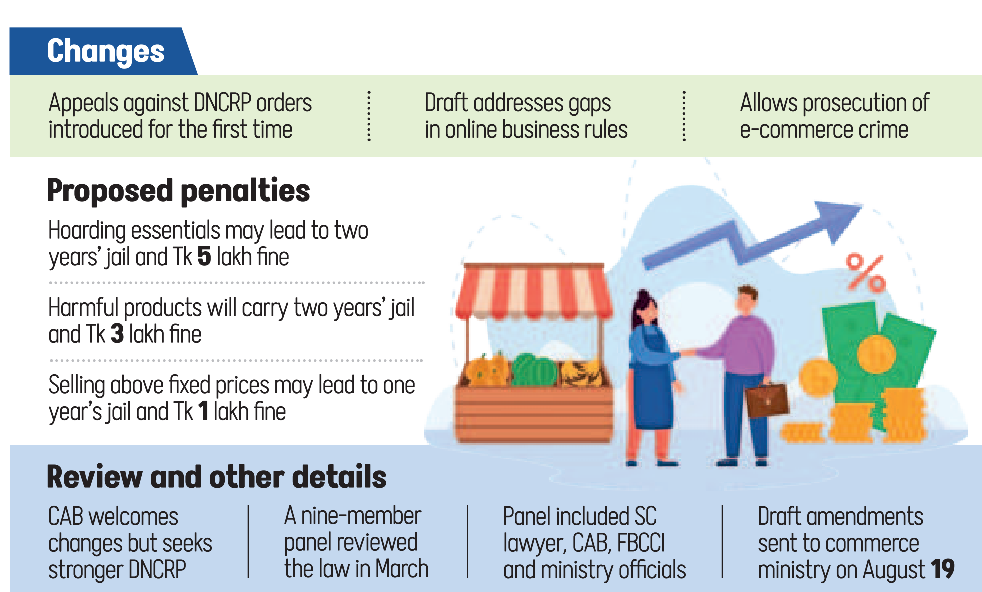
Under the proposed changes, seen by The Daily Star, anyone caught illegally stockpiling essential goods to create artificial shortages could face up to two years' imprisonment, a fine of Tk 5 lakh, or both. The current law does not prescribe a specific penalty for hoarding.

The draft also proposes increasing penalties across a range of offences. Producing, processing, importing or selling goods in violation of health and safety standards would carry a maximum of two years in prison or a Tk 3 lakh fine, up from Tk 1 lakh, as per the proposal.

Knowingly selling, displaying or offering to sell adulterated goods, meanwhile, would result in the same level of punishment, although the maximum jail term is being reduced from three years to two.

Officials say the draft closes long-standing gaps in the law.

"The current act lacks a process to appeal against fines or decisions imposed by our officers," said Abdul Jalil, director of administration and finance at the Directorate of National Consumers' Right Protection (DNCRP).



"In the draft law, we have introduced a new provision allowing appeals," he said.

He also noted that digital commerce had proved a blind spot.

"Crimes on e-commerce platforms could not be prosecuted under the existing law. We have now incorporated e-commerce-related matters into the law, enabling us to address scandals arising from online sites," said the DNCRP director.

The proposed amendments also increased penalties for selling, offering or displaying goods above the legally fixed or declared price to Tk 1 lakh from Tk 50,000. Jail time has remained capped at one year.

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Employers warn of unrest if unions form with 20 workers

STAR BUSINESS REPORT

Private sector employers have voiced concern over proposed changes to labour law that would allow a trade union to be formed if 20 workers agree, instead of the current requirement of 20 percent of a factory's workforce.

Owners, under the banner of Bangladesh Employers Federation (BEF) that represents a large chunk of the private sector employers, said yesterday that lowering the threshold could deter investment, spark disputes, reduce productivity and encourage multiple paper-based unions in a single factory.

According to the federation, the minimum requirement for forming a union should be linked to the size of the workforce.

At an event at the Metropolitan Chamber of Commerce and Industry (MCCI) in Gulshan area of Dhaka, BEF President Fazlee Shamim Ehsan said allowing unions with just 20 workers could lead to "opportunistic activities", damaging industrial relations.

On August 26, the draft amendments were discussed at the 89th meeting of the Tripartite Consultative Council, which includes representatives from government, industry and labour.

Ehsan said employers had adopted a constructive stance at that meeting but some proposals remained deeply worrying.

He pointed out that export-oriented industries, especially the readymade garment sector, are already under intense scrutiny from international buyers.

"If the new amendments create instability, it may disrupt production and timely order delivery. Our competitiveness in the global market would then weaken further," said Ehsan, who is also the managing director of Fatullah Apparels Ltd.

He said that in light of the new reciprocal tariffs and revised duty structures by the US, any added instability could drive buyers to shift orders elsewhere, placing the country's exports at greater risk.

The BEF president added that over-simplifying union registration could undermine foreign direct investment (FDI).

"Investors always seek a stable, predictable, and risk-free environment. If they believe industries may repeatedly fall into labour disputes, they will choose alternative destinations," he said.

"Labour law reform is a continuous process," said Ehsan. "It must align with international standards but also reflect the socio-economic realities of Bangladesh."

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