

Speed up logistics reforms to sustain trade growth

Stakeholders say

STAR BUSINESS REPORT

Bangladesh must accelerate reforms in its logistics sector, widely regarded as the backbone of the country's global trade, if it is to sustain export growth and remain competitive as preferential trade agreements begin to phase out in the coming decade, industry stakeholders warned yesterday.

Speaking at a business session hosted by Norwegian Ambassador Håkon Arald Gulbrandsen at his residence, they called for speeding up digitalisation of clearance processes, implementing strategic port projects on time, promoting multimodal transport, and embedding sustainability into future logistics planning.

The session, "Navigating the Future: The Evolving Landscape of Logistics in Bangladesh," was jointly organised by the Royal Norwegian Embassy in Dhaka, HSBC Bangladesh and the Nordic Chamber of Commerce and Industry (NCCI), reads a press statement.

Regulators, global operators, and economic experts at the event discussed how Bangladesh can address persistent bottlenecks in trade facilitation, reduce logistics costs, and enhance competitiveness as the country undergoes economic transformation.

Without urgent reforms, the country risks losing ground in global value chains as preferential trade agreements expire in the coming decade, said keynote speaker M Masrur Reaz, chairman and CEO of Policy Exchange Bangladesh.

He stressed that even small improvements could yield large gains. For instance, a 1 percent cut in transport costs could increase garment exports by around 7.4 percent, while reducing overall logistics costs by 25 percent could boost national exports by 20 percent.

Speakers at the event also highlighted that over 90 percent of Bangladesh's trade is handled through Chittagong port, leaving the economy dependent on a single gateway.

While projects such as the Bay Terminal, Matarbari deep-sea port, and Mongla expansion are in progress, delays in customs clearance, infrastructure gaps, and policy bottlenecks remain major challenges, they said.

"An efficient logistics sector is not just a priority, it is a necessity," said Ambassador Gulbrandsen.

NCCI President Tanveer Mohammad and HSBC Bangladesh CEO Md Mahub ur Rahman also underscored the need for reforms and greater collaboration.



Hilsa prices have soared to Tk 2,200 per kg this year from Tk 1,600 a year ago, making the national fish unaffordable for many with fishermen saying catches remain low. The photo was taken recently from Barishal city.

PHOTO: TITU DAS

Stocks snap two-day rally

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Indices at the Dhaka Stock Exchange (DSE) closed lower yesterday, ending a two-day rally, with turnover dropping by over Tk 115 crore.

The DSEX, the benchmark index of the country's premier bourse, slipped 10.60 points, or 0.18 percent, to close at 5,583.78. The fall came after the DSEX soared the previous day to an 11-month high.

The other two major indices of the DSE also witnessed declines. The DSES index, which represents Shariah-compliant stocks, dropped 0.21 percent to 1,225.03, while the DS30, which tracks blue-chip shares, was down 0.22 percent to 2,188.76.

Turnover, a key measure of market participation, stood at Tk 1,181.13 crore, compared with Tk 1,296.43 crore in the previous session.

The pharma sector dominated the turnover chart, accounting for 14.6 percent of the total.

Taufika Foods and Lovello Ice cream PLC were the most-traded shares, with a turnover of Tk 28.9 crore.

In total, 315,801 trades were executed,

including block transactions worth Tk 36.42 crore across 38 scrips.

Market breadth was negative, with 119 issues advancing, 244 declining, and 35 unchanged.

Among A-category stocks, 69 rose, 128 fell, and 23 remained flat. In the B-category, 22 gained and 60 dropped, while the N-category saw no activity.

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Segment-wise, the picture was mixed. Mutual funds recorded one gainer against 17 losers. In the bond market, both corporate and government bonds recorded one issue advancing and one declining.

On the individual front, Intech Ltd surged 10 percent to top the gainers' list. Prime Finance & Investment, down 6 percent, was the day's worst performer.

Sector-wise, jute, life insurance, and

services & real estate were the top three sectors that closed positive yesterday, according to the market update by UCB Stock Brokerage Ltd. Travel & leisure, ceramics, and textile were the top three sectors that closed negative.

Most of the sectors that account for large amounts of market capitalisation — the total value of a company's outstanding shares of stock — posted negative performance, according to BRAC EPL Stock Brokerage Limited.

The fuel & power sector experienced the highest loss of 1.59 percent, followed by non-bank financial institutions (0.87 percent), the telecommunication sector (0.85 percent), the food & allied sector (0.43 percent), the pharmaceuticals sector (0.30 percent), and the banking sector (0.11 percent).

Engineering was the lone sector that showed some grit amid the downturn, making a 1.34 percent gain.

At the Chittagong Stock Exchange, the CSE All Share Price Index (CASPI) — the prime index of the port city bourse — ticked up 0.10 percent, or 17.02 points, before closing the day at 15,606.

Islami Bank profit plunges 87% in Apr-Jun

STAR BUSINESS REPORT

Islami Bank Bangladesh's profit declined significantly in the second quarter of 2025 as the bank saw its payout to depositors surge.

The Shariah-based lender's profit slumped 87 percent year-on-year in the April-June quarter to Tk 37.63 crore.

It posted a profit of Tk 307 crore in the same quarter of the previous year, according to a price-sensitive information (PSI) disclosure published yesterday.

The profit decline follows the bank's performance in 2024, when its profit plummeted 83 percent year-on-year to Tk 108.78 crore. Its profit stood at Tk 635.33 crore in 2023.

Its consolidated earnings per share (EPS) stood at Tk 0.24 for the second quarter of 2025, down from Tk 1.91 in the corresponding period of 2024.

The bank said the fall in EPS was mainly due to an increase in profit paid on deposits by Tk 1,347.39 crore.

For the first half of 2025, its consolidated net operating cash flow per share (NOCFPS) dropped to Tk 17.68 from Tk 54.79 in the January-June period of 2024, according to a separate PSI.

The bank attributed the decline to a rise in investment in customers by Tk 12,610 crore during the second quarter ended on June 30.

As of July 31, 2025, the bank's shareholding structure was: sponsor/director 0.19 percent, institute 74.98 percent, foreign 17.88 percent, and public 6.95 percent, according to Dhaka Stock Exchange data.

DCCI team to join Taiwan agriculture expo

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An eight-member business delegation of the Dhaka Chamber of Commerce and Industry (DCCI) will leave Dhaka for Taiwan today to take part in the Taiwan Smart Agriweek Expo 2025, scheduled for September 3-5.

The team, led by Razeev H Chowdhury, senior vice-president of DCCI, will explore smart solutions in agriculture, aquaculture, livestock and feed, cold-chain, agro-food, and sustainable farming, said a press release yesterday.

The participating companies will also engage with industry leaders and potential partners to learn about the latest innovations, modern technology, and smart agro-processing across the value chain.

The Taiwan Smart Agriweek focuses on five core values: sustainability, market, advancement, resilience, and technology. The event will highlight technology-driven equipment and solutions to address agricultural challenges across the farm-to-table chain.

During the visit, the DCCI delegates will attend conferences on emerging topics and hold several matchmaking meetings with Taiwanese counterparts.

Bangladesh enters 5G era

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It reduced dependence on landlines, expanded nationwide connectivity, boosted business interactions, and empowered village women.

More than a decade later, 3G service was introduced in 2013, providing faster internet and video calling, though coverage remained limited.

Five years later, 4G was rolled out, enabling mobile broadband, app-based services, e-commerce, ride-sharing, and mobile banking to flourish.

Upgrading to 5G faced delays due to infrastructure limitations and ecosystem readiness concerns.

The Awami League's 2018 election manifesto pledged 5G bandwidth by 2021-23, prompting the Bangladesh Telecommunication Regulatory Commission (BTRC) to form committees for guidelines and spectrum pricing. In March 2022, 190 MHz of spectrum was auctioned for \$1.23 billion, requiring operators to launch 5G within six months.

But the 5G guidelines were delayed until 2024 and omitted clear rollout obligations. Operators cited high costs, limited demand, and insufficient ecosystem readiness, delaying nationwide deployment.

The first 5G demonstration occurred on 25 July 2018 by Robi-Huawei, followed by Teletalk's experimental launch in six locations on 12 December 2018. In 2022, Grameenphone conducted trials in Dhaka, Chattogram, and all eight

divisional cities.

Globally, 5G is rapidly expanding. India launched 5G commercially on 1 October 2022 and, by early 2025, had over 250 million active subscribers with 469,000 base stations. Across the globe, 5G subscriptions surpassed 2.4 billion in Q1 2025 and are projected to reach nearly 2.9 billion by year-end, according to the Ericsson Mobility Report (Q1 2025).

At Robi's launch yesterday, Md Emdad ul Bari of BTRC emphasised that 5G is about solving real-life problems, not just the technology itself. He urged Robi to expand services to rural areas, particularly in health, education, and smart farming, warning against widening the digital divide.

Faiz Ahmad Taiyeb, special assistant to the chief adviser with executive authority of the ICT and telecom ministry, highlighted the need to accommodate the Internet of Things (IoT) and machine-to-machine communication.

He noted that 4G networks in Bangladesh are still subpar and collectively blamed regulators, the government, and operators for not being able to ensure quality service.

Meanwhile, regarding GP's 5G service launch, CEO Yasir Azman said, "This is a proud moment for Grameenphone as we launch 5G services across all divisional headquarters, delivering transformative technology to the people of Bangladesh."

Gov's bank borrowing falls

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necessity and appropriate cost," said M Masrur Reaz, chairman of the Policy Exchange of Bangladesh.

The economist said even existing projects are advancing sluggishly amid an overall slowdown in the civil service. "The government is preoccupied with other issues and is not prioritising project implementation at the moment."

Development expenditure fell to a historic low last fiscal year, with only 68 percent of the revised Annual Development Programme (ADP) executed.

This was the weakest performance since the fiscal year 1976-77.

Government data show that ministries and divisions managed to spend Tk 153,452 crore out of a revised Tk 226,165 crore allocation.

In the first month of the current fiscal year, ADP implementation fell to a seven-year low, with just Tk 1,644 crore disbursed. This is only 0.69 percent of the Tk 2.39 lakh crore allocated for the year.

Out of 57 ministries and divisions, 12 did not spend a single taka from their allocation in the first month of the fiscal year, show official data.

"With 5G, we are introducing a faster, more reliable network while opening the door for innovation, entrepreneurship, and smart solutions that will shape the nation's future."

M Riyaaz Rasheed, acting CEO of Robi Axiata PLC, said, "Thanks to the government's vision and policy support, we have been able to bring 5G to life in record time."

"This rollout will play an important role in taking Bangladesh's digital economy to the next stage. For the first time, our customers can experience hands-on what the future of connectivity looks like."

BB buys nearly

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"In such a situation, the taka could appreciate. If the taka strengthens, both exports and remittances will be significantly discouraged. To ensure they remain competitive, artificial demand for dollars is being created through these purchases," he said.

He added that the buying supports exports and remittances while helping rebuild reserves.

"If any shock hits in the coming days, this will allow the authorities to manage it. In the current context, for the next six months, this is the right strategy. Buying dollars to build up reserves essentially means sustaining the positive momentum for remittances and exports," said the economist.

This is the lowest start since the fiscal year 2018-19, when July expenditure was 0.57 percent of the ADP.

Meanwhile, the government has taken Tk 7,179 crore from non-bank sources such as financial institutions, insurers and individual investors in the current fiscal year until August 18. This brings total domestic borrowing to Tk 11,882 crore, excluding the net position in national saving certificates.

The government mainly borrows from the banking sector through treasury bills and bonds.

Universal social

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The adviser noted that Bangladesh has long implemented various social safety net programmes, from cash transfers to food aid and stipends.

However, he said these programmes remain fragmented, narrowly targeted, and often poorly managed, with "nearly half of the beneficiaries being either ghost or politically favoured recipients."

"We must recognise that vulnerability is shifting. Today, any secure family can face sudden misfortune from erosion, illness, job loss, or legal disputes. A national, digitised, and regularly updated register of beneficiaries is needed to protect all," said the adviser.

Mahmud identified the "missing middle," what experts describe as families who are just above the poverty line but remain highly vulnerable, as one of the key gaps in the current system. "This means that many families, despite earning a minimum income, cannot meet their minimum consumption needs."

For instance, he said, "Imagine a man standing in a river with water up to his nose. Even the smallest wave will drown him. This is the reality of the missing middle."

Echoing principles of social justice, the adviser said that universal social protection is not a luxury but a moral and constitutional obligation.

He stated that education and healthcare are interconnected and rooted in the values of the 1971 Liberation and last year's July Uprising, which called for an egalitarian society. "While incomes may differ, equal opportunities for all are the cornerstone of a just society."

"Just offering primary education or healthcare is not enough. Alongside those, every individual must also have access to the minimum means of survival," he said.

The planning adviser pointed out that certain regions in the country have long been poverty-prone. "Rangpur, for instance, once suffered from seasonal poverty known as Monga." He said while the seasonal hunger in Rangpur has eased, poverty persists, and new poverty hotspots have emerged in districts like Netrokona, Sunamganj, Satkhira, and Patuakhali.

Have missing containers

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Goods not cleared within 30 days are placed under auction, with bidders allowed to inspect them beforehand. At each stage, documentation, surveillance, and physical checks are meant to ensure accountability.

If there is any intelligence tip-off or suspicion, customs authorities may intercept the consignment at any stage from importation to delivery.

In such cases, the goods are subjected to 100 percent physical inspection. The customs either imposes penalties and releases the cargo, or confiscates it altogether if a false declaration is proven.

In theory, the system leaves little scope for irregularities. But the disappearance of containers at multiple stages suggests that safeguards are not always functioning as intended.

MAJOR RISKS

Masrur Reaz, an economist and chairman of Policy Exchange Bangladesh, warns of major risks, including damage to the country's reputation and security threats.

"The disappearance of goods or goods-loaded containers from a high-security zone like a port is extremely rare worldwide. Such incidents are not considered normal at any international port," he said.

There are several repercussions to such incidents, he noted.

First, if cargo under official custody can vanish undetected, it raises questions about whether items of potential security concern might also slip through, he said.

Second, there is the matter of lost revenue, since auctioned goods that never reach buyers represent foregone state income. "Besides, the lapse also exposes serious flaws in our border and port security."

Third, and perhaps most long-term, is the reputational damage. "Such incidents damage our credibility abroad, as trading partners and foreign companies form negative perceptions about Bangladesh," Reaz said.

Globally, the loss of containers is typically associated with accidents at sea. The World Shipping Council recorded 576 containers

lost worldwide in 2024, up from a record-low 221 in 2023 but still well below the decade-long average. It did not, however, report any cases of containers going missing inside ports.

"AUTHORITY TREATING THE ISSUE TOO LIGHTLY"

For veteran shipping agent Syed Mohammad Arif, who has spent four decades in the trade, the situation is perplexing.

"To the best of my knowledge, I have not heard of a container going missing from any other port," he said.

"How can a container go missing? This is quite big in size. If you have CCTV surveillance in all the places, nothing is supposed to be lost."

Arif alleges that removing a container from inside the port requires collusion among terminal operators, port officials, and customs staff. "A large-scale smuggling syndicate is believed to be behind these disappearances."

LDC graduation

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"While inquiries are coming in, actual order placements have yet to materialise, as brands and retailers remain cautious."

She welcomed the government's role in tariff talks. "Through active government negotiations, the 35 percent additive was successfully reduced to 20 percent," she said.

Urging unity, she said, "A perfect partnership between the public and private sector. The country needs to come together and rise above biases. Not all business people are thieves or culprits."

"Businesses may fail or face challenges, but as long as there is courage and aspiration to overcome them all, the private sector will rise. But without policy support and constant negative rhetoric, the entrepreneurs will feel abandoned and will shy away from investments."

"Tough times call for collaboration and vision. Bangladesh is on the edge; either we grow wings and soar to the next level or we take a leap of faith and perish," she concluded.