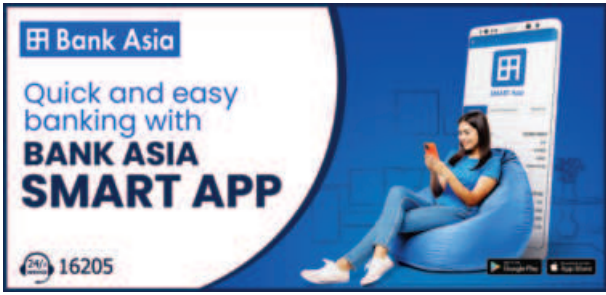


star BUSINESS



After ICDs, Ctg port hikes service charges by 41%

Businesses cry over higher trade costs, eroding competitiveness

MOHAMMAD SUMAN, Chattogram

In the first major tariff review in almost four decades, the Chittagong Port Authority (CPA) has raised service charges at Chattogram port by 41 percent.

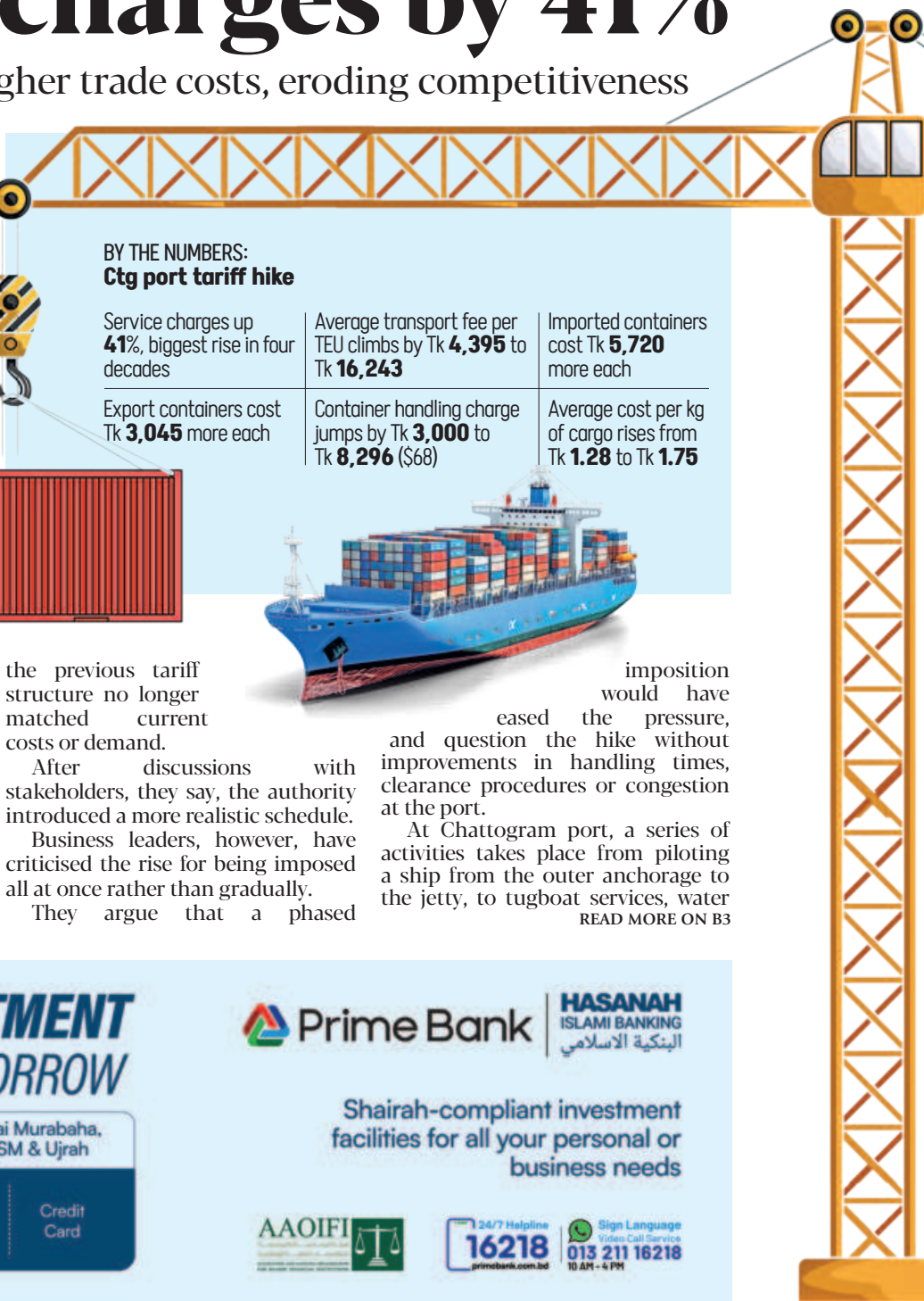
The increase took effect yesterday following a gazette notification issued on Sunday night.

Business leaders fear the hike will push up the cost of foreign trade and erode competitiveness just as Bangladesh prepares to graduate from least developed country status in November next year, when it will lose preferential market access.

The move follows increases at private inland container depots (ICDs), which from this month have begun charging up to 60 percent more for handling export cargoes and empty containers.

CPA collects fixed tariffs for services provided from the moment a ship enters Bangladeshi waters.

Officials say no other port in the world offers shipping services as cheaply as Chattogram and that



the previous tariff structure no longer matched current costs or demand.

After discussions with stakeholders, they say, the authority introduced a more realistic schedule.

Business leaders, however, have criticised the rise for being imposed all at once rather than gradually.

They argue that a phased

imposition would have eased the pressure, and question the hike without improvements in handling times, clearance procedures or congestion at the port.

At Chattogram port, a series of activities takes place from piloting a ship from the outer anchorage to the jetty, to tugboat services, water

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Yunus, IMF chief to discuss further support for Bangladesh today

STAR BUSINESS REPORT

Chief Adviser Prof Muhammad Yunus is set to hold discussions today with Kristalina Georgieva, managing director

of the International Monetary Fund (IMF), on how the multilateral lender can provide additional support to Bangladesh and the potential structure of such assistance.

The discussion follows an exchange of letters between the two in May. On May 1, the CA wrote to Georgieva, thanking the IMF for its \$4.7 billion loan programme and highlighting the successful implementation of reform measures under the programme.



In response, Georgieva expressed her interest in discussing further support in a letter dated May 19, reaffirming the IMF's commitment to continue supporting Bangladesh, according to the Ministry of Finance officials.

Under the \$4.7 billion programme, Bangladesh received \$3.3 billion through the Extended Credit Facility (ECF) and Extended Fund Facility (EFF), and \$1.4 billion under the Resilience and Sustainability Facility (RSF).

The programme has since been extended to \$5.3 billion, with the final two tranches scheduled for disbursement within the next year. Bangladesh has already received \$3.3 billion in five tranches.

Finance ministry officials, on condition of anonymity, said the CA might seek additional funds from the IMF to mitigate climate-related risks.

Finance Adviser Salehuddin Ahmed recently estimated that the country requires around \$30 billion to effectively tackle climate-induced disasters.

According to an IMF programme document released last June, Bangladesh is among the countries most

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BB buys \$353m more, total hits \$1.74b

STAR BUSINESS REPORT

Bangladesh Bank (BB) has gone for another round of US dollar purchases from commercial banks, and this time the amount is \$353 million.

The banking regulator bought the greenback from 26 commercial banks through an auction yesterday, reacting to the sharp drop in the US dollar rate.

As a result, the total US dollars purchased through auctions hit \$1.74 billion in the current fiscal year, according to BB data.

In yesterday's auction, the cut-off rate was Tk 121.75 per dollar.

On the same day, the interbank exchange rate ranged from Tk 121.70 to Tk 121.75 per US dollar.

Stronger remittances and exports, together with the central bank's buying spree, have helped lift the country's foreign exchange reserves, which stood at \$25.67 billion as of September 11 this year, according to the International Monetary Fund's calculation.

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Unified instant payment system in the offing: BB governor

STAR BUSINESS REPORT

The Bangladesh Bank (BB) will soon launch a unified instant payment system to curb the growing demand for cash, Governor Ahsan H Mansur said yesterday.

"The demand for cash has been rising at an annual rate of 10 percent, a trend that has persisted in recent years. To reverse this pattern and bring greater transparency to economic activities, the central bank is preparing to introduce a unified instant payment system," he said.

The BB governor made the remarks at a discussion titled "Stakeholder Discussion on Interoperable Payment in Bangladesh," organised by the Policy Research Institute with support from the Gates Foundation

in Dhaka.

All financial institutions, including banks, mobile financial service (MFS) providers, microfinance institutions, and digital banks, will be linked to this single platform, he added.

The increasing demand for cash has also pushed up costs for banks. The banking sector now spends around Tk 20,000 crore annually on cash handling, according to the governor.

Mansur said the government is losing an estimated Tk 1.53 lakh crore in revenue due to the rising reliance on cash.

He noted that the process of introducing digital banks in Bangladesh is underway. At the same time, support from the Gates Foundation is being utilised to launch an interoperable instant

payment system.

He also said authorities intend to implement an effective system by drawing on proven international experience, unlike the Binimoy project, which was suspended amid reports of irregularities, low response rates, and implementation problems.

The central bank governor stated that Bangladesh has made significant progress in financial inclusion.

"Around 64 percent of the country's population is now under the financial sector, although 35 to 40 percent still remain outside. It is not enough to only expand coverage; rather, the rural population must be deeply integrated into the financial sector," he said.

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Taskforce proposes new name, leadership model for BBS

STAR BUSINESS REPORT

An independent taskforce on strengthening the Bangladesh Bureau of Statistics (BBS) has recommended a new name, leadership, and oversight model for the state agency to safeguard the independence of its statistical activities.

The taskforce's report, submitted to Planning Adviser Wahiduddin Mahmud yesterday, proposed renaming the BBS as Statistics Bangladesh (StatBD) and redesignating the head of the agency from director general to Chief Statistician, a special-scale post.

Currently, only government officials are eligible to head the BBS. Under the taskforce's proposal, people from outside the government can also apply for it.

The taskforce, chaired by Hossain Zillur Rahman, executive chairman of the Power and Participation Research Centre (PPRC), also recommended the formation



of a seven-member Trust and Transparency Council of Statistics (TTCS).

According to the proposal, the council will work to ensure the integrity and oversight of BBS operations, which includes overseeing annual performance audits, expenditure reviews, and the selection of the Chief Statistician.

"We have proposed a bold, timely, and realistic reform package," Rahman told reporters after a meeting at the planning ministry chaired by the planning adviser.

"The taskforce was formed to make Bangladesh's statistics more visible in terms of quality and transparency. Our report outlines how essential institutional processes can be clearly structured," he added.

However, the taskforce did not recommend the formation of an independent Statistical Commission, a long-standing demand from stakeholders, including government officials and experts.

Responding to a question on this, Rahman said, "It is challenging to answer such a one-dimensional question. That was not part of our initial mandate."

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Speed up labour law reforms for further tariff cuts

US urges Bangladesh also to reduce trade deficit

STAR BUSINESS REPORT

The Dhaka-visiting US trade delegation has called on the government to accelerate labour law reforms and narrow the trade deficit to help further reduce retaliatory tariffs on Bangladeshi exports to the American market.

The delegation made the call during a meeting with leaders of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) at the US ambassador's residence in Dhaka yesterday.

Brendan Lynch, assistant US trade representative for South and Central Asia, led the three-member team.

BGMEA leaders urged the US side to consider deeper tariff cuts to sustain the steady flow of garment exports to the American market, which is the largest source of private-sector employment in Bangladesh.



Bangladesh is the third largest garment exporter to the US, after China and Vietnam, with a 9.3 percent share of the \$81 billion American apparel import.

PHOTO: STAR/FILE

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