



Garment exports find a workaroud after India ends transshipment

Dhaka and Sylhet airports improve export services, also offer lower handling costs

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Garment exports to Europe have remained largely unaffected by India's suspension of transshipment through its airports, as Bangladeshi exporters adapt by using alternative routes and improved facilities at home.

Exporters said that since India halted the transshipment facility in April this year, most of them now send goods by sea from Chattogram port to Colombo in Sri Lanka. When shipments face tight schedules, consignments are then flown from Dubai after arriving from Colombo.

Otherwise, large vessels carry goods directly from Colombo to their destinations.

Bangladeshi exporters usually use Singapore port and Penang port in Malaysia, where smaller vessels from Chattogram feed mother ships.

After the suspension of the transshipment in April, the government installed an explosive detection system (EDS) at Osmani International Airport in Sylhet to screen cargo bound for Europe.

Besides, all four EDS machines at Hazrat Shahjalal International Airport (HSIA) in Dhaka have been repaired.

Moreover, ground-handling charges for export cargo have been reduced by five to six cents per kilogramme at both airports.

Shovon Islam, managing director of apparel exporter Sparrow Group, said pressure on Dhaka airport had eased since the EDS was installed in Sylhet.

"Some major international clothing retailers and brands such as Inditex are now carrying the goods with their chartered planes from Sylhet or sometimes from the airport in Dhaka," he said.

Faisal Samad, director at the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said this was currently a lean season for air shipments, as many buyers were transporting goods by sea.

RMG EXPORTS STEADY AFTER INDIA ROUTE HALT

REROUTING TRADE

- India's April transshipment ban shows little impact so far
- Exporters now send cargo via Ctg to Colombo and Sylhet airport

INFRASTRUCTURE & POLICY UPGRADES

- Explosive detection system installed at Sylhet airport, Dhaka got all four fixed
- Ground handling fees cut by 5-6 cents per kg
- Civil Aviation Authority proposes 25% lower screening charge

RATES & COSTS

Sylhet to Europe about \$2.80 per kg off-peak, \$3.80-\$4.00 in peak

Indian routes used to cost \$2.10-\$2.20 per kg plus \$0.15-\$0.20 via Benapole

Bangladesh rates remain competitive post-ban

AIRFREIGHT OPERATIONS

Major brands like Inditex using charter flights from Sylhet, Dhaka

With 100-tonne capacity, Sylhet airport shipped three consignments in Aug

Air exports from Dhaka and Sylhet average 450 tonnes in lean season, 1,200 in peak

SECTOR FEEDBACK

Exporters report smoother handling and no major delays

"So, space on cargo flights is not an issue at the moment," he said, adding that a large volume of garments bound for Europe and the United States is now shipped via Colombo, with some airlifted from Dubai when deadlines are tight.

Before the suspension, exporters transported their goods to India through Benapole by trucks, from where they were flown out of Kolkata and Delhi airports.

The route was used by local exporters due to a shortage of screening facilities in Dhaka and reduced cargo space after several airlines cut flights from HSIA.

Between January and March this year, about 34,900 tonnes of garments worth \$462 million were shipped to 36 countries through Indian airports, according to BGMEA.

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Bangladesh's low AI readiness puts young workforce at risk: WB

STAR BUSINESS REPORT

Artificial intelligence (AI) is poised to reshape Bangladesh's economy, yet the country's preparedness remains low, leaving its vast young workforce vulnerable to disruption, according to the World Bank's latest South Asia Development Update (October 2025).

The report, launched yesterday at the bank's Dhaka office, describes AI as "a transformative general purpose technology" that could accelerate productivity and economic growth, provided that the right digital and human capital foundations are built.

"Increasing trade openness and the growing adoption of AI could be transformative for South Asia," said Franziska Ohnsorge, the World Bank's chief economist for South Asia.

"Policy measures to facilitate the reallocation of workers across firms, activities, and locations can help channel resources to productive sectors and are critical for boosting investment and job creation in the region," she added.

WB describes AI as "a transformative general-purpose technology" that could accelerate productivity and economic growth

The report states that Bangladesh sits at the lower end of AI readiness in South Asia, with the region's average occupational exposure to AI "among the lowest globally."

Bangladesh's exposure, it adds, is "well below the regional average," reflecting its dependence on agriculture, garment manufacturing, and informal services — sectors least affected by automation so far. That low exposure could soon become a liability.

"As AI technologies diffuse through global services and manufacturing value chains, Bangladesh's low exposure today could quickly become a disadvantage tomorrow," the report warns.

Drawing on evidence from advanced economies, the bank noted that automation through industrial robots and digital systems has already depressed employment and wages elsewhere. While Bangladesh's immediate exposure is limited, "the potential for adverse labour market consequences from AI adoption is particularly acute in South Asia's young, fast-growing labour markets."

Young and moderately educated workers are seen as most at risk, especially in entry-level white collar roles such as customer service, data entry, and software support — fields increasingly vital to Bangladesh's growing service exports.

AI adoption, the report stresses, depends critically on digital infrastructure and human capital — two areas where Bangladesh continues to lag.

Only around 62 percent of the population has internet access, and reliable high-speed broadband remains largely confined to urban areas. The 32-percentage-point rural-urban gap in internet access is the largest among all emerging-market regions, the WB observed.

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Economy expanded at quicker pace in Sept: PMI

STAR BUSINESS REPORT

Bangladesh's economy expanded at a quicker pace in September, as the country's Purchasing Managers' Index (PMI) climbed to 59.1, up 0.8 points from August, indicating renewed momentum across all major economic sectors.

This latest PMI reading was attributed to a faster expansion rate for the manufacturing index, but a slower expansion rate for the services index.

In contrast to August, when growth had moderated and both agriculture and construction had contracted, the September reading marks a strong rebound, shows the latest data, released yesterday in a joint report by the Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka, and Policy Exchange Bangladesh (PEB).

For the first time in months, all four key sectors — agriculture, manufacturing, construction, and services — recorded expansionary readings, a sign that the economic recovery is regaining strength.

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The PMI, a monthly composite index jointly developed by MCCI and PEB with technical support from the Singapore Institute of Purchasing and Materials Management and backing from the UK government, serves as a vital early indicator of economic health. It helps businesses, investors, and policymakers track momentum in real time.

As per the latest report, the manufacturing sector remained the primary driver of economic expansion, posting its 13th consecutive month of growth. The sector reported solid expansion in new orders, exports, production, and input purchases.

Importantly, the employment index turned positive, suggesting that firms are increasingly confident in the demand outlook. A slower rate of order backlog contraction also points to rising capacity utilisation.

Meanwhile, both agriculture and construction sectors, which had contracted in August, bounced back in September.

In agriculture, positive readings for new business, activity, and input costs, alongside easing contractions in employment and order backlogs, reflected improved weather and seasonal conditions.

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Remitting from Saudi Arabia too costly Says governor

STAR BUSINESS REPORT

Remitting money from Saudi Arabia remains disproportionately expensive for Bangladeshi migrants, pointed out Bangladesh Bank Governor Ahsan H Mansur yesterday, urging coordinated bilateral efforts among financial sectors to streamline and reduce the cost.

Speaking at the opening of the Saudi Arabia-Bangladesh Business Summit, Mansur emphasised the need for deeper financial and economic integration between the two countries.

The conference was organised by the Saudi Arabia-Bangladesh Chamber of Commerce and Industry (SABCCI) at the Sheraton Dhaka.

"Saudi Arabia remains the largest source of remittance for Bangladesh, but the cost of sending money is still 6 percent to 10 percent — an excessive burden for migrants," said the BB governor.

"A joint initiative between financial institutions and central banks could significantly reduce this cost, offering relief to our workers abroad," he said.

Mansur said the economies of Bangladesh and Saudi Arabia were complementary to each other. While Saudi Arabia requires both skilled and unskilled labour, Bangladesh is a key source of such manpower, he said.

Bangladesh, meanwhile, seeks energy and investment — both of which Saudi Arabia can readily offer, he pointed out.

Highlighting the potential of bilateral trade, he said, "Bangladesh can export textiles and other products that are widely used in Saudi Arabia. In turn, Saudi investors could explore sectors beyond oil and fertiliser, including infrastructure and technology."

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Shipping line raises fees after Ctg port tariff hike



Businesses have expressed concern over the impending increase in import and export costs due to the surcharges following the port's tariff hike.

PHOTO: STAR/FILE

DWAIPAYAN BARUA, Ctg

Importers and exporters in Bangladesh are going to feel the pinch of an increase in service charges at the Chattogram port as major foreign shipping lines have started imposing additional surcharges to offset the rise in operational costs.

The government, through a gazette on September 14, announced a 41 percent average increase in service charges at the Chattogram port.

France-based global container shipping company

CMA CGM yesterday announced that it would impose an "Emergency Cost Recovery Surcharge," ranging from \$45 to \$350 per container.

The company said it was aimed at helping mitigate the impact of increased operational charges at the Chattogram port.

The main line operator (MLO) made the announcement through a notice to its customers on October 7.

"This surcharge will apply to all import and export shipments via Chittagong

(BDCGP) and will be effective from October 26, 2025, based on the vessel berthing date at BDCGP," it read.

The surcharge is payable at the Chattogram port or elsewhere within Bangladesh, irrespective of the terms of shipment or contract, the company added in the notice.

According to the notice, the surcharge will be \$40 for a 20-foot dry container, \$70 for a 40-foot dry container, \$105 for a 40-foot high-cube dry container, and \$145 for a 45-foot high-cube dry container.

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Govt amends VAT law to regain power to grant exemptions

STAR BUSINESS REPORT

The government has amended the Value Added Tax (VAT) Law 2012, restoring its authority to grant exemptions from the indirect tax through special orders, according to an ordinance issued by the law ministry on Monday.

The development comes months after the government in the Tax Expenditure Policy and Management Framework (TEPMF) removed the National Board of Revenue's (NBR) power to grant exemptions from VAT, supplementary duty (SD), and advance tax.

The policy came into effect in July this year.

Officials said the NBR often receives applications from welfare organisations and donations seeking exemption from taxes. As the new policy has come into effect, the revenue board can no longer extend such benefits.

To resolve this, the NBR added a clause specifying that the tax expenditure policy would not apply to VAT exemptions on donations and grants.

"So, the provision of special orders has been included, empowering the government to give the exemption," said a senior NBR official on condition of anonymity.

In the ordinance on a Few Finance-Related Laws (Second Amendment) 2025, the government has also raised the advance tax on income from investments in treasury bills and bonds held by companies.

Previously, companies paid a 10 percent tax on interest income from these securities. This has now been raised to 15 percent, according to the amendment.

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