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Star BUSINESS

Port tariff hike sparks ripple effects

DWAIPAYAN BARUA, *Ctg*

Chittagong Port Authority (CPA) started enforcing a revised tariff schedule with a steep 41 percent increase in service charges since midnight yesterday, despite widespread opposition from exporters and importers.

The port tariff hike has already started to have ripple effects, with shipping lines beginning to adjust freight rates to offset the increase in operational costs.

Meanwhile, owners of container-carrying prime mover trailers stopped transporting containers to the port yesterday afternoon, protesting an acute increase in port entry fees as per the new tariff schedule.

Amir Humayun Mahmud Chowdhury, former president of the Chittagong Chamber of Commerce & Industry, said the country's import and export trade costs would increase manifold due to the port tariff hike.

The situation would be aggravated by a 60 percent charge hike by the inland container depots (ICDs) and additional freight charges imposed by the shipping lines, he said.

Since 12:01 am, all ships arriving with containers and cargo at the port have been charged at the new tariff rate for different services.

The revised tariff came into force in line with a CPA circular issued on September 30, said CPA Secretary Md Omar Faruk.

This is the first time in 40 years the CPA has made a major revision of charges, fees, rents, and tolls on a number of its services, including container and vessel handling.

The government issued a gazette notification in this regard on September 14, announcing the new tariff structure to take effect from the following day.

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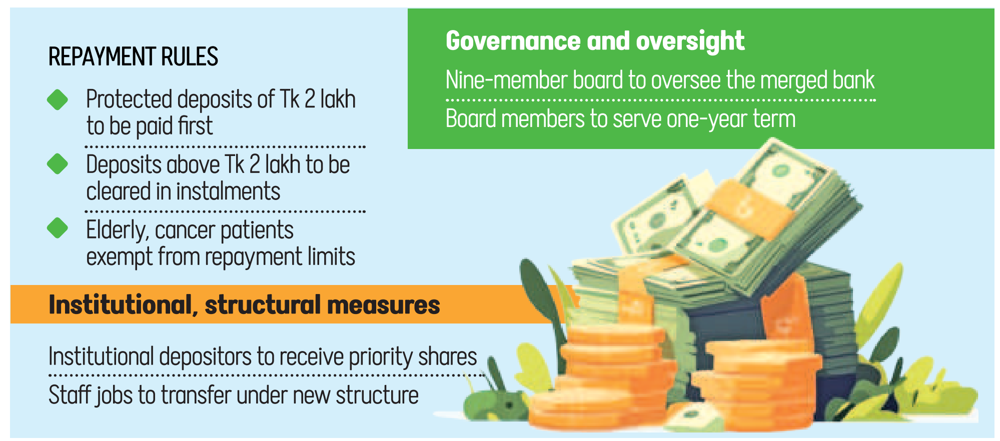
Post-merger payouts: Depositors face 6-month to 5-year wait

REJAUL KARIM BYRON



Individual depositors of five troubled shariah-based banks set to merge will receive their repayments within six months to a maximum of five years.

The Bangladesh Bank (BB) has drawn up a detailed roadmap outlining specific timelines for the repayment process, officials said.

This will be announced soon through an official gazette, with the repayment schedule taking effect from the date mentioned in it. A draft of that gazette has already been prepared.

Savings up to Tk 2 lakh, which will be treated as protected deposits, will require no wait and be paid immediately after the merger.

On October 9, the advisory council approved the merger of five Islamic lenders to form a new state-owned bank. The banks to be merged are First Security Islami Bank, Union Bank, Global Islami Bank, Social Islami Bank and Exim Bank.

The repayment schedule for individual depositors will be divided into two categories, according to the draft of the official circular. In it, central bank officials said depositor repayments get the highest priority, as public confidence in the banking sector depends on it.

For current and savings accounts, excluding deposits of three months or more, up to Tk 2 lakh will be treated as protected deposits and repaid first. These payments will be made at any time after the effective date mentioned in the gazette.

Larger deposits will be repaid in six instalments of Tk 1 lakh each, between six and 24 months after the effective date. Any remaining balance will be repaid at any time after 24 months.

For deposits of three months or longer, up to Tk 2 lakh will also be considered protected and can be withdrawn at any time once the circular takes effect.

Three-month fixed deposits will be renewed automatically three times before becoming payable.

Six-month deposits will be renewed twice, while one-year deposits will also be renewed twice before being eligible for repayment.

Two-year deposits will automatically convert into three-year terms, three-year deposits into four, and four-year deposits into five. Deposits with a five-year term or longer will be payable upon maturity.

According to the draft circular, people aged over 65 and those diagnosed with cancer will be exempt from these conditions.

Depositors will be allowed to access up to 30 percent of their outstanding balance as investment or loan facilities. From the effective date of the gazette, deposits will earn profit at market rates.

For institutional depositors such as banks, financial institutions, government, semi-government and autonomous bodies, priority shares will be issued against their net liabilities after settling the value of shares in the newly merged bank.

These shares will carry the applicable bank profit rate.

Other institutional depositors will also receive shares on the same terms. They must hold the shares for at least five years, after which they will be converted back into term deposits.

Educational institutions, hospitals, and provident or gratuity funds for officials and employees will remain outside the scheme.

Two names have been proposed for the new bank – "United Islami Bank Limited" and "Sammilito Islami Bank Limited".

Under the merger process, all assets and liabilities of the five banks will be combined into the new lender. All five lenders are listed on the stock exchange.

Forensic audits by international accounting firms earlier this year found that non-performing loans (NPLs) made up 96.37 percent of total loans at First Security Islami Bank, 97.8 percent at Union Bank, 95 percent at Global Islami Bank, 62.3 percent at Social Islami Bank and 48.2 percent at Exim Bank.

As of May this year, combined deposits at these banks stood at more than Tk 1.36 lakh crore, according to BB data.

Once merged, the new bank will have an authorised capital of Tk 40,000 crore, with a paid-up capital requirement of Tk 35,000 crore.

As per the preliminary capital plan, around Tk 15,000 crore in institutional deposits

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Govt easing visa system for foreign investors

Bida chief says

STAR BUSINESS REPORT

The government is working to modernise the visa system for foreign investors by digitising fee payments and tightening regulations with tougher penalties for malpractice, according to the Bangladesh Investment Development Authority (Bida).

"We are addressing issues like visa conversion, as many complaints have been reported even at the field level," said Chowdhury Ashik Mahmud Bin Harun, executive chairman of Bida.

He said the authorities were enforcing stricter punitive measures against those engaged in wrongdoing.

"The visa policy will make life harder for those who violate rules, while providing an easier process for reliable operators. If someone defaults, the penalties will be severe," Ashik Chowdhury added.

"Our aim is to simplify the process while increasing penalties to reduce malpractice. In some areas, we are simplifying procedures," he said.

Citing an example, he said that the visa-on-arrival fee process had been cumbersome. "To ease the process for daily visa handlers, a Chinese operator can now pay in RMB [the official currency of China]," he said.

"We have fixed the RMB equivalent of $50 at 440 yuan for the next six months, facilitating business transactions without the hassle of currency exchange," he added.

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Financially insolvent people take their meals served by "Bhalo Kajer Hotel", which runs with the dictum that the poor and homeless would get a free meal in exchange for performing a good deed. The photo was taken near Holiday Inn Dhaka City Centre yesterday. PHOTO: PRABIR DAS

Nutrition becomes luxury for the poor amid high prices

WORLD FOOD DAY 2025

SOHEL PARVEZ *and* SOHRAB HOSSAIN

Rosy was waiting to buy some rice and wheat flour from a government-run truck in front of the Rayer Bazar Martyred Intellectuals Memorial. There were already 20 women in the queue, with more adding every minute, even though the sale was yet to begin.

The dealer, Harun ur Rashid, was expecting a food directorate official who would give him the nod to begin selling.

The truck sells essential food items at a slightly cheaper rate under the open market sales (OMS) programme. For Rosy, who does not have any last name, this was the last option to get food as prices continue to spiral without any signs of cooling down.

"There is nothing at home to cook. I came out to buy some dry fish and get some flour from here," said the woman in her 40s.

Rosy lives with her son, who earns Tk 12,000 a month working at a sweets store. Over half the amount goes to clear house rent, leaving a meagre amount for them to spend on food and meet other necessities.

She used to clean offices and do other chores at a buying house on Elephant Road in Dhaka, earning Tk 200 a day. "But the buying house closed recently, and I haven't been able to find a job. We are now dependent on my son's income alone. This has put us in a tougher situation as prices are too high."

A farmer's daughter, growing up, Rosy was not familiar with the extremities of food scarcity. "I never imagined that one day I would have to wait in the queue of an OMS truck to buy food."

Across major cities, particularly in Dhaka, such stories have become common. From teenagers to elders, people now line up to buy subsidised items to survive. Quite often, stocks run out mid-queue. Desperate, some even run after the truck as it leaves; others pick up the leftovers from the street, videos and media reports show.

The long queues at OMS trucks depict a harsh reality as Bangladesh continues to struggle with high inflation, which stood at 10 percent in the fiscal year 2024-25 (FY25), up from 9.7 percent the previous year.

On the other hand, growth in wages of low-income individuals has remained below the inflation rate since May 2021.

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Cut inequality, create jobs to strengthen food security

TOWFIQUL ISLAM KHAN

Bangladesh has made significant progress in ensuring food security over the past two decades. Key indicators such as foodgrain production, cropping intensity, and overall availability have improved notably. Poverty levels have fallen, and access to food has widened.

However, serious challenges remain regarding access, stability, and utilisation. Nutrition gaps persist, with stunting, wasting, and undernourishment affecting millions. Compared with other countries in South Asia, Bangladesh still lags behind in several crucial nutrition indicators.

Besides, concerns about food safety have also grown over the past few decades. Ensuring food security for a growing population, particularly amid shrinking agricultural land, will require bold and innovative strategies.

There is considerable scope to boost agricultural productivity. Embracing technology, advancing mechanisation, and adopting better farming practices are essential steps. Climate change adds another layer of uncertainty, making crop zoning, rational water use, and the development of climate-resilient seeds increasingly vital.

Price stability remains a pressing issue. Farmers must receive fair incentives, while consumers need access to affordable food. Reforming market intermediaries and procurement systems is necessary to address these challenges.

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