Star BUSINESS

EPA with Japan expected next month

Commerce secretary says

REFAYET ULLAH MIRDHA

Bangladesh expects to sign the Economic Partnership Agreement (EPA) with Japan by the end of next month, as negotiations between the two countries have already been completed, Commerce Secretary Mahbubur Rahman told The Daily Star yesterday.

"If the deal cannot be signed by the end of December for any reason, it will be signed within January 1 or 2, as both sides are ready," he added.

Negotiations for the bilateral EPA concluded in September in Tokyo, though the Japanese government took additional time to verify certain issues before agreeing to the signing. A draft of the finalised negotiation is currently under review by Japan's law ministry.

"If any issue is raised for further negotiation, both countries can resolve it through consultation. It is just routine work as the main negotiation is already completed," the commerce secretary said.

The talks began in March 2024 under the ousted Awami League-led government and were continued by the interim government after the political changeover in August that year. With the deal, Bangladesh is seeking to secure preferential trade benefits from Japan ahead of its graduation from the least developed country (LDC) category in November 2026.

Rahman described the upcoming signing as a routine procedure, emphasising that the agreement's completion is independent of which government initiated or finalised the negotiation.

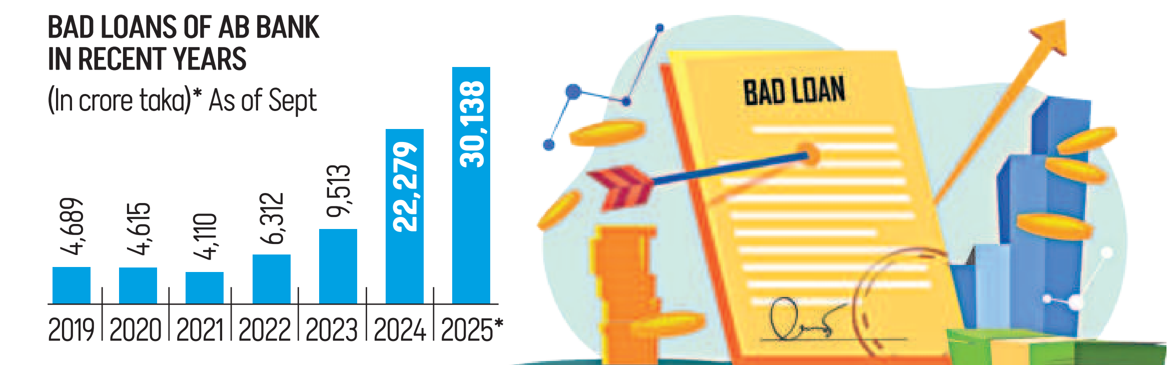
Japan has also agreed to maintain duty-free access for Bangladeshi products for three more years, similar to the European Union's arrangement, even after Bangladesh becomes a developing nation next year.

Beyond trade benefits, the EPA is expected to facilitate Japanese investment in Bangladesh and enhance the country's image internationally, given Japan's high compliance standards for trade and foreign direct investment.

READ MORE ON B2

AB Bank's 'hidden' bad loans push NPLs to 84%

Tk 20,023cr in undisclosed bad loans surfaced within a year



KEY POINTS

- BB carried out a forensic audit of the bank
- Lender seeks Tk 2,000cr from BB amid deposit flight
- Managing director resigns within nine months of joining
- Bad loans rose by Tk 20,023cr in just a year

SOURCE: FINANCIAL STATEMENT

MD MEHEDI HASAN

AB Bank's bad loans have ballooned to an unprecedented level, with nearly 84 percent of its total loans in default, a sign of severe financial distress caused by years of irregularities at the country's first private commercial lender.

According to the bank's latest quarterly statement for the period ending in September, AB Bank had Tk 35,982 crore in outstanding loans. Of this, Tk 30,138 crore cannot be recovered on time and has been officially categorised as non-performing loans (NPLs).

The bank had Tk 10,115 crore in bad loans as of September 2024, amounting to 31 percent of its lending portfolio. Officials say, the jump indicates that Tk 20,023 crore in previously undisclosed bad loans have surfaced within a year.

The disclosures come amid a forensic audit being conducted by a foreign auditor, appointed under recommendations from the government's Banking Reform Task Force. Bangladesh Bank officials said the auditor has completed an asset quality review, which includes checking whether loans have been correctly classified, and will soon submit the findings.

HIDING TRUE EXTENT OF STRESSED ASSETS

Officials familiar with the matter said the bank had long concealed the true extent of its stressed assets. They attributed this to irregular management practices, misuse of loan facilities, and an ongoing failure to recover large loans.

For years, they said, the bank kept its books looking healthier than they truly were by taking advantage of loan deferral facilities from Bangladesh Bank – temporary waivers that allow troubled banks to delay classifying loans as defaulted.

The latest revelations show that nearly all of the bank's key financial indicators have deteriorated.

Amid growing pressure from deposit withdrawals sparked by the audit, AB Bank has requested an additional Tk 2,000 crore in liquidity support from Bangladesh Bank to maintain day-to-day operations. The development comes at a time when the regulator is under the process of merging five troubled banks.

READ MORE ON B2

Ahsan H Mansur, governor of Bangladesh Bank, attends an award-giving ceremony, titled "Mastercard Excellence Awards 2025", organised by Mastercard, in Dhaka yesterday. Gautam Aggarwal, president of Mastercard for South Asia, and Syed Mohammad Kamal, country manager of Mastercard Bangladesh, were also present.

PHOTO: MASTERCARD

Governance failure stalls financial sector progress

BB governor says at Mastercard Excellence Awards 2025

STAR BUSINESS REPORT

Bangladesh's financial sector has fallen short of expectations due to prolonged governance failure, weak regulatory enforcement and delayed reforms, despite commendable growth in the broader economy, Bangladesh Bank Governor Ahsan H Mansur said yesterday.

He also described the sector's overall performance as "disappointingly behind", blaming structural weaknesses that remain largely unaddressed.

The governor made the comments at the Mastercard Excellence Awards 2025 ceremony at the Radisson Blu Water Garden Hotel in Dhaka.

Eighteen institutions received a total of 33 awards under 19 categories in recognition of contributions to innovation, financial inclusion and digital transformation in the 2024-25 fiscal year.

He said that although the sector appears institutionally regulated, irregularities persist "underneath" owing to lax enforcement.

Referring to a local saying that translates to "hard on the outside, soft inside", he pointed to a disconnect between regulatory norms and operational practice.

"Regulations are stringent, but compliance mechanisms allow many irregularities to pass through. Without structural correction, the financial sector will continue to lag even as the economy expands," he said.

Mansur noted that while Bangladesh's economy is now comparable in size to Singapore's, the financial sector remains "considerably narrow".

"The economy cannot fully reap the benefits of its size due to corruption, misallocation of assets and regulatory failures," he added.

He stressed that meaningful reform, rather than procedural adjustments, is essential to strengthen financial governance and reduce systemic inefficiencies.

The governor acknowledged recent steps by the central bank, including the removal of tax return submission and TIN requirements for card issuance, as well as the resolution of complications around purchasing international airline tickets via credit cards.

"Customers can now buy tickets online as per their credit limit without it being counted in their annual foreign exchange quota. These are positive developments, but more substantive reforms are needed," he said.

Gautam Agarwal, president of Mastercard South Asia, said Bangladesh's financial transformation is underway despite the barriers.

According to him, the country has nearly 15 crore active mobile financial service accounts, internet usage stands at 70-74 percent, and annual remittance inflow totals $2.5-2.6 billion.

However, around 80 percent of transactions still rely on cash, which he termed a major obstacle to digitalisation.

"India underwent a similar journey. A little over a decade ago, only 2-5 percent of transactions there were digital; today it stands at 30-35 percent. Bangladesh is now positioned for a similar transformation," he said.

Agarwal added that Mastercard has consistently invested in Bangladesh over the past 13 years, with a focus on financial inclusion alongside card services.

At yesterday's awards ceremony, Mutual Trust Bank and Eastern Bank secured the highest number of recognitions, winning in four categories each.

City Bank, Islami Bank Bangladesh, United Commercial Bank and BRAC Bank received awards in three categories each, while Dhaka Bank won in two.

Single-category awards went to Mercantile Bank, SSL Commerz, Al-Arafah Islami Bank, Prime Bank, AB Bank, Dutch-Bangla Bank, Southeast Bank, Pubali Bank, Pathao Pay, ACI Logistics (Shwapno) and bKash.

The seventh edition of the awards, held under the theme "Inspired by Future", also marked Mastercard's 13th year of operations in Bangladesh.

New telecom policy must be assessed after political transition: Amir Khosru

STAR BUSINESS REPORT

The new telecom policy should be reviewed once Bangladesh returns to a democratic order to safeguard the interests of citizens, the nation, and investors, BNP Standing Committee Member Amir Khosru Mahmud Chowdhury said yesterday.

"I think this is the responsibility of those who will be elected in the coming days," he said, adding that the BNP would not discriminate between local and foreign investors when formulating a policy.

Khosru made the remarks at a seminar titled "Challenges in Shaping the Bangladesh of Tomorrow: The Future of Local Entrepreneurs in the Telecommunications and Information Technology Sectors," organised by the Telecom and Technology Reporters' Network, Bangladesh, at a hotel in Dhaka.

Earlier, in late September, the Telecommunications Network and Licensing Policy 2025 was gazetted.

"The ICT (information and communication technology) and telecom sectors involve critical economic decisions for Bangladesh, so investment, ICT, and telecom policies must be thoroughly assessed before major decisions are made," Khosru said.

He noted that the Bangladesh Telecommunication Regulatory Commission should be an independent authority, but its independence was undermined during the previous government.

"Over the past 14-15 years, licences were issued without accountability. Where five licences were necessary, 30 were issued," he said. "The telecom sector is in a complete mess."

Khosru emphasised that major reforms are needed but insisted that any changes must protect local investment, employment, digital security, and national sovereignty.

"We need foreign investment. But that doesn't mean we will replace local investment with foreign capital. That cannot happen," he said.

"The returns in the telecom sector are high. Foreign companies will naturally remain interested. So, I don't understand why our own people cannot invest in a sector that promises such profits," he added.

Sumon Ahmed Sabir, deputy managing director of Fiber@Home, warned that several provisions in the new telecom licensing policy could hinder local entrepreneurs while giving extra advantages to foreign multinational companies.

"This may create future risks of market monopoly, national security vulnerabilities, and losses for domestic investors," he said.

According to Sabir, the policy introduces major changes to Bangladesh's telecom infrastructure, investment climate, and competitive market structure.

The draft allows multinational companies with up to 65 percent foreign direct investment (FDI) to get cross-layer licences, while similar opportunities remain limited for local operators.

Prime Bank hosts seminar on youth empowerment at BAU

STAR BUSINESS DESK

Prime Bank PLC, in collaboration with Bangladesh Agricultural University (BAU), recently organised a seminar, titled "Financial Inclusion: Engaging & Inspiring Youth in Banking", under its flagship PrimeAcademia initiative.

The event drew enthusiastic participation from faculty members, senior officials, and students, inspiring young minds to align their ambitions with financial inclusion and national progress.

AK Fazlul Haque Bhuiyan, vice-chancellor of Bangladesh Agricultural University, attended the programme as the chief guest, according to a press release.

The seminar highlighted the importance of industry-academia collaboration, with both Prime Bank and BAU reaffirming their commitment to strengthening partnerships through student-focused initiatives, research collaborations, and skill development programmes.

The session was conducted by Syed Sazzad Haider Chowdhury, deputy managing director of the bank, accompanied by Shaila Abedin, senior vice-president and head of liability, and MM Mahbub Hasan, head of financial inclusion and school banking.

Together, they encouraged students to view knowledge, innovation, and empathy as key drivers of both personal development and national advancement.

AK Fazlul Haque Bhuiyan, vice-chancellor of Bangladesh Agricultural University, poses for group photographs with participants of a seminar, titled "Financial Inclusion: Engaging & Inspiring Youth in Banking", on the university campus in Dhaka recently.

PHOTO: PRIME BANK

United Commercial Bank launches bancassurance service

STAR BUSINESS DESK

United Commercial Bank PLC (UCB) has launched its bancassurance services, enabling customers to access insurance directly through the bank.

Customers can now obtain both life and general insurance services from any UCB branch across the country. Mahbubur Rahman, chairman of Eastland Insurance PLC, inaugurated the service as the chief guest at the Pan Pacific Sonargaon Hotel in Dhaka recently, according to a press release.

Speaking at the event, Rahman said the collaboration among UCB, Jiban Bima Corporation, and Eastland Insurance marks a new milestone for the country's insurance services. "This partnership will allow customers to access insurance more conveniently than ever before," he added.

Md Muhibuzzaman, managing director and additional secretary of Jiban Bima Corporation, noted that UCB has taken strong and commendable preparations to launch bancassurance. As people's income levels rise, the demand for insurance alongside banking services is also increasing.

"With banks and insurance companies now working together, customers will find it much easier to access insurance services," he said, expressing hope that the initiative would build public trust and ensure financial protection for many families.

Mahbubur Rahman, chairman of Eastland Insurance PLC, inaugurates the bancassurance service, launched by United Commercial Bank PLC, at the Pan Pacific Sonargaon Hotel in Dhaka recently.

PHOTO: UCB

Anwarul Islam elected president of BRAMA

STAR BUSINESS DESK

Anwarul Islam, proprietor of Simplex Corporation Limited, has been elected as the president of the Bangladesh Refrigeration and Airconditioning Merchants Association (BRAMA) from Sammilito Baboshayee Parishad for a two-year term (2025-27).

According to a press release, Md Jahirul Haque Khan and Md Mainudding Prodhania have been elected vice-presidents of the association.

Md Shamsuddin Babul, Md Ershad Haider, Md Shafiuddin, Md Kamruzzaman Khan, Md Jasim Uddin Bhuiyan, Md Faruk Hossain, Md Abdul Gaffar Bakshi, Ziaul Haque Bhuiyan, Mohammad Mahbubur Rahman, Md Imarat Mollah, Md Salim, and Md Sadman Shakib Dewan included in the 17-member committee as directors.

Tobacco taxation hampered by weak enforcement: analysts

STAR BUSINESS REPORT

Bangladesh's tobacco taxation remains constrained by long-standing industry myths, falls far short of the policies needed to reduce consumption, and suffers from weak enforcement, according to tobacco tax analysts.

They added that the country continues to sell some of the world's cheapest tobacco products, and warned that its fragmented tax system hurts both public health and fiscal efficiency.

The statements came at a national dialogue on tobacco taxation, organised by the Power and Participation Research Centre (PPRC) at its office in Dhaka yesterday.

"Bangladesh's tobacco taxation remains a notable outlier, shaped less by evidence and more by a set of persistent industry-driven myths," said Prof Shafiun N Shimul, director of the Institute of Health Economics at the University of Dhaka.

He added, "One influential myth is that higher tobacco taxes hurt the poor. But global studies show that low-income smokers are more price-sensitive and reduce consumption when prices rise.

"Another common fear is that higher taxes will fuel illicit trade, a narrative often echoed by tax officials. But this is the result of concerted messaging by tobacco companies."

"Evidence from multiple countries shows that illicit trade increases only under weak enforcement rather than as a direct consequence of tax hikes," Prof Shimul said. Yet in Bangladesh, this claim continues to dissuade policymakers from adopting a more rational tax structure, he added.

They said the country continues to sell some of the world's cheapest tobacco products

Prof Shimul further said, "The industry always claims that it provides large-scale employment and that farming is highly profitable. However, there is no reliable national data on how many jobs the sector actually supports, and Bangladesh-based studies show no evidence of sustained profitability for farmers."

He noted that tobacco's economic contribution is minimal—less than 1 percent—while its social and health harms are enormous.

AB Bank's 'hidden' bad loans

FROM PAGE B1

Liquidity support is emergency cash provided by the central bank to help troubled banks meet withdrawal demands. During the tenure of the interim government, AB Bank has already taken Tk 500 crore in such support, alongside eight other lenders.

The crisis has also triggered changes in top management. On November 19, Managing Director and CEO Syed Mizanur Rahman has submitted his resignation letter, citing personal reasons. The letter is yet to be officially accepted. He is expected to join Meghna Bank as managing director pending central bank approval.

Rahman, who took charge of AB Bank in May after serving as additional managing director, told The Daily Star last week that the institution had previously taken over mortgaged properties against loans from defaulting borrowers and listed them as non-banking assets. This accounting move temporarily reduced the bank's bad loan ratio, as non-banking assets are not counted as defaulted loans.

"However, the bank failed to take full possession of those assets due to legal complications, leading to their reclassification as non-performing loans, pushing the figure sharply upward," he said.

Another senior official confirmed that around Tk 1,500 crore worth of non-banking assets had now been reclassified as bad loans.

He alleged that the practice of reducing bad loans by converting mortgaged assets into non-banking assets was carried out with legal assistance from a firm linked to a former chairman.

AB Bank reported a Tk 3,113 crore net loss in the first nine months of this year, compared with a profit of Tk 1.58 crore in the same period last year.

At the end of 2024, the lender had a capital shortfall of Tk 4,298 crore and posted a net loss of Tk 1,917 crore. A capital shortfall occurs when a bank's losses are so large that it no longer has the minimum funds required to operate safely.

Launched in 1981 as the first private commercial lender of the country, AB Bank's troubles did not emerge overnight. They date back at least eight years, when it drew public criticism for a 2016 money laundering scandal. A Bangladesh Bank investigation found that nearly Tk 165 crore had been transferred abroad under the guise of investment through two dubious organisations, eventually ending up in the United Arab Emirates.

Industry insiders claim that at the time, the bank was controlled by the family of M Morshed Khan, a former BNP cabinet member and one of AB Bank's founding sponsors.

During the scandal, M Wahidul Haque served as chairman. He, along with vice-chairman Salim Ahmed and director Faheemul Huq, resigned in 2017. The central bank appointed an observer that same year, and AB Bank continues to have a Bangladesh Bank coordinator overseeing its operations as its financial condition has yet to stabilise.

Later in 2018, the Anti-Corruption Commission (ACC) arrested three people including former chairman Haque for alleged money laundering.

In 2019, Tarique Afzal was appointed president and managing director. His tenure was marred by controversy over his political involvement: despite being the head of a private bank, he was a member of the Awami League's international subcommittee.

AB Bank continues to struggle to recover large loans from several corporate groups, including Beximco, Sikder, Asian City, Buildtrade, Orion, and Mahin. Most of these loans have now defaulted, and legal proceedings are ongoing, Rahman said.

EPA with Japan

FROM PAGE B1

The negotiations included three meetings in Dhaka and four in Japan, covering trade, investment, exports, and imports.

With the LDC graduation looming, Bangladesh is trying to sign free trade deals with major partners to ensure market access. So far, no such deals have been inked with any country. Previously a preferential trade agreement with Bhutan was signed in 2020.

Japan is a key market, being the first Asian nation where Bangladesh exported over $1 billion in more than a decade, thanks to duty-free and quota-free access under its LDC status. Bangladeshi garments, leather goods, and footwear are in high demand in the island nation.

PHOTO: RAJIB RAIHAN

All agree on efficient ports, but debate over deal timing, details

Govt says renowned global operators will modernise port system, reduce corruption and eventually increase Bangladesh's competitiveness

DWAIPAYAN BARUA, *Ctg*

Discussions, debates and demonstrations have intensified after the government recently awarded the operations of Laldia Container Terminal in Chattogram and Pangaon Inland Container Terminal near Dhaka to two foreign operators.

Two issues mainly dominate the debate. One concerns the timing of the deal signing, while the other focuses on the details of the agreements.

Critics say the authorities acted with unusual haste and kept key information confidential, which they claim indicates a lack of transparency. However, government officials argue that the documents cannot be made public due to legal issues.

Under the recent agreements, Denmark-based APM Terminals will build and operate the Laldia terminal for 30 years. Switzerland-based Medlog will manage Pangaon for 22 years.

The interim government insists that the agreements protect national interests. However, political parties and activists question why an interim authority with a short mandate rushed to take such long-term and sensitive decisions.

They have also demanded an immediate halt to the move to lease New Mooring Container Terminal to UAE-based DP World.

PAST GOVT BEGAN APPOINTMENT OF FOREIGN FIRMS

The previous Awami League government initiated the plan to appoint foreign operators across Chattogram port.

The port, Bangladesh's main external trade gateway, currently has four terminals. Those are the New Mooring Container Terminal (NCT), Chittagong Container Terminal, General Cargo Berth and the newly-built Patenga Container Terminal (PCT).

Awami League's initiative covered Patenga, the proposed Laldia terminal and two planned terminals under the Bay Terminal project. There were also discussions with DP World over managing the New Mooring Container Terminal.

In 2023, the past government signed a 22-year concession agreement with Saudi firm Red Sea Gateway Terminal (RSGT) to run Patenga Container Terminal, now known as RSGT Terminal.

The interim government apparently did not launch new ones; it just continued earlier plans. In this regard, economist and activist Professor Anu Muhammad questions why the interim government felt the need to speed up the leasing process initiated by the Awami League.

He said expectations were high that the interim government would break from previous tendencies involving secrecy, irregularities and contracts that allegedly failed to prioritise national interest.

Instead, he argued, similar actions are being repeated. "Rather, it was the responsibility of this government to see why the previous government was so interested in these companies," said the former economics teacher of Jahangirnagar University.

Mohammad Zafar Alam, a former member of the Chittagong Port Authority (CPA), said political governments usually take longer to complete such agreements. "It was possible to complete the deals [with the foreign operators] in a short period because of the interim government."

CONCERNS OVER NATIONAL INTERESTS

For months, several organisations have been protesting the decision to hand over container handling responsibilities at Chattogram port to foreign operators.

These camps include Sramik-Karmachari Oikya Parishad, Democratic Rights Committee, Jatiyatabadi Sramik Dal, several left-leaning parties, Bangladesh Jamaat-e-Islami and lately, the Hefazat-e-Islam.

They raise concerns over national interests, strategy and procedure.

They argue that the country should develop national capacity and retain control of Chattogram port, which is the country's main economic lifeline and a key asset for national security and regional strategy.

They also criticise the interim government for choosing operator appointments through government-to-government deals instead of competitive tenders.

Humayun Kabir, former assistant publicity secretary of Jatiyatabadi Sramik Dal (port unit), said foreign operators could support new greenfield projects such as Bay Terminal or Laldia, where fresh investment is needed.

But he argued there is no reason to bring in foreign management for New Mooring Container Terminal, which was built with the port authority's funds and already has equipment worth around Tk 2,000 crore.

> **Even if we allow foreign operators, it should be time-bound and structured in a way that helps build our national capacity so that we can eventually take over these operations ourselves.**
>
> **Prof Mustafizur Rahman**
> Distinguished fellow, CPD

Kabir said that leasing the terminal could allow a foreign operator to collect most revenues while paying only a small handling fee.

Other critics say the promised investment could have been raised domestically, keeping all revenue within the country instead of sharing earnings with foreign companies.

FOREIGN MANAGEMENT WILL MODERNISE SYSTEM, SAYS GOVT

Ashik Chowdhury, executive chairman of the Bangladesh Investment Development Authority (Bida), said global expertise will modernise port operations, reduce corruption and shorten ship waiting times.

In a Facebook post, he said that corruption and delays are the main challenges for Bangladeshi ports, while competitors such as Vietnam have climbed global rankings by adopting technology-driven management from international operators.

He wrote that Vietnam has taken Cai Mep Port to 7th place globally, while Chattogram stands at 334th.

The Bida chief said young Bangladeshi professionals will gain skills from foreign partners and eventually assume leadership roles.

He added that ownership of the ports will certainly remain with Bangladesh.

APPAREL EXPORTERS IN SUPPORT OF FOREIGN FIRMS

The readymade garment sector, the country's largest exporter, is the main user of Chattogram port.

Mahmud Hasan Khan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), welcomed foreign investment and said the appointed operators are globally renowned and efficient.

He hoped port efficiency would increase and business costs would fall.

He mentioned that logistics costs are higher in Bangladesh due to current inefficiency. "It is not expected that these global operators would charge a higher tariff so that the cost rises."

Regarding the non-disclosed terms in the already signed concession agreements, Khan said nothing in the agreements should go against national interests.

Syed M Arif, chairman of the Bangladesh Shipping Agents Association, said efficiency must improve, regardless of whether operators are local or foreign. Vessels currently take three to four days to clear New Mooring Container Terminal, compared with one day in neighbouring ports.

He hoped that Medlog's appointment at Pangaon would boost cargo movement, which has struggled for years.

Amir Humayun Mahmud Chowdhury, convener of Chattogram Port Users' Forum, welcomed APM Terminals for the Laldia project and said the terminal could become globally competitive.

He urged transparency over the New Mooring Container Terminal deal and called for ensuring the jobs of the current workforce.

'APPOINTMENT SHOULD BE TIME-BOUND'

Mustafizur Rahman, distinguished fellow of local think tank Centre for Policy Dialogue (CPD), said improving port efficiency is a must for global competitiveness.

He said that decisions on major infrastructure must be transparent and open to public scrutiny, arguing that secrecy has fuelled doubts.

The CPD fellow called for competitive processes and said any foreign management should be time-bound and structured to build national capacity.

"Even if we allow foreign operators, it should be time-bound and structured in a way that helps build our national capacity so that we can eventually take over these operations ourselves," he said.

M Masrur Reaz, founder and chairman of Policy Exchange of Bangladesh, said developing and operating new, modern port facilities through globally recognised companies under a build-finance-operate-transfer model is a welcome step.

He acknowledged that the details of such commercial public-private partnership contracts are rarely published due to legal and contractual obligations.

However, he said the government could have done more to engage relevant stakeholders, explaining the process, objectives, benefits and safeguards of the agreements.

He urged the government to consider implementing strategic stakeholder engagement initiatives going forward to build trust and transparency around similar projects.

Build own port capacity, preserve nat'l control

Anu Muhammad
Former professor of economics at Jahangirnagar University

STAR BUSINESS REPORT

Signing contracts for the Laldia and Pangaon terminals amid secrecy, a lack of transparency and excessive haste raises serious questions. Why did the government feel the need to complete these deals only three months before the national election?

The government should reflect on the processes that made these foreign firms world-class. If we follow similar principles, Bangladesh can achieve the same standards.

State-owned institutions in Abu Dhabi or Singapore, widely recognised as world-class, did not rely on foreign operators to run their ports. They built their own national capacity.

Creating an inferiority complex, suggesting that we cannot achieve anything on our own, and then using that as justification for engaging foreign operators is neither fair nor necessary.

The expectation from this government was that it would break with past practices, including a lack of transparency, irregularities, secrecy, and contracts made against national interest for commission gains. Instead, the same patterns are being repeated. Talks continue with companies that were already engaged during Sheikh Hasina's tenure.

It was the government's responsibility to examine why the previous administration prioritised these companies. Instead, by framing the ports as corrupt and planning to hand them over entirely to foreign firms, the government is imposing a stigma on the country.

Global operators such as PSA Singapore, with whom the government is negotiating, belong to nations that first developed their national efficiency. Any private firm, local or international, can provide support, but central control must remain with state-owned organisations, which should be strengthened based on national expertise and capacity.

This is not about rejecting foreign investment; it is about ensuring Bangladesh builds its own efficiency, preserves national control, and develops the skills needed to manage world-class ports independently.

Ownership of the ports will remain with us

Ashik Chowdhury
Executive chairman of Bangladesh Investment Development Authority

STAR BUSINESS REPORT

The main challenges facing the country's ports are corruption and delays, while competitors such as Vietnam have climbed global rankings by adopting technology-driven management led by international operators.

Bangladesh now needs operators who can introduce modern technology and efficient processes to deliver better results. Young professionals will learn port management from foreign partners and eventually take leadership roles at home and abroad. The initiative offers hope for a corruption-free port environment.

The ownership of the ports will remain with Bangladesh.

Denmark-based APM Terminals will design and build a new terminal at Laldia using its own investment. Construction is expected to take three years. After completion, APM will manage the facility for a fixed period before handing control back. This arrangement is like hiring a driver for a car, while the vehicle remains with the owner.

APM Terminals is a fully owned subsidiary of the AP Moller Maersk Group, which operates ten of the top twenty ports in the world. It currently runs more than 60 terminals across 33 countries, including Vietnam, Singapore, China and several European states.

The Laldia project is a public-private partnership. APM will invest fully, including Tk 250 crore as signing money and around Tk 6,700 crore during construction. The government will provide no funding or guarantees.

The operator will pay a fixed fee per container handled, with a minimum volume guarantee to protect national interests. The Chittagong Port Authority will act as the regulator.

The 30-year contract is not excessive. Mumbai Port in India has a 60-year deal, Shanghai Port in China 50 years and Cai Mep in Vietnam 50 years.

Legal restrictions prevent any government from releasing full PPP documents, as disclosure could affect future tender processes and reveal confidential business information. Key details, including ownership and revenue structure, have already been shared through press briefings.

Global expertise can increase port efficiency

Mahmud Hasan Khan
President of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA)

STAR BUSINESS REPORT

The readymade garment sector is the country's largest exporter, and Chattogram port is central to keeping our supply chains moving. Any improvement in port operations directly affects the country's competitiveness and costs.

Apparel exporters have always welcomed foreign investment in port development. Global operators appointed to manage key terminals are both reputable and efficient.

These are companies with international experience and proven track records. Their involvement will improve the efficiency of port facilities, reduce delays and ultimately bring down the cost of doing business.

Currently, inefficiencies in the port system have made logistics more expensive, and goods take longer to move. These global operators are not expected to increase tariffs in a way that raises costs. Instead, they can introduce modern management practices and technology to make operations faster and smoother.

I understand that the terms of the concession agreements have not been fully disclosed. While transparency is important, what matters most is that nothing in these treaties should compromise the national interest.

We must ensure that the arrangements protect Bangladesh's economic and strategic priorities, and that local stakeholders benefit from the improvements.

Foreign operators can bring expertise and efficiency, but the ultimate goal must be to strengthen national capacity and support our workforce. If managed correctly, this partnership will not only improve port operations but also give young Bangladeshi professionals the chance to learn from global best practices.


MTB
Presents
BANGLADESH
C-SUITE
AWARDS
2025
Powered by
AIUB
UNITED GROUP
In association with
TWELVE CLOTHING
Bangladesh BRAND FORUM
Inspiring the Nation
CONGRATULATIONS
TO ALL THE WINNERS OF
BANGLADESH C-SUITE AWARDS 2025
WINNERS
A.K.M. MOINUL ISLAM
Deputy Managing Director
PRAN-RFL Group
A. S. M. HAFIZUL ISLAM
Director and Business Executive Officer - Nutrition & Dairy
Nestlé Bangladesh PLC.
LATE ABDULLAH HIL RAKIB
Team Group
ARIF UZ ZAMAN
Head of Technology
Transcom Limited
ASIF ASHRAF
Managing Director
Urmi Group
DILRUBA SHARMIN KHAN
Director, Group HR
Admin & Compliance
AkijBashir Group
DR. ARIF DOWLA
Managing Director
ACI PLC.
FARHA NAZ ZAMAN
Chief Marketing Officer
Grameenphone Limited
KAZI MD. MOHIUDDIN
Head of Group Brand Marketing
Meghna Group of Industries
M. SHABBIR ALI
Corporate Head of HR & Director
Transcom Limited
MASHRUR AREFIN
Managing Director & CEO
City Bank PLC.
MD. MOFIJUL HOSSAIN IRAZ
CHIEF OPERATING OFFICER
CLUSTER 3
AKIJBASHIR GROUP
MD. NURUL AFSER
Deputy Managing Director
Electro Mart Limited
MD. TANZIR HELAL
Chief Supply Chain officer
PRAN-RFL Group
MOHAMMAD FIROJ ALAM
Senior Executive Director
Walton Hi-Tech Industries PLC.
MOHAMMED ZIA UDDIN
Supply Director
Bangladesh - Sri Lanka Cluster
Reckitt
MOINUDDIN MOHAMMED RAHGIR
Chief Financial Officer
bKash Limited
NISHAT TASNIM SHUCHI
Chief Executive Officer
Walton Micro -Tech Corporation Ltd.
RIZWAN DAWOOD SHAMS
Managing Director
IPDC Finance PLC.
SYED MAHBUBUR RAHMAN
Managing Director & CEO
Mutual Trust Bank PLC.
TAHMINA MOSTAFA
Director
Meghna Group of Industries
MD. TAJDIN HASSAN
Chief Operating Officer
Keeron
TANVEER MOHAMMAD
Chief Corporate Affairs Officer
Grameenphone Limited
UZMA CHOWDHURY
Director, Finance
PRAN-RFL Group
OUR VALUED PARTNERS
Title Partner
MTB
Powered by
AIUB
UNITED GROUP
In association with
TWELVE CLOTHING
Official Carrier Partner
TURKISH AIRLINES
Knowledge Partner
MSB
Venue Partner
UNITED CONVENTION CENTRE
Learning Partner
QUAZI consultants
PR Partner
BACK PAGE PR
Academic Partner
LEADERSHIP ACADEMY
An Initiative of
Bangladesh BRAND FORUM
Inspiring the Nation