NBR introduced a separate licensing framework for shipping agents, saying such reforms will ease export-import activities. PHOTO: STAR/FILE

Shipping agents get separate licensing framework

STAFF CORRESPONDENT, *Ctg*

The National Board of Revenue (NBR) has, for the first time, issued a separate licensing framework for the shipping trade.

The Shipping Agent Licensing Regulations 2025 were issued through a gazette notification on December 30 of the just-concluded year.

Previously, shipping agents operated under the Customs Agent Licensing Regulations 2020, creating complexities as clearing and forwarding agents and shipping agents were governed by the same rules.

Under the new regulations, a shipping agent licence issued from one customs station will be valid for operations at any seaport or river port across the country.

The NBR also said prior board approval will no longer be required to determine the number of licences, enabling faster issuance.

Khairul Alam Sujan, vice-president of the Bangladesh Freight Forwarders Association (BAFFA), said the regulations recognise shipping as an independent national commercial sector.

He added that key reforms include scrapping written and viva examinations and ensuring licence issuance within 30 working days if all documents are in order.

In a press release, the NBR said the move aims to ensure competition, transparency and accountability in issuing shipping agent licences from customs stations adjacent to seaports and river ports.

The NBR said the reforms would help promote an investment-friendly environment and ease import-export activities.

Ensure political stability to safeguard economic recovery

Dhaka chamber urges govt, parties ahead of polls

STAR BUSINESS REPORT

The Dhaka Chamber of Commerce and Industry (DCCI) has urged political stability, policy continuity, and timely economic measures to safeguard Bangladesh's economic recovery in 2026 amid challenges posed by the upcoming national elections.

In a statement released yesterday, DCCI called on the interim government, political parties, and all stakeholders to ensure a peaceful, inclusive, and credible electoral process, stressing that political stability is critical for sustaining investor confidence and long-term growth.

"A stable political environment before and after the election will strengthen the confidence of local entrepreneurs and foreign investors," said DCCI.

To accelerate the pace of economic recovery, DCCI recommended improvements in law and order, uninterrupted and affordable energy supply to industries, enhanced ease of doing business, and a reduction in the overall cost of doing business.

It also urged infrastructure upgrades and sound policy frameworks to attract both domestic and foreign investment.

Highlighting the persistent energy crisis and high power costs, DCCI cautioned about continued disruption in manufacturing and export competitiveness.

The chamber reiterated its call for a long-term, predictable energy pricing policy, along with intensified gas exploration, diversification of energy sources, and long-term supply agreements.

Amid pressure on foreign exchange reserves and currency depreciation, DCCI proposed considering currency swap arrangements for essential import payments and strengthening incentives for remittance inflows to stabilise the reserves.

The chamber also raised concerns over excessive government borrowing from the banking sector, cautioning that it could crowd out private-sector credit for CMSMEs (Cottage, Micro, Small and Medium Enterprises), ultimately constraining investment and job creation.

To ease liquidity pressure and enhance financial sector resilience, DCCI recommended fiscal discipline, improved project execution, reduced reliance on bank borrowing, and stronger governance.

It further emphasised the need for full automation of revenue collection, modernisation of tax laws, broadening of the tax base, and prevention of taxpayer harassment.

As Bangladesh continues its transition from least developed country status, DCCI underscored the urgency of comprehensive economic preparedness.

It called for fast-tracking free trade agreements with key global and regional partners to expand market access and mitigate tariff-related risks.

The chamber identified export diversification, resilient industrial manufacturing, development of local industries, modern infrastructure, skilled human capital, technology adoption, backward linkage expansion, and rational tax-tariff reforms as critical drivers of growth in the post-LDC era.

Munir Hossain, Ahsan Habib elected CMJF president, secretary

Md Munir Hossain

Ahsan Habib

STAR BUSINESS REPORT

Md Munir Hossain, special correspondent of the Daily Jugantor, has been elected president of the Capital Market Journalists' Forum (CMJF), while Ahsan Habib, senior reporter of The Daily Star, has been elected general secretary for a two-year term (2026-27).

The new leadership was elected at the organisation's biennial general meeting held on January 2 at the CMJF office in Dhaka.

After the election, Chief Election Commissioner Nasir Uddin Chowdhury announced the results.

Other members of the election commission were Mainul Hasan Sohel, Shahnaz Sharmin Rinvi, and Abu Ali.

For the 2026-27 term, Babul Barman, senior reporter of The Financial Express, was re-elected vice-president, while Tahidul Islam Rana, senior reporter of Independent Television, was elected joint general secretary.

Mahfuzul Islam was elected finance secretary, and senior reporter Obaidur Rahman was elected office secretary.

Five members were elected to the executive committee: Alamgir Hossain, Md Sajjad Hosain, Sushanto Sinha, Mostafizur Rahman, and SM Zakir Hossain.

German exporters face slump in key markets

REUTERS, *Berlin*

German exporters should prepare for continued weakness in 2026 in their two largest markets, the United States and China, with little prospect of recovery, the BGA trade association said on Friday.

"We do not see a turnaround, but at best a brief respite," said BGA president Dirk Jandura.

Exports to the US are projected to have fallen more than 7 percent to just under 150 billion euros ($156 billion) in 2025, while exports to China have contracted even more sharply, dropping 10 percent to 81 billion euros, GTAI figures show.

US tariffs on EU goods have acted like "sand in the gears of transatlantic trade", Jandura said, adding they created a permanent additional burden on margins for German exporters.

Germany also faces structural headwinds, including a comparatively strong euro, high energy costs, excessive bureaucracy and weak investment, the BGA chief said. In China, industrial policies favouring domestic producers have eroded demand for German goods, particularly in automotive, mechanical engineering and chemicals sectors where Chinese competitors are gaining ground.

Businesses underprepared

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But the progress has been slow so far. Till January this year, Bangladesh has signed just one preferential trade agreement (FTA) with Bhutan, effective since 2022.

Negotiations with Japan on an Economic Partnership Agreement (EPA) were completed in December last year. Commerce Adviser Sk Bashir Uddin said the deal with the island nation is expected to take effect by the end of January.

Talks with other key partners and blocs, including the European Union (EU), South Korea, the United Arab Emirates, Indonesia, RCEP and Asean, continue with no clear timelines.

At home, businesses say conditions have worsened rather than improved. Bureaucratic delays, policy uncertainty and infrastructure bottlenecks continue to push up overhead costs and weaken competitiveness.

Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said the government does not have a clear roadmap for graduation.

"The interim government did not sit with businessmen and did not prepare any concrete plan for the post-LDC period," he said.

HOME FRONT WEAK TOO

Last year, leaders of 16 major trade bodies and chambers wrote to Chief Adviser Professor Muhammad Yunus, urging the interim government to seek a deferment of at least six years.

They cited a long list of pressures, including high interest rates, stress in the financial sector, gas shortages, rising energy prices, limited industrial land and inadequate workforce skills.

Business leaders argue that pressing ahead without proper groundwork would be a costly error.

"The decision on LDC graduation should not be whimsical. It must be based on detailed studies," said Anwar-ul Alam Chowdhury (Parvez), president of the Bangladesh Chamber of Industries (BCI) and a former BGMEA president.

Showkat Aziz Russell, president of the Bangladesh Textile Mills Association (BTMA), said primary textile producers are already struggling under higher production costs. "Gas prices were raised locally although international prices fell, which hit production hard," he said.

He added that recent improvements in foreign exchange reserves and remittance inflows do not yet point to economic stability. "Graduating in such a situation would not reflect wisdom," he said.

Some economists echo these concerns.

Mohammad Abdur Razzaque, chairman of local think tank Research and Policy Integration for Development (RAPID), said the level of overall preparation is inadequate given the limited time left.

"Bangladesh must identify a small number of top priorities that can realistically be addressed within the next six months," said the economist.

Those priorities, according to him, include reducing the cost of doing business, improving law and order, streamlining customs procedures and stepping up engagement with the European Union to secure GSP Plus status after graduation.

Razzaque said that while deferment remains an option, the looming election and political transition make decisions more complex.

Even so, he said graduation could still serve as a policy anchor if used to accelerate long delayed reforms.

Anisuzzaman Chowdhury, special assistant to the chief adviser of the interim government, said progress should be viewed in relative terms, as there is no single benchmark.

He said the government has identified 12 priority export sectors beyond garments and is working to improve compliance and the broader business environment.

Construction slump

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He attributed the contraction largely to prolonged uncertainty surrounding planning regulations, particularly the Detailed Area Plan (DAP) and floor area ratio (FAR) rules.

"Due to indecision on these issues, fewer land signings have taken place, and approvals for new projects have significantly decreased," he added. "As a result, developers have been cautious, and new areas have not opened up for development."

Political uncertainty ahead of national elections has further dampened sentiment. Buyers and investors, Faisal noted, have largely adopted a wait-and-see approach, delaying purchase decisions amid questions about the future policy direction.

The slowdown in construction and real estate has fed directly into weaker demand for building materials.

With few new projects being launched by either private developers or the government, demand for key inputs such as steel rods and cement has dropped sharply.

"From my perspective, the construction materials sector may have seen an even sharper decline, possibly around 30 percent," said Faisal.

Project approvals have also fallen well below historical norms. According to Faisal, in a typical year, the real estate sector records between 1,000 and 1,500 new project approvals. "This year, approvals are likely to be limited to 300 to 500, a third of what we'd normally expect."

Economists warn that the prolonged weakness in construction is already weighing on broader economic performance.

"The construction sector has remained sluggish for over a year, with a noticeable adverse impact on GDP growth and employment," said M Masrur Reaz, chairman and chief executive officer of Policy Exchange of Bangladesh.

High inflation, he said, has eroded purchasing power and constrained spending on capital-intensive activities, while a slowdown in private sector credit growth has curtailed investment.

Public spending has offered limited support, he also noted.

The Annual Development Programme (ADP) implementation fell to its lowest level in at least 15 years in the first five months of the ongoing fiscal year, as the interim government has taken a cautious approach to expenditure.

"All of these factors combined have led to a significant slowdown in the construction sector over the past year," Reaz said.

Downstream industries are also feeling the effects.

The ceramic sector, which is heavily dependent on construction and real estate demand, is unlikely to see a rebound before political and economic stability improves, said Irfan Uddin, general secretary of the Bangladesh Ceramic Manufacturers and Exporters Association.

"The ceramic industry depends heavily on real estate and development, and the lack of momentum in these areas continues to have a serious impact," he said.

Demand for tiles, sanitaryware and tableware has declined sharply and may remain weak well into 2026 if construction activity fails to pick up, he added.

No major shortage

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of the country's largest commodity importers and processors, disagreed that there is a supply shortage.

"Imports are proceeding normally, and there is no disruption in supply, but stockpiling has temporarily pushed prices higher. The market has enough sugar for the next two to two and a half months," he said.

Reporters tried to contact Biswajit Saha, director of corporate and regulatory affairs at City Group, but he was unavailable for comment.

Bangladesh consumes 20 to 22 lakh tonnes of sugar annually, with about 3 lakh tonnes used during Ramadan. The country meets nearly 98 percent of its sugar demand through imports, as domestic production remains limited.

Meanwhile, the Consumers Association of Bangladesh, in a press release yesterday, condemned sudden sugar price hikes, blaming artificial shortages and market syndicates for the surge.

Dollar starts 2026 firmer

REUTERS, *New York*

The US dollar began 2026 stronger on Friday, snapping last year's slump against most currencies as investors look ahead to a critical week of economic data that could steer Federal Reserve policy and global markets.

The rebound follows the sharpest annual decline since 2017 of more than 9 percent, driven by narrowing interest-rate gaps with other economies and persistent worries over US fiscal health, a global trade war and Fed independence — risks that remain in play this year.

Next week's data deluge, capped by next Friday's payrolls report, is expected to offer clues on whether the Fed will cut rates further, with markets already pricing in two reductions versus one projected by a divided central bank.

"It's going to be a time to actually do a lot of assessment, we won't have the Fed meeting until the end of the month, but there's no consensus," said Juan Perez, director of trading at Monex USA in Washington.

"This past US government shutdown was unprecedented and inconceivably long, so it really affected the way that data has been taken, has been interpreted, and has been able to really be gauged or taken as fully accurate."

Markets in Japan and China were closed on Friday, leading to thin trading volume.

The dollar index , which measures the greenback against a basket of currencies, rose 0.24 percent to 98.48, with the euro down 0.25 percent at $1.1716.

Euro zone manufacturing activity fell in December to its weakest in nine months, a survey showed. The currency surged more than 13 percent last year, its biggest annual rise since 2017.

Sterling weakened 0.18 percent to $1.3445 following a 7.7 percent increase in 2025, also its biggest yearly jump since 2017.

Investors will also be eyeing whom US President Donald Trump chooses to be the next Fed chair as the term of current head Jerome Powell ends in May.

DITF kicks off

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businessmen from home and abroad," he added.

Bashir Uddin said Bangladesh is now an important partner in global trade. "The main goal of the International Trade Fair is to achieve sustainable economic growth by developing and diversifying export products," he added.

He also highlighted that the DITF helps access new international markets, strengthen trade links, promote economic diplomacy, expand international cooperation, improve the country's image, and attract foreign investment.

The commerce adviser said the government identifies certain sectors as the 'Highest Priority Sector' and 'Special Priority Sector' based on their contribution to the economy.

"To further boost exports and promotion, one product is selected each year as the 'Product of the Year.' This year, I am declaring 'Paper and Packaging Products' as the 'Product of the Year' for 2026," he added.

Special guests at the fair included Mahbubur Rahman, secretary of the commerce ministry, and Md Abdur Rahim Khan, administrator of The Federation of Bangladesh Chambers of Commerce & Industry.