

Economy might have regained pace in Dec: PMI

STAR BUSINESS REPORT

Bangladesh's economy might have regained pace in December, signalling a slightly faster pace of economic expansion, supported mainly by continued growth in agriculture, manufacturing and services, according to the Bangladesh Purchasing Managers' Index (PMI).

The December reading of PMI rose by 0.2 points month on month to 54.2 from 54 the previous month, said a press release by the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), and the Policy Exchange Bangladesh (PEB). In October, the PMI reading was 61.8.

The PMI is a forward-looking indicator used globally to gauge economic direction. A reading above 50 indicates expansion, while a reading below 50 indicates contraction.

Agriculture posted its fourth consecutive month of expansion and at an accelerated rate, emerging as the strongest-performing sector, the release said.

"The latest PMI readings indicate a marginal expansion of the economy, driven by strong agricultural sector performance," said M Masrur Reaz, chairman and chief executive officer of PEB.

"The latest PMI readings indicate a marginal expansion of the economy, driven by strong agricultural sector performance," said M Masrur Reaz, chairman and chief executive officer of Policy Exchange Bangladesh

The latest survey showed stronger expansion in new business, overall activity, employment and input costs. However, order backlogs continued to contract, albeit reflecting demand pressures easing only gradually.

Manufacturing remained in expansion for the 16th straight month, though the pace slowed marginally.

Positive readings were recorded across most key indicators, including new orders, new exports, factory output, input purchases, imports, input prices, employment, and supplier deliveries.

The finished goods index returned to expansion, while order backlogs showed a slower rate of contraction, indicating some improvement in demand conditions.

In contrast, the construction sector slipped back into marginal contraction after three consecutive months of growth.

The new business index contracted at a faster rate, while construction activity and employment posted slower expansion. Input costs rose at a slightly quicker pace.

Order backlogs continued to contract for the fifth consecutive month, though the rate of contraction eased.

The services sector extended its expansion streak to 15 months, with growth marginally faster than in November. Employment and input costs remained in expansion territory.

However, contraction was recorded in new business, business activity and order backlogs, pointing to softer demand conditions in parts of the sector.



Months-long locomotive shortage disrupted Chattogram-Dhaka freight trains, creating a huge container backlog and raising costs for importers, but operations are now resuming with the backlog expected to clear soon.

PHOTO: STAR/FILE

Locomotive shortage disrupts Ctg-Dhaka rail freight

DWAIPAYAN BARUA, Ctg

Container transport between Chattogram port and the Kamalapur Inland Container Depot (ICD) in Dhaka has been severely disrupted over the past few months, mainly due to an acute shortage of locomotives at Bangladesh Railway, causing mounting difficulties for businesses.

Port officials said the problem has persisted for nearly a year but began to worsen in October, reaching a critical level in December.

Data from the Chittagong Port Authority (CPA) and Bangladesh Railway show that the railway operated an average of more than 112 container trains per month on the route from January to September, with the number peaking at around 140 trains in March and April.

In contrast, only 84 trains were operated in October, 95 in November and just 74 in December. This means that in December, only 37 trains ran from the Chittagong Goods Port Yard (CGPY) to Dhaka ICD, with an equal number operating in the reverse direction.

CPA Director (Operations) Md Omar Faruk said the port requires at least four pairs of container trains per day to transport around 200 twenty-foot equivalent units (TEUs) of import containers and ensure smooth clearance of ICD-bound cargo.

By that estimation, more than 200 trains are needed each month to keep

operations running normally.

Officials at Kamalapur ICD said no container-carrying trains operated for nine days in December as the railway failed to provide locomotives. During the month, only one pair of trains operated on nine days, two pairs on 11 days and three pairs on just two days.

The disruption created a massive backlog at Chattogram port's ICD, which is designated for storing Dhaka-

Officials at Kamalapur ICD said no container-carrying trains operated for nine days in December as the railway failed to provide locomotives

bound import containers. The yard has a capacity of 887 TEUs, but as of yesterday, the number of stored containers had risen to 1,658 TEUs, nearly double its capacity.

This has put severe strain on port operations and raised concerns among importers.

A CPA official said the port has been forced to store ICD-bound containers in areas reserved for export containers arriving from Dhaka ICD, as well as in other yards located farther away.

Sorting and retrieving containers from these distant locations takes additional time during train loading and significantly increases operational costs, the official added. Business operators

say they are bearing the brunt of the disruption.

Khairul Alam Suzan, former vice-president of the Bangladesh Freight Forwarders Association (BAFFA), said ICD-bound containers unloaded from vessels four weeks ago were still waiting to be loaded onto trains due to the backlog.

Md Faruk Alam, general secretary of the Dhaka Customs Clearing and Forwarding Agents Association, said at least 1,300 TEUs of ICD-bound import containers have been stuck at the port for around four weeks.

As a result, importers are incurring substantial demurrage charges for containers overstaying at port yards, he said.

Md Sabuktageen, general manager (Eastern Region) of Bangladesh Railway, said freight train operations had resumed in full swing from last week, with three to four pairs of container trains being operated daily over the past few days.

He said locomotives were diverted to operate additional passenger trains in December due to heavy travel pressure, making it difficult to allocate engines for freight services.

The backlog is expected to be cleared within the next 10 days if operations continue at the current pace, he added.

The Eastern Zone currently has 131 locomotives, although more than 20 are undergoing repairs, according to the railway official.

Bangladesh needs an economic nerve centre

MANWAR HOSSAIN

I have long believed Bangladesh has realised only a fraction of its potential. After more than three decades working across industries and engaging with government processes, one conclusion is hard to escape: fragmented governance, siloed decision-making and weak coordination among institutions are holding us back.

In 1961, South Korea created the Economic Planning Board to bring planning, budgeting, industrialisation and economic analysis under one command – the President's office. That same year, Singapore set up the Economic Development Board to align investors, infrastructure, skills and trade around a single industrial vision. These were not exercises in expanding bureaucracy. They were coordination authorities, economic nerve centres, that helped resource-constrained nations move with clarity and discipline.

Bangladesh does not need to copy these models. But it must learn from what worked.

Today, our economy is steered by powerful bodies: the National Board of Revenue, the Bangladesh Bank, Bida, the Securities and Exchange Commission, multiple ministries and scores of regulators, each with its own mandate and priorities. They rarely operate as one system with one shared vision. As a result, tax, investment, monetary, trade and industrial decisions are often taken in isolation and then collide in the real economy.

The costs are not theoretical. Take taxation in construction materials. The NBR may hesitate to withdraw VAT and taxes on cement used for brick making to protect short-term revenue targets. Yet lower taxes could make cement bricks competitive against environmentally harmful burnt bricks, improving public health and environmental outcomes.

What appears to be a revenue decision is also an industrial, environmental and health policy choice.

Economic policy is inherently interconnected. Construction alone illustrates this clearly. It links roughly 3,600 industries, from steel to microfinance. A narrow decision on steel taxes should not be judged only by immediate revenue effects. Lower input taxes can raise activity across the entire ecosystem, creating jobs and downstream tax collections that may outweigh the initial loss.

Many countries have used real estate investment-friendly frameworks to generate powerful multiplier effects. Bangladesh should assess it.

If we are serious about reaching developed economy status by 2041, we need a permanent platform where these interconnections are understood and acted upon together. What the country needs is a National Financial Strategy Cell, placed directly under the Prime Minister's Office, to function as an economic nerve centre.

This should not become another administrative layer. It must be a lean, data-driven coordination mechanism that aligns fiscal, monetary, trade, investment and industrial policy so that decisions reinforce each other. Its role should be to stress-test major proposals for cross-sector impact, flag contradictions early and present integrated options at the highest level.

Such a body should be empowered to convene regulators and relevant ministries, with credible private sector participation. The aim is not to replace existing institutions but to connect them. Private sector input matters because policy frictions often surface first on factory floors, at ports, in banks and in markets, long before they appear in official reports.

The payoff would be tangible. First, greater coherence, allowing revenue goals to be balanced with growth, jobs, competitiveness and environmental outcomes. Second, smarter incentives that support export upgrading and productivity without ad hoc distortions. Third, faster and more coordinated responses to crises, whether currency volatility, banking stress, supply disruptions or emerging global opportunities. We can no longer afford fragmented governance. When a minor fee change of just Tk 180 per truck can reportedly halt operations at Chattogram port for days, the deeper signal to investors is not the fee itself but the absence of predictability, consultation and coordination.

A tougher, faster and more complex world is approaching, but so are greater opportunities. Bangladesh has the potential and the entrepreneurial energy to seize them. What it needs now is one table where the right institutions sit together, one compass to align decisions and one mechanism that turns good intentions into coherent action.

The writer is the chairman of Anwar Group of Industries



US-Venezuela oil deal angers China, pushes prices down

REUTERS, Houston/Beijing

Global oil prices fell on Wednesday and China denounced the US as a bully after President Donald Trump's administration said it had persuaded Venezuela to divert supplies from Beijing and import up to \$2 billion worth of embargoed crude.

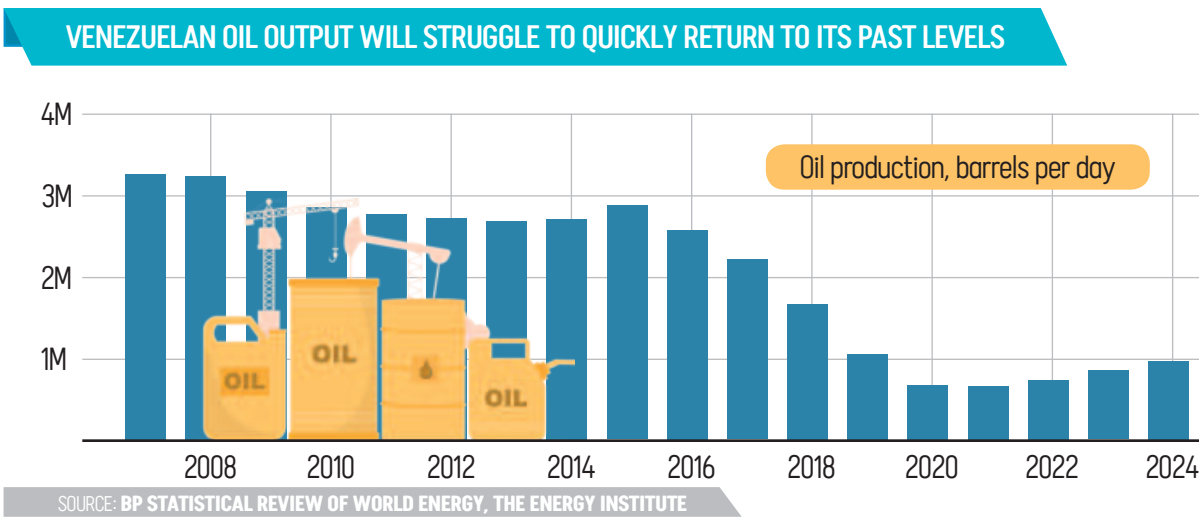
The deal was in line with Trump's stated aim of controlling the South American Opec member's vast oil reserves after deposing its leader Nicolas Maduro whom it had long cast as a drug-trafficking dictator in league with Washington's foes.

Maduro's Socialist Party allies remain in power in Venezuela, where interim President Delcy Rodriguez is treading a fine line between denouncing his "kidnapping" and kick-starting cooperation with the US under explicit threats from Trump.

TRUMP: OIL MONEY 'WILL BE CONTROLLED BY ME'

He said the US would refine and sell up to 50 million barrels of crude stuck in Venezuela under a US blockade as a first step in his plan to revive a sector long in decline despite sitting on the largest reserves in the world.

"This Oil will be sold at its Market



Price, and that money will be controlled by me, as President of the United States of America, to ensure it is used to benefit the people of Venezuela and the United States!" Trump posted on Tuesday.

Crude prices fell around 1.0 percent on world markets due to anticipated increased supplies.

The deal could initially require cargoes bound for Venezuela's top

buyer China to be rerouted as Caracas seeks to unload millions of barrels stranded in tankers and storage.

"The United States' brazen use of force against Venezuela and its demand for 'America First' when Venezuela disposes of its own oil resources are typical acts of bullying," Chinese foreign ministry spokesperson Mao Ning told a press conference.

"These actions seriously violate international law, gravely infringe upon Venezuela's sovereignty, and severely damage the rights of the Venezuelan people."

China, Russia and leftist allies of Venezuela have all denounced the US raid to capture Maduro at the weekend, which was Washington's biggest such intervention in Latin America since the 1989 invasion of

Panama to topple Manuel Noriega.

Washington's allies are also deeply uneasy at the extraordinary precedent of seizing a foreign head-of-state, with Trump making a slew of threats of more action - from Mexico to Greenland - to further US interests.

DOZENS DIED DURING CAPTURE OF MADURO

Some details are still sketchy on just how US Special Forces swooped into Caracas by helicopter under darkness on Saturday, smashing Maduro's security cordon and seizing him at the door of a safe room, with no loss of US lives.

Venezuela has not confirmed its total losses, though the army posted a list of 23 of its dead and ally Cuba said 32 members of its military and intelligence services died. The US estimates about 75 fatalities, the Washington Post reported.

Maduro, 63, who had ruled Venezuela since the 2013 death of his predecessor and mentor Hugo Chavez, pleaded not guilty on Monday to narcotics charges in a Manhattan court where he was shackled at the ankles and wore orange and beige prison garb.

Trump appears to be calculating that it is better for stability in

Venezuela to work with Maduro's senior allies for now. He is stressing revival of the oil sector with the help of US firms as the priority, not the freeing of political prisoners or a new vote for a democratic transition.

VENEZUELAN OPPOSITION KEPT WAITING

Venezuela's main anti-Maduro figure Maria Corina Machado, who left in disguise to pick up the Nobel Peace Prize in October, wants to return home where she says the opposition would easily win a free vote.

But she is also taking care not to antagonise Trump, saying she would like to personally give him the Nobel prize which he had coveted and which she dedicated to him at the time. She says she is fully on board with his aspirations to make Venezuela a major ally of the US and the energy hub of the Americas.

Banned from running in a 2024 election, Machado's ally Edmundo Gonzalez won overwhelmingly, according to the opposition, the US and various election observers.

While working with Rodriguez and other top Venezuelan officials, the US has warned they must cooperate or risk sharing Maduro's fate.