

star BUSINESS



Trade flows thru Ctg, but power stays in Dhaka

Businesses voice frustration over policy concentration

STAFF CORRESPONDENT, Chattogram

Business leaders in Chattogram have voiced frustration over what they described as the port city's continued marginalisation in national decision-making, arguing that excessive centralisation in Dhaka has prevented it from emerging as Bangladesh's commercial capital despite its dominant role in trade.

Chattogram handles the bulk of the country's imports and exports and hosts major industrial zones, yet key policy decisions and financial authority remain concentrated in Dhaka, participants said at a roundtable, organised by the Prothom Alo, on the city's prospects as a commercial capital yesterday.

This imbalance, they argued, has weakened the city's competitiveness and constrained its long-term economic potential.

The Chattogram port handles over 90 percent of Bangladesh's external trade. The south-eastern district also accommodates multiple industrial zones,

including the major export processing zones such as the Chattogram EPZ and Karnaphuli EPZ, which are central to manufacturing and export industries. It also includes one of the country's largest wholesale commodity markets in Khatunganj.

Speaking at the event, Amir Khosru Mahmud Chowdhury, former commerce minister and BNP Standing Committee member, said developing Chattogram as a commercial capital would require strong political will alongside meaningful administrative decentralisation.

While the city has historically been trade oriented, he said, excessive centralisation has prevented it from functioning as a true economic hub. "To build a commercial capital, decision-making authority must also be transferred there."

Mohammad Mostafa Haider, director of TK Group, said the overconcentration of population and economic activity in Dhaka has become a major obstacle to national development.

He stressed the need to refocus on Chattogram, particularly by strengthening regional and international connectivity.

Haider also underscored the importance of coastal-based industrialisation, saying it could help preserve agricultural land, lower infrastructure costs and reduce environmental risks.

Business leaders at the discussion placed several demands aimed at easing pressure on the Chattogram port and improving trade efficiency. **READ MORE ON B3**

Govt to slash ADP allocation drastically

REJAUL KARIM BYRON

The government is set to slash allocations for development spending by 12.5 percent in the current fiscal year 2025-26 (FY26), as the originally allocated fund remains largely unspent in the first five months.

Ministries and divisions spent only 11.75 percent of the total Tk 2,38,695 crore allocated under the Annual Development Programme (ADP) in the July-November period, the lowest since FY11.

According to a draft of the revised ADP, prepared by the Planning Commission, allocations are set to drop to Tk 2,08,935 crore, down Tk 30,000 crore from the original plan.

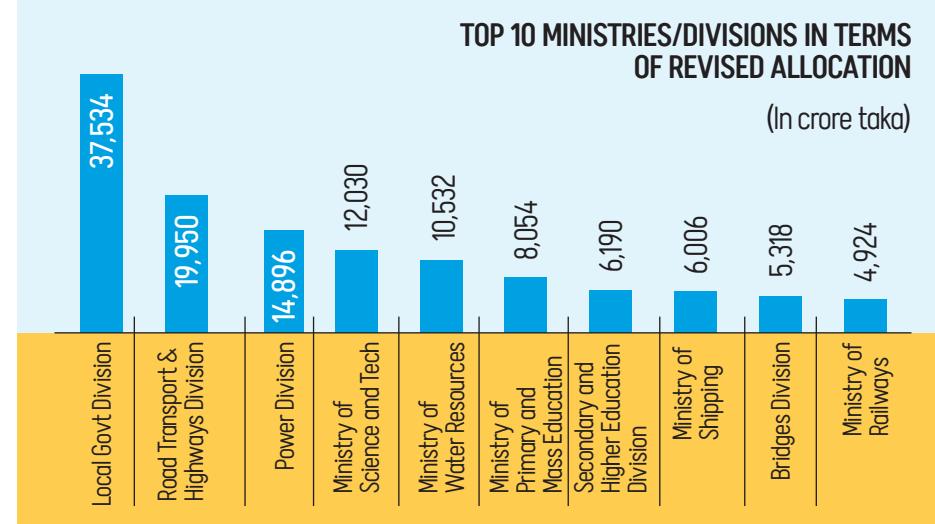
The draft, seen by The Daily Star, is scheduled to be presented at today's meeting of the National Economic Council, chaired by Chief Adviser Muhammad Yunus, and will take effect from 1 February once approved.

Ministries and divisions spent only 11.75 percent of the total Tk 2,38,695 crore allocated under the ADP in July-November period, the lowest since FY11

Speaking on condition of anonymity, a planning ministry official said the draft was finalised considering implementation capacity.

Last fiscal year, ADP spending was low due to political and administrative disruptions following the student uprising. This year, despite relative stability, implementation has not improved.

"The slowdown in public investment,



while private investment remains muted, is a concern for growth," the Centre for Policy Dialogue (CPD) said in its independent FY26 economic review released on 10 January.

Under the proposed plan, the health sector is going to face a significant cut in allocation because of its poor performance in terms of implementation. Similarly, allocations in the agriculture, education, and power sectors may also decrease.

According to the draft, among the five sectors receiving the highest allocations, transport and communication will receive Tk 38,509 crore or 19.25 percent of total revised ADP and power and energy Tk 26,186 crore or 13.09 percent.

Housing and community facilities will receive Tk 22,729 crore, education Tk 18,549 crore, and local government and

rural development Tk 15,142 crore. These five sectors account for 60 percent of the total revised allocation for FY26.

The draft also proposes raising the total number of projects for the fiscal year to 1,330 from 1,173 in the original ADP, with 138 newly approved initiatives.

Although allocations for many projects are being reduced, some may see increases.

The Dhaka-Ashulia Elevated Expressway, funded by Chinese loans, may see an increase in funds from the original Tk 3,341 crore, while allocations for Japan-funded projects such as the Metro Rail and Matarbari Deep Sea Port may be trimmed.

The Rooppur Nuclear Power Plant construction allocation will remain unchanged.

BTCL offers up to five times faster internet at old prices

STAR BUSINESS REPORT

The Bangladesh Telecommunications Company Limited (BTCL) has announced a major upgrade to its internet services, increasing speeds up to five times across existing packages while keeping monthly prices unchanged.

The move comes as mobile operators and private broadband providers have significantly boosted internet speeds following Starlink's arrival in Bangladesh in May last year. This has intensified competition in the local market.

Faiz Ahmad Taiyeb, special assistant to the chief adviser with executive authority over the post and telecommunications sector, said low-speed broadband packages are no longer commercially viable.

"After Starlink's entry, a 5 Mbps broadband connection is no longer a sustainable business model, as users now expect much higher speeds. Internet service providers are delivering better services to meet this demand," Taiyeb said.

He also said that the government has reduced submarine cable bandwidth prices by 10 percent and offered additional bulk discounts. These measures prompted wholesale internet providers to lower prices, which in turn allowed private ISPs to enhance their offerings at competitive rates.

"As a result, BTCL's prices became higher than prevailing market rates. We have now adjusted its packages to make them competitive again," Taiyeb added.

He said that, as a state-run company reliant on public resources, BTCL has a responsibility to ensure citizens benefit from its services. "Our objective is to ensure that people receive better value and improved service quality from a public sector operator," he said.

The state-owned operator said the upgrade is aimed at improving digital access and affordability for customers nationwide.

In a statement issued yesterday, BTCL said all existing plans have been replaced with higher-speed alternatives at the same price points, offering more value for money.

Under the revised tariff, customers paying Tk 399 will now receive 20 Mbps under the new "Sashroyi-20" package, up from 5 Mbps under the "Sulav-5" plan. The Tk 500 package has also been upgraded, with speeds increasing

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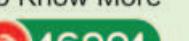
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BB appoints observer at Standard Bank

STAR BUSINESS REPORT

The Bangladesh Bank (BB) last week appointed an observer at the shariah-based Standard Bank to closely monitor its operations amid alleged internal conflicts between board members.

Md Sharafat Ullah Khan, director of the Payment Systems Department, has been appointed an observer, confirmed BB Executive Director and spokesperson Arief Hossain Khan.

"We have taken this step in view of the current situation at the bank," he told The Daily Star.

From now on, Khan will attend board meetings and other vital meetings at Standard Bank as part of the central bank's enhanced supervision.

Following the fall of the previous government, the 16-member board of the private bank has reportedly split into two groups over various issues. One faction is led by the immediate past chairman, Mohammed Abdul Aziz, while the other is steered by his son and former vice-chairman, AKM Abdul Alim.

Amid the disputes, Gulzar Ahmed, a former vice-chairman, was made chairman of the bank on Saturday.

Speaking on condition of anonymity, bank officials said the feud has paralysed decision-making, with board meetings often ending in arguments over staffing and management matters.

Standard Bank began operations on June 3, 1999. In January 2021, it became a full-fledged shariah-based bank after receiving approval from the BB.

Kazi Akram Uddin Ahmed, a businessperson and relative of deposed prime minister Sheikh

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