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Shipping costs spiral as Iran war prompts new surcharges

Emergency war levies, fuel premiums and risk surcharges hit containers to Gulf ports and imports of apparel inputs

DWAIPAYAN BARUA, City

Bangladeshi exporters and importers are facing higher shipping costs as major global carriers introduce war-related surcharges following the US-Israel war on Iran.

The extra fees, ranging from \$500 to \$4,000 per container, threaten to push up export prices, delay deliveries, and disrupt trade flows to the Middle East and other markets.

Foreign shipping lines have started applying the new charges, including emergency conflict surcharges and war risk surcharges, for cargo moving to and from ports in the Arabian Peninsula.

Besides, rising global fuel prices have prompted shipping lines to introduce an emergency fuel surcharge across all routes.

Immediately after the US-Israel war on Iran began, major carriers suspended all new cargo bookings between the Indian subcontinent, including Bangladesh, and the Gulf region, as vessels faced bomb attacks in the strategic Strait of Hormuz. Despite the suspension, companies

SHIPPING COSTS SURGE



Extra charges: \$500-\$4,000 per container



Emergency fuel surcharges on all routes



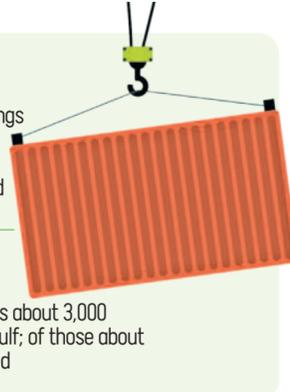
New cargo bookings suspended between Indian subcontinent and Gulf region



Surcharges affect containers in transit or stuck at Middle East ports



Bangladesh sends about 3,000 TEUs/month to Gulf; of those about 1,000 are stranded



What US trade probes mean for Bangladesh

SELIM RAIHAN

The United States' recent decision to launch two separate investigations under Section 301 of the Trade Act of 1974—one concerning global industrial overcapacity and another focusing on forced labour—signals a sharper turn in Washington's trade policy.

For Bangladesh, these moves are more than distant geopolitical gestures. They strike close to the heart of the country's export model and raise uncomfortable questions about how sustainable its current trade strategy will be in a more protectionist global environment.

The first investigation, centred on alleged excess manufacturing capacity, appears to be driven by the Trump administration's broader effort to revive American industrial production. Bangladesh's inclusion in that list is revealing.

The country's bilateral trade surplus with the United States, estimated at over \$6 billion, is overwhelmingly driven by textile and apparel exports. For decades, Bangladesh's ready-made garment sector has thrived on its ability to produce large volumes at competitive prices.

Yet the logic of the US investigation suggests that this very success may now be framed as a problem. When Washington speaks of "excess capacity" abroad harming American manufacturing, it essentially questions whether export-oriented

said the surcharges would also apply to containers already stuck at Middle East ports or in transit.

Around 60 percent of containerised cargo from Bangladesh is handled by four major global shipping companies. They are Denmark's Maersk Line, Switzerland's Mediterranean Shipping Company (MSC), France's CMA CGM, and Germany's Hapag-Lloyd.

SHIPPING LINES IMPOSE VARYING CHARGES

After the closure of the Strait of Hormuz, Maersk announced on March 3 an emergency freight increase for cargo to and from Gulf destinations, including the UAE, Qatar, Saudi Arabia (Dammam and

Jubail), Bahrain, Kuwait, Iraq, and Oman (Sohar).

The new rates are \$1,800 per 20-foot container, \$3,000 per 40-foot container, and \$3,800 for refrigerated containers, citing higher operating costs and the need to use alternative routes.

Since March 5, MSC has imposed an emergency war surcharge of \$500 to \$1,000 per container on cargo from the Indian subcontinent, including India, Pakistan, Sri Lanka, and Bangladesh, to East Africa, Somalia, Mozambique, and the Indian Ocean islands.

On March 7, the company introduced an emergency fuel charge of up to \$200 on shipments from the Mediterranean and Black Sea to the Indian subcontinent, the Red Sea, and East Africa.

CMA CGM introduced an emergency conflict premium on March 2, setting the rate at \$2,000 per 20-foot container,

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Internet subscriber base shrinks by 70 lakh in 6 months

MAHMUDUL HASAN

Bangladesh's internet subscriber base has been on the decline for the last six consecutive months till January, with around 70 lakh users dropping off the network since August last year, mainly due to a steady fall in mobile internet subscriptions.

According to the latest data of the Bangladesh Telecommunication Regulatory Commission (BTRC), the total number of internet subscribers stood at 12.90 crore in January, down from 13.60 crore in July 2025.

This has been almost entirely driven by a plunge in mobile internet user numbers, who account for the vast majority of internet connections in the country.

Mobile internet subscribers fell from 12.15 crore in July last year to 11.42 crore in January, marking a decline of about 74 lakh users over the period.

In contrast, fixed internet connections provided by ISPs and PSTN operators increased slightly. However, this modest growth was not enough to offset the marked drop in mobile data users.

Looking at the monthly trend, the largest downturn was witnessed in October last year.

Total subscribers dropped from 13.42 crore in September to 13.15 crore in October, then further to 12.99 crore in November and 12.97 crore in December, before falling to 12.90 crore in January.

Mobile internet users declined from 11.97 crore in September to 11.69 crore in October, and then to 11.53 crore in November.

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Shoppers browse colourful Eid collections at Meridian Kohinoor City in Dampara, Chattogram, as retailers expect overall sales to beat last year's business despite recent slowdown amid global economic uncertainty. The photo was taken recently.

PHOTO: RAJIB RAIHAN

Bangladeshi garments fetch over 10% higher prices in EU than US

Finds RAPID study

STAR BUSINESS REPORT

Bangladeshi apparels are fetching over 10 percent higher prices in European markets on average compared to the United States, even for similar products, according to a recent study by the Research and Policy Integration for Development (RAPID).

The study, unveiled yesterday by the local think tank in Dhaka, links the price gap to differences in tariff structures and trade preferences, with exporters benefiting from lower tariffs in Europe while facing higher barriers in the US.

RAPID said the research was based on transaction data from nearly 3,000 exporting firms collected by the customs department of the National Board of Revenue between 2010 and 2023.

It found that about 45 percent of these garment factories export to both the US and EU markets. For major

products, prices in the EU consistently exceed those in the US.

On average, leading exporters fetch 5-18 percent higher prices in the EU than the US for major 10 apparel products, it states. T-shirts, for instance, earn 20-27 percent higher prices in Germany than in the US, while trousers fetch 9-15 percent more.

Presenting the findings, Jillur Rahman, deputy director at RAPID and lecturer in development studies at Dhaka University, said, "The gap remains significant even after accounting for product type, firm size, and technological intensity."

He also highlighted differences in pricing strategies across preferential and non-preferential markets.

"High US tariffs compel exporters to absorb a significant share of the tax burden within their own margins to remain competitive at the border," Rahman noted.

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Eid sales surge despite temporary slowdown

MAHMUDUL HASAN

Clothing sales at fashion retailers started off strong before facing a slowdown over the last few days this Eid-ul-Fitr season amid broader economic uncertainty triggered by the United States and Israel's war on Iran.

Most retailers, however, expect the season's sales to finish better than last year with popular items such as panjabis, saris, salwar kameez and children's wear being in high demand.

Eid remains the most crucial season for the apparel market, with fashion retailers estimating it accounts for roughly 35 to 40 percent of their annual clothing sales.

SM Khaled, managing director of Snowtex Group, whose fashion brand Sara Lifestyle operates 17 outlets nationally, said overall sales have improved compared

to last year despite recent market anxiety. "We are seeing about a 10 to 15 percent year-on-year increase."

The company has also lowered prices on many products and is targeting two to three times growth in online sales in 2026 compared to 2025.

"Until March, we achieved that," he noted.

"We are gradually changing our strategy. Prices of many products have actually decreased compared to last year."

Still, Khaled acknowledged that uncertainty in global markets has affected consumer sentiment.

"There is some impact due to uncertainty. But Bangladesh remains a stable country, and the business environment is gradually improving after the election," he added.

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