

## Govt to reopen some sugar mills

Commerce minister says

STAR BUSINESS REPORT

The government wants to increase sugar production by reopening some of the nine state-owned mills that are currently idle, Commerce Minister Khandakar Abdul Muktedir said yesterday.

The country has 15 state-owned sugar mills, of which six are currently operating, he told a group of journalists after visiting Panchagarh Sugar Mills Limited, where he exchanged views with sugarcane farmers.

The minister, who also oversees the industries and textiles and jute ministries, said initiatives have also been taken to revive several other state-owned industrial enterprises.

He said the government will revive the closed sugar mills while keeping in mind the interests of sugarcane farmers, workers, and the long-term profitable operation of the mills.

"These mills are assets of the people of Bangladesh. Therefore, ensuring their honest and effective utilisation is the responsibility of the government," the minister added.

**The country has 15 state-owned sugar mills, of which six are currently operating**

"We want the closed industrial establishments to resume production, create employment opportunities, and bring new momentum to the local economy."

He also observed that while several sugar mills are currently closed, many operating mills face multiple operational constraints.

Most of the mills are 50 to 70 years old. Therefore, many of these mills cannot be revived without modernisation, renovation, and new technology, he said.

However, in every case, the interests of sugarcane farmers, workers' employment, and profitable management will be ensured, the minister stressed.

He further stated that when an industrial establishment remains operational, it not only provides direct employment but also creates many additional employment opportunities through various related economic activities.

Therefore, reopening the closed mills is highly important for the country's economic growth and poverty reduction.



Ports will play a crucial role in shaping Bangladesh's future export competitiveness, experts said, calling for paperless and automated port systems.

PHOTO: STAR/FILE

# \$100b export target at risk without logistics reforms

Warns an economist as Bangladesh still faces high trade costs, long cargo waiting times

STAR BUSINESS REPORT

Bangladesh's goal of reaching \$100 billion in export earnings by 2030 may not be achievable without major improvements in trade facilitation, port efficiency and logistics capacity, economist M Masrur Reaz warned yesterday.

He said exports are currently around \$55 billion, but Bangladesh still faces high trade costs, long cargo waiting times, congestion and weak logistics infrastructure compared with regional competitors such as Vietnam and India.

"Reaching \$100 billion in exports by 2030 or even by 2033 with the current trade facilitation and logistics capacity will not be possible unless we significantly improve efficiency, reduce time and cut costs," said Reaz, chairman of Policy Exchange of Bangladesh.

He made the remarks at a roundtable titled "Integrated Port and Logistics Development for a Trade-Driven Bangladesh", organised by the Dhaka Chamber of Commerce and Industry (DCCI) in Dhaka.

Reaz said Bangladesh's export costs are about one and a half times higher than Vietnam's and, in some cases, nearly double those of India. He also noted that import processing takes significantly longer in Bangladesh.

He added that the country continues to lag in global competitiveness, logistics performance and productivity, which is weakening its ability to attract investment and integrate into global supply chains.

Comparing Bangladesh with Vietnam, he said Vietnam has increased its exports to nearly \$400 billion through sustained reforms in trade facilitation and logistics.

In contrast, Bangladesh remains at about \$55 billion, even though both countries had similar export levels in the late 1990s.

Reaz said ports will play a crucial role in shaping Bangladesh's future export competitiveness, especially as global supply chains shift and China moves away from low-value garment production worth around \$35 to \$40 billion annually.

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M Masrur Reaz  
Chairman of PEB

Citing World Bank data, he noted that "cutting logistics costs by 25 percent could boost exports by 20 percent" and that "reducing port dwell time by just one day could increase exports by 7.4 percent."

However, he said, relying only on public funding for port development is no longer realistic due to limited government resources and fiscal pressure.

"Developing ports through a fully public-sector model is neither feasible nor desirable. We have to move toward public-private partnerships," he added.

Md Salim Ullah, director general of the Bangladesh Institute of Management (BIM), said Bangladesh is still far behind in managing integrated ports and logistics

efficiently, which is keeping the cost of doing business high.

Md Habibur Rahman, former member (administration and planning) of the Chittagong Port Authority, said rail connectivity is the only long-term solution for cargo transport, as there is limited scope to further expand the Dhaka-Chattogram highway.

He also suggested involving the private sector in operating at least one seaport, saying it would improve competition, service quality and efficiency.

Razeev H Chowdhury, senior vice president of DCCI, said long cargo clearance procedures, slow transport systems and the lack of modern cold-chain facilities are making Bangladesh's supply chain costly and inefficient.

He called for paperless and automated port systems, infrastructure development through public-private partnerships, and higher investment in cold-chain logistics.

Md Shamsul Hoque, professor of Civil Engineering at BUET, criticised Bangladesh's fragmented infrastructure planning and called for an integrated multimodal transport system along with institutional reforms.

He said infrastructure development has mostly focused on passenger transport, while freight transport -- despite being more complex and economically important -- has been largely neglected.

He also pointed out the lack of integrated transport planning, noting that roads, railways, waterways and aviation are developed separately instead of as a unified system. Even when facilities are located close to each other, such as an airport and a railway station, there is still no seamless connectivity between rail, metro, road and air transport.

## How did the Sikders get so much from banks?

MAMUN RASHID

The Sikder family story now dominating headlines is not merely about one business group's rise and fall. It is a revealing case study of how weak governance, political patronage, compromised regulation and institutional capture can turn banks into private vaults.

At its core, the saga asks a troubling question: how does a family, with limited visible productive expansion relative to its financial footprint, extract nearly Tk 12,000 crore from the banking system while leaving behind fragile institutions, distressed depositors and systemic distrust?

The answer lies in the architecture of control. When the Sikders took command of the National Bank in 2009, they did not simply gain influence; they captured an institution. In Bangladesh, ownership of a bank often means far more than financial investment. It can translate into control over governance, credit decisions and executive appointments. Once governance structures weaken, a bank can shift from being a public financial intermediary into a sponsor-driven financing machine.

The repeated removal of six managing directors from National Bank was not just a governance anomaly; it was the dismantling of professional resistance. When management becomes unstable and directors are family-controlled, credit discipline erodes. Loans are no longer assessed on project viability or repayment capacity, but on relationships, influence and negotiated benefits.

This is where "connected lending" becomes central. Connected lending occurs when bank owners or influential insiders channel funds to related parties through direct loans, proxy entities, shell companies or nominee borrowers. Loans may appear diversified on paper, but remain concentrated in hidden beneficial ownership. Allegations of fake loans, benami loans, inflated rentals and commission-based approvals suggest banking channels may have been used less for investment than for extraction.

Extraction at this scale, however, requires more than internal control. It also needs external silence.

The broader banking ecosystem often enables such behaviour through reciprocal arrangements. Powerful groups survive because other institutions, under political or commercial pressure, participate in cross-lending, weak due diligence or mutual accommodation. Exposure across 11 banks suggests this was not a single-bank failure but a network governance failure.

The reported coercion of EXIM Bank officials over an unsecured Tk 500 crore loan is perhaps the clearest expression of a deeper problem: when intimidation replaces creditworthiness, banking becomes hostage finance.

The most damaging stage may come after disbursement: capital flight.

According to various findings, substantial sums were allegedly transferred abroad through trade manipulation, international cards and layered investments in real estate, hospitality and offshore businesses. This follows a familiar pattern in fragile governance environments: domestic leverage, foreign asset conversion. Banks are left with bad loans while wealth migrates overseas.

The economy bears a double burden. First, depositor trust erodes. Second, recapitalisation pressure often shifts to the public, through inflationary support, government borrowing or reduced productive lending elsewhere.

So, who ultimately pays? Ordinary depositors, taxpayers, honest borrowers and the wider economy.

The Sikder case also exposes the limits of reactive regulation. Freezing accounts after money has moved, or removing directors after institutional decay, may be necessary, but it is not a prevention. Bangladesh banking supervision has too often focused on managing crises rather than strengthening governance architecture.

The lesson is not political or personal. It is structural. Banks cannot remain vulnerable to family capture, politically shielded boards, weak fit-and-proper enforcement or opaque related party transactions. Ownership concentration without accountability creates moral hazard. Regulators must move beyond paper-based supervision towards forensic oversight, transparency of beneficial ownership and early intervention.

The question is not simply how the Sikders extracted so much money. The deeper question is what kind of system allowed it for so long. The Sikders are not alone.

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## Trump administration appeals latest court loss on tariffs

REUTERS, New York

The Trump administration on Friday appealed a court ruling that found a 10 percent global tariff imposed in February was not justified under a 1970s trade law.

The US Court of International Trade ruled on Thursday in a 2-1 decision that Section 122 of the 1974 Trade Act was not meant to address trade deficits that occur when the US imports more goods than it exports.

The court, however, only blocked the tariffs for three importers that sued -- two small businesses and the state of Washington.

While the ruling applies to a set of levies due to expire in about two months, it marks another setback for Trump's global tariff ambitions and comes a week before he is due to discuss trade tensions with Chinese President Xi Jinping in Beijing.

It also sets the stage for another protracted legal battle over billions of dollars' worth of tariff refunds, three months after the US Supreme Court struck down Trump's sweeping global tariffs imposed under a national emergencies law.

Trump blamed the trade court decision on "two radical left judges" when speaking to reporters on Thursday, US Trade Representative Jamieson Greer said on Friday the Trump administration expects to prevail in the appeal, although he also expressed confidence in earlier tariffs that were ultimately invalidated by the US Supreme Court.

The Supreme Court ruled in February that Trump had no authority to impose the earlier tariffs under the International Emergency Economic Powers Act, leading Trump to impose replacement tariffs of 10 percent on all imports using Section 122 of the Trade Act.

## US job growth beats expectations but consumer confidence at all-time low

AFP, Washington

US employment rose more than expected in April, alleviating some concerns about the health of the world's largest economy even as one measure of consumer confidence came in at its lowest-ever level.

"Total nonfarm payroll employment edged up by 115,000 in April, and the unemployment rate was unchanged at 4.3 percent," the US Bureau of Labor Statistics (BLS) said on Friday.

US consumer confidence, however, was an all-time low according to a University of Michigan survey, with Americans weighed down by concerns about high prices and the fallout of the US-Israel war on Iran.

The university's Index of Consumer Sentiment came in at 48.2 in May 2026, its lowest level since data collection began in 1952, according to the survey's website.

Friday's data illustrated the complicated issues faced by the US economy. Job growth has seen-sawed between expansion and contraction for the last year, and inflation has remained stubbornly high since the pandemic.

While April's jobs data showed growth, economists have expressed concern that the zig-zagging employment data is due to underlying weakness in economic

growth.

Nonetheless, the figure is likely to reassure Federal Reserve officials that they can hold interest rates steady for now, as surging energy costs due to the Iran war fan inflation fears.

Friday's jobs data beat analyst expectations, with economists polled by

Dow Jones Newswires and the Wall Street Journal expecting growth of 55,000.

The White House welcomed the new data, with spokesperson Kush Desai calling it "yet another sign that the American economy remains on a solid trajectory under President (Donald) Trump."



People are seen talking with a recruiter during a job fair at Miami International Airport on May 7.

PHOTO: AFP

RELIANCE ON HEALTH CARE

Last month's jobs gains mainly came in the health care, transportation and warehousing, and retail trade sectors.

The health care sector has been a consistent performer as the US population ages, driving job growth over the last two years.

In April, the sector's gains were mainly in nursing and residential care facilities. Transportation and warehousing rose in April, but was still down by 105,000 from its peak in February 2025.

Federal government employment continued to decline. Trump has taken a hatchet to the sector, shutting down entire agencies and pressuring workers to quit.

Employment in the sector is down by 11.5 percent -- or 348,000 jobs -- from its peak in October 2024.

The information and computing sector continued a recent trend of contraction, down 11 percent from its most recent peak in November 2022.

The new BLS report also revised figures for February and March, showing 16,000 fewer jobs than previously reported.

The US unemployment rate has remained relatively steady around 4.3 percent despite the tumult in labor demand, with economists attributing it to a drop in labor supply. READ MORE ON B2