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Star BUSINESS

Inland waterway fees hiked, raising concerns over essential costs

SOHEL PARVEZ

The government has increased charges and fees by up to 100 percent for passenger and cargo vessels operating in inland and coastal waters. Transport operators and businesses say the move could push up logistics costs for essential goods ranging from food items to construction materials.

The revised rates, announced by the shipping ministry last month, are scheduled to take effect from July 1.

From the next fiscal year, cargo vessels, bulkheads, fishing boats and other vessels will be required to pay Tk 100 per gross tonne as a conservancy charge, up from the current Tk 40.

Launch operators will have to pay Tk 150 annually per passenger as a conservancy charge, up 30 percent from Tk 115.

The pilotage fee will rise to Tk 750 for every eight-hour period, up from Tk 500, according to the notification issued by the shipping ministry, which has raised rates for services provided by the Bangladesh Inland Water Transport Authority (BIWTA).

The government last raised the rates in 2019.

The increased rates include berthing and mooring charges for all vessels, including goods-carrying and passenger transport vessels.

"We have already lost a lot of passengers due to the Padma Bridge. We are incurring losses because of a dearth of passengers. The increased charges and fees will hit us further as we lose passengers," said Akter Hossain, director at Sundarbans Navigation Company Ltd, operator of the Sundarban launch service on the Dhaka-Barishal waterway.

He said launches operating on these routes are already charging fares below the officially fixed rates amid falling demand.

Workers are unloading cargo from a lighter vessel at BIWTA Ghat on Bhairab river in Khulna. Inland waterways carry up to 90 percent of essential commodities, including raw materials for cement, wheat, salt, pulses and stone, across Bangladesh. PHOTO: HABIBUR RAHMAN

Cargo vessel and oil tanker operators said the higher charges would increase transportation costs.

Nazmul Hussain Hamdu, senior vice-president of the Coastal Ship Owners Association of Bangladesh, said the changes would affect everyone in the value chain.

"We will have no way but to hike rental rates. So, we will feel the hit initially. Later, everyone will be affected," he said, adding that cargo vessels carry a wide range of raw materials and essential goods.

A large volume of goods is imported through Chattogram Port, where cargo is unloaded from mother vessels before being transported by lighter vessels to factories and other destinations across the country.

"From raw materials for cement to wheat, salt, pulses and stones, the list of items we handle is quite long," he said.

Cement industry stakeholders said manufacturers depend heavily on inland waterways to transport imported inputs such as clinker, limestone, slag, fly ash and gypsum. Cement is also shipped across the country through the same network.

On condition of anonymity, an official at a cement manufacturer said the increased charge would raise production costs by more than Tk 3 per bag.

Mohammad Iqbal Chowdhury, chief executive officer of LafargeHolcim

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Saudi-run Patenga terminal to operate at full capacity from July

MOHAMMAD SUMAN

The Patenga Container Terminal, operated by Saudi Arabia's Red Sea Gateway Terminal (RSGT), is set to begin full-capacity operations from next month after four ship-to-shore cranes arrived at the facility on June 19.

The cranes, worth $30 million, are now being installed and commissioned. They will allow the terminal to handle larger vessels, improve berth productivity and reduce vessel turnaround time, according to port and company officials.

They arrived aboard a specialised vessel and are expected to be operational within weeks.

The investment is part of RSGT's development of the terminal under a 22-year concession agreement with the Chittagong Port Authority (CPA). The Saudi company became Bangladesh's first foreign container terminal operator after taking over the facility in 2024.

According to company officials, RSGT has so far committed around $170 million to modernise the facility through investments in infrastructure, equipment, technology and workforce development.

The terminal currently handles around 155,000 twenty-foot equivalent units (TEUs) annually. RSGT expects the volume to reach around 400,000 TEUs this year after the new equipment is commissioned, rising to more than 500,000 TEUs next year, nearly 17 percent of the port's total container traffic.

Alifa E Junnurine, manager for marketing and communication at RSGT, told The Daily Star that the cranes would significantly expand the terminal's handling capability.

"Unlike the 12- to 13-container-wide vessels currently served at the port, the cranes can accommodate ships up to 16 containers wide. Each unit can lift up to 40 tonnes in single-container operations, 45 tonnes in twin-lift mode and 60 tonnes for specialised cargo handling," she said.

"Being fully electric," she added, "the cranes would also reduce reliance on fuel-powered equipment and support more sustainable port operations."

The STS cranes complete the deployment of the terminal's main cargo-handling equipment. RSGT had earlier invested $26 million in 14 rubber-tyred gantry cranes and around $3 million in a container scanner, which enabled the terminal to begin handling import containers earlier this year.

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Net foreign loan inflow falls by three-fourths

STAR BUSINESS REPORT

The inflow of net foreign loans fell by three-fourths during the July-May period of fiscal year 2025-26 compared to the same period last year, as Bangladesh repaid more to international creditors than it received.

According to data released by the Economic Relations Division yesterday, the country received $4.57 billion in foreign loans disbursed by lenders such as Russia, the World Bank and the Asian Development Bank (ADB) during this period, down 18 percent year on year from $5.6 billion a year earlier.

The decline was mainly due to a fall in the flow of project assistance.

On the other hand, debt-servicing costs edged up 9 percent year on year to $4.13 billion in the July-May period of fiscal year 2025-26 from $3.78 billion a year earlier.

As such, the net inflow of finance from foreign sources stood at $445 million in the first 11 months of the current fiscal year, one-fourth of the $1.82 billion recorded in the same period a year earlier.

Commitments from foreign lenders regarding financing to Bangladesh also dropped significantly during the period, to $4.22 billion in the July-May period of this fiscal year from $5.45 billion a year earlier.

Since 1972-73, foreign lenders have pledged to provide nearly $200 billion in financing to Bangladesh.

At the end of June last year, total disbursements of loans and grants stood at $142 billion, with loan repayment pressure building amid increased borrowing and rising interest rates.

Over the past decade, loan repayment has grown four-fold to $4.08 billion in fiscal year 2024-25 from $1.09 billion in 2014-15, according to finance ministry data.

EU bets on digital euro to cut US tech addiction

AFP, *Brussels*

The EU believes a digital euro is the answer to cutting its addiction to US payment systems like Visa and Mastercard as well as Apple Pay and Google Pay as the bloc seeks to favour European firms over others.

Brussels hopes it could provide an alternative local option for any payments in shops or online since people could easily pay, just like other systems, using a card, an app or via their banking app.

The European Union will move one step closer on Tuesday to creating a digital euro when EU lawmakers hold a long-awaited vote on the virtual currency.

The ECB hopes the digital euro will be available to citizens in 2029 if the EU negotiators greenlight the rules by the end of the year.

If that timeline sticks, the ECB is ready to launch a pilot programme in mid-2027 to test how it would work in practice.

Some say that is too long, but "banks and merchants need time to prepare so they can roll it out smoothly and at scale", Alessandro Giovannini, advisor to the digital euro director at the ECB told AFP.

HOW WILL IT WORK?

Digital euros will have the same value as cash and banknotes.

Any user would need to create an account with a bank or a public institution like a post office, and transfer money into it from another account or via a cash deposit.

PHOTO: AFP/FILE

The European Central Bank first suggested the digital euro in 2020 because Europe lacked its own system before the EU executive made its formal proposal.

The digital euro cannot be created without the rules underpinning the project being approved by the EU capitals and the European Parliament.

WHAT IS THE DIGITAL EURO?

Don't confuse it with your cash in the bank. When you use your bank card, Apple or Google Pay, you pay with physical money that exists in your account.

Instead, your digital euros would be in a separate virtual wallet.

Users can then pay with digital euros in shops, online and between individuals using different methods including card, app or phone.

Officials stress the system would protect people's privacy, with no possibility to identify who made transactions, and an offline mode that would be as confidential as using cash.

"It wouldn't replace anything. Cash would still be available, and people could use existing private payment methods," the ECB's Giovannini said.

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