Cold storage owners seek higher charge for potato

Association denies overcharging farmers, cites rising power and financing costs

STAR BUSINESS REPORT

The Bangladesh Cold Storage Association yesterday defended the government-approved potato storage charge, saying its members have not collected more than the fixed rate despite rising operating costs, and urged the government to revise the tariff to ensure the sector's sustainability.

Addressing a press briefing in Dhaka's Purana Paltan yesterday, Mostofa Azad Chowdhury Babu, president of the association, dismissed allegations that cold storage owners were charging farmers more than the approved rate.

"Not a single cold storage has charged more than the government-approved rate of Tk 6.75 per kilogramme for potato storage," he said.

He said operators have continued to charge the government-fixed maximum rate even though operating costs have risen sharply over the past year.

According to the association, electricity tariffs for cold storage facilities rose by 18 percent from June 1 this year, while labour costs, employee salaries, refrigerant gas, lubricants and maintenance expenses have also increased substantially.

"We have repeatedly requested the government to revise the storage charge in line with the increased operating costs. Without a revision, many cold storage operators will struggle to pay electricity bills and bank loans," Mostofa said.

The association said Bangladesh produced around 1.12 crore tonnes of potatoes this year against an estimated domestic demand of 90 lakh tonnes, while nearly 34 lakh tonnes were stored in 351 cold storage facilities nationwide.

Mostofa said some "vested groups" were spreading misinformation by claiming that cold storage owners were charging more than the approved rate, creating unnecessary confusion among farmers and policymakers. He maintained that all potatoes accepted for storage this season were stored under agreements based on the government-approved charge.

Presenting the association's cost analysis, he said a 10,000-tonne cold storage facility pays around Tk 5.86 per kg in bank loan repayments and interest alone. With electricity costs rising to about Tk 1.25 per kg, the combined cost reaches Tk 7.11 per kg, exceeding the approved storage charge.

After adding staff salaries, maintenance, refrigerants and other operating expenses, the actual cost of storing potatoes stands at about Tk 9.62 per kg, he said.

"The current tariff does not even cover our basic operating costs. If cold storage operators become financially unviable, the entire potato supply chain will be affected," Mostofa said.

The association warned that if operators fail to pay electricity bills because of mounting losses, power connections to cold storage facilities could be disrupted, putting millions of tonnes of stored potatoes at risk.

Calling for an urgent review of the storage charge, Mostofa urged the government to determine the tariff through consultations with relevant ministries, financial experts and stakeholders.

He also proposed subsidised electricity for privately operated cold storages, concessional bank financing, higher export incentives for potatoes and more flexible loan repayment schedules.

"If cold storage operators cannot survive financially, potato farmers, traders and ultimately the country's food security will suffer," he said.



Workers sort potatoes at a cold storage facility. The Bangladesh Cold Storage Association says members have charged the government-approved Tk 6.75 per kg storage fee despite costs rising to about Tk 9.62 per kg. PHOTO: COURTESY

India approves $8.81b offshore oil and gas exploration plan

AFP, *New Delhi*

India said Friday it will provide $8.8 billion in financial support for offshore oil and gas exploration as part of its efforts to reduce its heavy reliance on energy imports.

India, the world's third-largest importer of oil and the second-largest buyer of liquefied petroleum gas (LPG), has faced major disruptions due to restrictions on the Strait of Hormuz driven by conflict between the United States and Iran.

To cushion the impact, New Delhi has expanded its pool of crude suppliers from 27 to 41 countries, including Venezuela, while increasing purchases from Russia and several African nations.

The cabinet, chaired by Prime Minister Narendra Modi, approved what officials described as a "very ambitious" push to explore vast offshore areas on Friday under India's jurisdiction for untapped oil and gas reserves.

"If exploration is carried out properly, India can achieve substantial production," Information and Broadcasting Minister Ashwini Vaishnaw told reporters in New Delhi.

Modi first announced the offshore exploration mission during a speech marking the country's Independence Day in August last year.

India's Petroleum and Natural Gas Minister Hardeep Singh Puri told AFP last month that the recent energy crunch had provided fresh impetus to India to expand its domestic supplies.

India currently meets only around 10 percent of its crude oil requirements through domestic production.

The cabinet also approved a separate plan to expand renewable energy generation, targeting 102 gigawatts of solar power capacity over the next five years through photovoltaic installations on reservoirs, canals and industrial water bodies.

India's installed solar capacity currently stands at about 162 gigawatts, among the highest in the world.

Oil prices settle more than 1% higher

REUTERS, *New York*

Oil prices closed more than $1 per barrel higher on Friday, ending July with their biggest monthly gains since March, as concerns over global crude flows mounted on Iranian reports that some tankers were forced to turn back in the Strait of Hormuz.

Brent futures settled up $1.09, or 1.2 percent, at $90.12 a barrel, while US West Texas Intermediate (WTI) futures closed up $1.08, or 1.3 percent, at $84.67 a barrel.

For July, Brent gained 24 percent and WTI rose 21 percent.

The war in Iran, which began on February 28, has sharply curtailed traffic through the Strait of Hormuz, a vital chokepoint that previously carried about a fifth of global crude oil and natural gas supplies, disrupting millions of barrels per day of Middle East output.

Iran has largely blocked shipping through the strait since the conflict began, while its Houthi allies in Yemen this month threatened vessels transiting the Bab el-Mandeb strait at the southern end of the Red Sea, jeopardizing an alternative export route used by Saudi Arabia and other regional producers.

Iran's Revolutionary Guards stopped two tankers from transiting the Strait of Hormuz, while four others changed course, Fars News Agency reported.

Two very large crude carriers carrying oil loaded from the Gulf exited the strait on Friday, although traffic through the waterway remained sparse, according to Kpler ship-tracking data.

Twenty-nine commodity vessels passed through the Bab el-Mandeb strait on Thursday.

"The market has stopped trading the war and started trading the shipping data," said Ole Hvalbye, market analyst at SEB Research.

Talks between Iran and Oman on managing the strait continue, according to the Iranian Labour News Agency, despite Tehran's rejection of Oman's proposal for joint management of the waterway.

Chinese footprint widens

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Bangladesh is now positioning itself as another destination, offering competitive labour costs, preferential access to Western markets and a well-established garment industry.

The energy sector reflects the same trend. Chinese companies continue to pursue opportunities in power generation, renewable energy and liquefied natural gas infrastructure.

Last week, Bangladesh approved in principle the country's third floating storage and regasification unit (FSRU), which will be built by China at Maheshkhali in Cox's Bazar.

Chinese investment in textiles, apparel, furniture, plastics, chemicals, batteries and other manufacturing industries also shows this wider regional shift rather than an isolated bilateral development.

Bangladesh's own investment policy has evolved alongside these global changes.

The Bangladesh Investment Development Authority (Bida) has introduced dedicated engagement mechanisms for Chinese investors. The agency says about 510 Chinese companies now run businesses in Bangladesh across manufacturing, power, textiles, construction and trading.

Mustafizur Rahman, distinguished fellow at local think tank Centre for Policy Dialogue (CPD), said China's growing investment reflects a convergence of trade ties, industrial familiarity and changing global supply chains.

"China has been Bangladesh's largest source of imports for years. That has given Chinese businesses a deep understanding of the market," he said.

Mustafizur said Chinese companies also built confidence through years of involvement in infrastructure, power and construction projects before expanding into manufacturing.

Global supply chain realignment has further strengthened Bangladesh's position.

"As China moves towards higher-value manufacturing and faces higher US tariffs, labour-intensive industries are relocating overseas," Mustafizur said.

He said the China Economic and Industrial Zone in Anwara could become a major catalyst for industrialisation by attracting new manufacturers while increasing commercial use of the Karnaphuli Tunnel and Matarbari Port.

"Greater Chinese investment would create jobs, facilitate technology transfer, strengthen foreign exchange earnings and diversify exports," he said.

Al Mamun Mridha, former secretary general of the Bangladesh China Chamber of Commerce and Industry, said China's investment story has unfolded in stages.

Chinese firms initially entered Bangladesh as suppliers of affordable industrial machinery, often offering supplier credit unavailable from European or Japanese competitors. They later established operations in export processing zones before expanding into textile machinery, garments, backward linkage industries, power generation and major infrastructure.

The next stage, he said, is manufacturing.

"Chinese companies are now looking beyond construction projects. Many are relocating manufacturing to Bangladesh because of its competitive labour costs, preferential market access and growing domestic market."

Lee Wai Choong, managing director of Vernon & Oliver Furniture Company Limited, a Chinese mattress manufacturer in the BEPZA Economic Zone in Mirsharai, Chattogram, said Bangladesh offers competitive labour costs, a growing industrial ecosystem and expanding opportunities for labour-intensive production.

As workers gain more skills, he said, the country could gradually attract higher value-added industries including electronics, chemicals, semiconductors and advanced manufacturing.

"BEPZA has set a good example of investor support and responsiveness. If other government agencies could match that level of efficiency, Bangladesh would become much more attractive to foreign investors," he said.

Nahian Rahman Rochi, executive member of Bida, said the recent increase reflects years of targeted engagement rather than a temporary spike.

"Over the past year, Bida has established a dedicated pipeline and relationship-management mechanism for Chinese investors. We have identified high-potential companies, engaged with them regularly, and worked with relevant agencies to address specific bottlenecks as investors move from initial interest to actual investment," he said.

The China Economic and Industrial Zone has already received investment proposals worth around $500 million and is expected to become a major platform for export-oriented manufacturing, he said.

Bida also plans to establish its first overseas office in Guangzhou and deepen cooperation with the China Council for the Promotion of International Trade (CCPIT).

"These initiatives will help us build a stronger and more sustainable pipeline of Chinese investment and, crucially, translate investor interest into projects on the ground," said Nahian.

Apple set to lose $500b after weak forecast

REUTERS

Apple shares fell nearly 10 percent on Friday after a disappointing forecast showed that the iPhone maker was struggling to secure enough components as the AI-driven data center boom strains global supply chains.

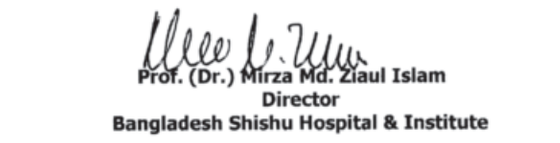
The drop, if sustained, would mark the stock's worst day since the pandemic-driven selloff in March 2020. It would erase nearly $500 billion from Apple's market capitalisation and return the crown of the world's most valuable company to AI chip giant Nvidia, days after reclaiming it.

Tim Cook, widely hailed as a supply-chain genius, called the shortages "very significant" and said Apple had limited options to address them, speaking on his final earnings call as CEO before handing the reins to John Ternus in September and becoming executive chairman. "If even at Apple's scale they are saying they are out all supply chain flexibility, it's really bad for everyone," said Ben Bajarin, CEO of tech consultant Creative Strategies.

Big Tech has been scooping up advanced chip-making capacity and memory chips to power its AI data centers, sparking shortages and price increases that are expected to shrink both the personal computer and smartphone markets this year.

Apple had cushioned some of the blow from surging memory costs by drawing on stockpiled inventory, but Cook said that the buffer was fading and shortages of processors were keeping it from meeting strong demand for iPhones and Macs.

Advertisement



Roundtable urges withdrawal of proposal to raise foreign ownership cap in logistics

A roundtable titled "Protecting Domestic Investment in Logistics & Policy Reform" was organised by the Center for Strategic Research (CSR) at the BRAC Centre in Mohakhali, Dhaka, on Wednesday. Zonayed Saki, State Minister for Planning, joined online as chief guest; Mahmudur Rahman Manna, President of Nagorik Oikya, attended as special guest. Saqeeb Anwer, Executive Director of CSR was also present at the event.

Bangladesh faces

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costs only up to the port. Ocean freight, container charges and other international shipping costs are paid by overseas buyers," he said.

But he warned the effects would eventually reach exporters too. "When logistics costs increase, buyers usually reduce imports or place fewer orders," he said.

Large international buyers are more insulated, he said, since they lock in freight rates through annual contracts with major shipping lines.

Smaller buyers who rely on spot bookings have to absorb the higher rates — and that, he said, could start affecting where they choose to source from.

On the import side, traders report a comparatively smaller 20 to 30 percent rise in freight rates.

They attributed this partly to container-size dynamics – most inbound cargo moves in 20-foot containers, while exports mostly need 40-foot ones, which are running short during the disruption.

Women dominate

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finance architecture through a clear chronology of regulatory interventions, enabling the financial sector to systematically integrate environmental, social, and governance considerations into mainstream financing decisions," the BB report noted.

Despite the quarter's strong overall performance, direct green finance disbursements – targeted at pure eco-projects like renewable energy – recorded a quarterly decline to Tk 5,196.70 crore.

Addressing this variance, the central bank emphasised the need for consistent policy implementation.

"While variations in quarterly trends highlight the need for continued policy alignment and capacity building, the overall direction remains positive and consistent with national development priorities," the central bank observed.

It added that its ongoing policy refinements and refinancing schemes are expected to "further stabilise and enhance sustainable finance flows in a gradual and sustained manner" going forward.

Dollar continues

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As demand for foreign currency increases, BB has stopped buying US dollars from the market since June 8. The central bank bought $6.4 billion from the market between July 2025 and June 2026 as part of its effort to build foreign exchange reserves.

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Ref. No. (G)(FW)/e-GP/BSHI/2025-2026/03 Date: 02/08/2026

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e-tender is invited in the national e-GP portal (www.eprocure.gov.bd) for the procurement of the following goods:

Sl No.	Description of Goods	Tender ID	Publication Date & Time	Last Selling Date & Time	Closing Date & Time
1	Supply of electric and plumbing Items.	1279820	02/08/2026 10:00	17/08/2026 16:00	18/08/2026 12:00

This is an online tender, where only e-Tender will be accepted in the National e-GP portal and no offline/hard copies will be accepted.
To submit e-Tender, registration in the National e-GP system portal (www.eprocure.gov.bd) is required.
Further information and guidelines are available in the National e-GP portal (www.eprocure.gov.bd) and from e-GP help desk (helpdesk@eprocure.gov.bd).

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