

## Bangladesh pushes logistics overhaul to reach USD 100b export goal

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Dhaka: Bangladesh is moving ahead with major reforms in its logistics sector, with plans to develop a multimodal hub at Chattogram's Bay Terminal and bring in foreign operators to run key port facilities, as the government and businesses set sights on boosting annual exports to USD 100 billion.

Speaking at a roundtable on "Challenges, Opportunities, and Way Forward in Shipping and Logistics Landscape", organized by The Financial Express in the capital on August 17, senior policymakers and industry leaders stressed that without a sharp cut in logistics costs, Bangladesh will struggle to remain competitive in global trade.

### Bay Terminal, new hub, foreign operators

Shipping Secretary Mohammad Yousuf announced that construction of a

multimodal logistics hub at Bay Terminal — connecting rail, road, and seaport facilities — will begin soon. The World Bank-financed Bay Terminal Breakwater Project is already underway, with tender evaluations for three new terminals expected within months. Singapore's PSA and Dubai's DP World are among the international operators lined up alongside Chittagong Port Authority.

By 2036, the Bay Terminal is projected to handle over 5.3 million TEUs annually, nearly double the current capacity of Chattogram Port, which is already overstretched. Yousuf also revealed plans for a digital "Port Community System" linking Chattogram, Mongla and Payra ports, based on a World Bank design.

He said discussions were ongoing with ADB over advisory support after Ernst and Young exited the project, adding that at least one terminal would be handed over to contractors by year's end. The New Mooring Container Terminal is also set to be operated by a global player within months.

## **Businesses back foreign expertise**

Leaders from the garment, knitwear and freight forwarding sectors welcomed the government's openness to foreign operators, saying international expertise would raise efficiency and help local workers gain exposure to global best practices.

BKMEA President Mohammad Hatem said opposition to foreign participation was misplaced. "Instead of resisting, we should learn from them. Ports are service entities — the aim should be efficiency, not profits," he said, criticizing a sudden 40 percent charge hike at Chattogram Port.

Former BAFFA chief Kabir Ahmed and BGMEA Senior Vice President Inamul Haq Khan echoed the call, pointing to inefficiencies that force exporters to rely on costly air shipments when port delays stretch up to six days.

## **Calls for wider reforms**

Beyond ports, participants urged reforms in customs, aviation, and energy supply to ease bottlenecks. Business leaders highlighted recurring gas and electricity shortages, congestion, and corruption —

with trucks often facing illegal tolls and delays adding days to shipments.

Azam J Chowdhury, President of the Ocean Going Ship Owners' Association, said the private sector, which operates the bulk of the shipping industry, remained excluded from decision-making. He also warned that outdated tax and regulatory policies were deterring new investment.

## **Bangladesh lags in global rankings**

Policy experts cautioned that Bangladesh is far behind regional peers in logistics readiness. Citing the World Bank's 2023 Logistics Performance Index, Independent University's Prof Mamun Habib noted that Bangladesh ranks 88<sup>th</sup> globally, compared to India at 38 and Sri Lanka at 73. "Weak infrastructure and poor coordination remain our biggest hurdles," he said, adding that opportunities lie in automation, digitalization and private investment in inland container depots.

Masrur Reaz, Chairman of Policy Exchange Bangladesh, warned that the country was "five decades behind" in logistics development due to policy paralysis. He urged urgent implementation of the National Logistics Policy, arguing that efficiency gains could offset rising production costs from US tariffs and LDC graduation.

## **High costs hurting trade**

A World Bank transport specialist told the seminar that logistics eats up 16 percent of Bangladesh's GDP, far above the global average of 10 percent. She said at least half of the cost is tied to inefficiencies, and over 60 regulatory bottlenecks could be eased with better coordination rather than new investment.

## **Next steps**

The Shipping Secretary said the government will finalize the National Logistics Policy within a month. Two high-powered committees, chaired by the Chief Adviser and Principal Secretary, have already been formed to steer the action plan.

The Financial Express Editor Shamsul Huq Zahid, chairing the session, stressed that reducing logistics costs by a quarter could push export earnings up by 20 percent. He said the newspaper would prepare

recommendations for policymakers and organize a larger follow-up event to continue the dialogue.

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