

Bangladesh's freight forwarding sector at crossroads : growth, grit, urgent call for reform

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Dhaka : Once operating in the shadows of Bangladesh's booming ready-made garment (RMG) exports, the country's freight forwarding and logistics industry is now at the center of its global trade discourse-hailed for its resilience, but challenged by rising costs, policy inertia, and infrastructure bottlenecks. Industry leaders-from global multinationals like DB Schenker and APS Logistics to local giants like Expo Freight, Tower Freight, and Conveyor Group-are sounding a collective alarm: reform or risk losing competitiveness.

Sector powering USD 125b trade engine

Freight forwarders manage over 95 percent of Bangladesh's cross-border trade, estimated at USD 125 billion annually. Their role spans customs clearance, warehousing, ocean and air freight coordination, and compliance-yet the industry still fights for formal recognition and

equitable policy treatment.

"Freight forwarders are not just service agents-we're strategic enablers of the country's economy," said Nurul Amin, Managing Director of Tower Freight Logistics. "It's time the government and trade policymakers understood that."

Schenker-DSV transition: End of an era, beginning of a new chapter

At the global level, DB Schenker's acquisition by DSV marks the end of a 153-year-old legacy. In Bangladesh, the company grew more than 200 percent in just five years-from 14,000 TEUs in 2019 to over 35,000 TEUs by 2024-despite launching shortly before the Covid-19 pandemic.

"We've become the largest freight forwarding operation in the world under DSV," said Mohammad Sams E Tabriz, Managing Director of DB Schenker Bangladesh. "Yet, losing the Schenker name still feels personal."

However, with the rebranding underway and legal transition in motion, Schenker's exit also exposes persistent structural issues-from high compliance costs to regulatory barriers preventing land ownership and warehouse development.

Global pressure, local costs: dual threat

Beyond ownership changes, external threats are mounting. The looming 35 percent reciprocal tariff by the US-Bangladesh's largest export market-could devastate the garment sector, which drives nearly 20 percent of all outbound shipments.

"We are caught between Trump-era tariffs and rising local logistics costs," warned Mahbubul Anam, Managing Director, Expo Freight Limited. "Port charges are up by 60 percent, airport fees are arbitrary, and logistics costs are eroding our global price edge."

Expo Freight, which handled over 40,000 TEUs and 35,000 tons of air cargo in 2023, remains one of the country's most resilient logistics providers. However, Anam called for urgent cost stabilization, stronger government-private partnerships, and investment in airport and port automation.

APS : "Delay LDC graduation until we're ready"

For APS Logistics, with operations spanning Bangladesh, Pakistan, and Sri Lanka, the warning is even sharper.

"Our entire model depends on US-bound exports," said Country Director Yad Mahbub. "Bangladesh's overreliance on imported fabrics, outdated infrastructure, and rising air freight costs make us vulnerable."

He proposed a bold solution: delay the country's graduation from Least Developed Country (LDC) status until logistics and supply chain reforms are in place.

Conveyor Group: "Fix the system or fall behind"

Kabir Ahmed, Chairman of Conveyor Group, put it more bluntly: "We are running, but not like other countries. The demand is there. The efficiency is not."

Ahmed blasted inefficiencies across the board—from broken airport scanners and dysfunctional ground handling to bureaucratic delays at Chattogram port. He flagged rampant container theft and damage, as well as misaligned regulatory roles between tax collectors and policymakers.

Despite operating Bangladesh's largest river logistics network, Conveyor faces resistance even in leveraging the country's untapped waterways. "Why are we not investing in our rivers when they can move bulk cargo more efficiently than roads?" he asked.

Shared grievances, common demands

Across all five operators, a few themes stood out consistently:

- **Infrastructure bottlenecks:** Long truck idle times, outdated scanning tech, congestion at Dhaka airport, and the absence of viable alternatives to Chattogram port continue to plague operations.
- **Regulatory rigidity:** From VAT disparities to land purchase restrictions, foreign and local players alike face barriers that stifle growth.
- **Air cargo inefficiency:** Broken scanners, lack of bonded warehouses, and high ground handling charges deter international airlines and add to lead times.
- **Compliance mismatch:** Global standards clash with local

practices, putting compliant firms at a pricing disadvantage.

- **Policy exclusion:** Freight forwarders are rarely consulted on trade or transport policies, despite managing the country's export logistics.

Reform agenda for the road ahead

Stakeholders proposed a bold but actionable roadmap:

- Unified licen-sing systems across all ports to cut bureaucratic red tape.
- Full automation of customs clearance via the National Single Window and ASYCUDA.
- Infrastructure investment in bonded warehousing, multimodal connectivity, and cold chain logistics.
- Technology adoption including GPS tracking, TMS, and EDI systems.
- Air cargo reforms, including lower handling charges, more reliable scanning infrastructure, and RA3 certification for regional airports.
- Skill development and compliance training to align workforce capabilities with global logistics standards.

Final word : Logistics is no longer support-it's strategy

As Bangladesh aims to reach USD 100 billion in exports by 2030, logistics has become a strategic cornerstone-not just a support function. Whether it's managing the fallout of global trade tensions, powering next-gen supply chains, or ensuring garments reach store shelves on time, freight forwarders are indispensable.

"Miracles got us this far," said DB Schenker's Tabriz. "However, miracles won't be enough for the road ahead. We need infrastructure. We need policy reform. And above all, we need recognition."

With a unified voice, Bangladesh's logistics leaders have issued a call to action. The clock is ticking-and the world will not wait.