

# Garment exports find a workaroud after India ends transshipment

Dhaka and Sylhet airports improve export services, also offer lower handling costs

REFAYET ULLAH MIRDHA and RASHIDUL HASAN

Garment exports to Europe have remained largely unaffected by India's suspension of transshipment through its airports, as Bangladeshi exporters adapt by using alternative routes and improved facilities at home.

Exporters said that since India halted the transshipment facility in April this year, most of them now send goods by sea from Chattogram port to Colombo in Sri Lanka. When shipments face tight schedules, consignments are then flown from Dubai after arriving from Colombo.

Otherwise, large vessels carry goods directly from Colombo to their destinations.

Bangladeshi exporters usually use Singapore port and Penang port in Malaysia, where smaller vessels from Chattogram feed mother ships.

After the suspension of the transshipment in April, the government installed an explosive detection system (EDS) at Osmani International Airport in Sylhet to screen cargo bound for Europe.

Besides, all four EDS machines at Hazrat Shahjalal International Airport (HSIA) in Dhaka have been repaired.

Moreover, ground-handling charges for export cargo have been reduced by five to six cents per kilogramme at both airports.

Shovon Islam, managing director of apparel exporter Sparrow Group, said pressure on Dhaka airport had eased since the EDS was installed in Sylhet.

"Some major international clothing retailers and brands such as Inditex are now carrying the goods with their chartered planes from Sylhet or sometimes from the airport in Dhaka," he said.

Faisal Samad, director at the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said this was currently a lean season for air shipments, as many buyers were transporting goods by sea.

## RMG EXPORTS STEADY AFTER INDIA ROUTE HALT

### REROUTING TRADE

- India's April transshipment ban shows little impact so far
- Exporters now send cargo via Ctg to Colombo and Sylhet airport



### INFRASTRUCTURE & POLICY UPGRADES

Explosive detection system installed at Sylhet airport, Dhaka got all four fixed

Ground handling fees cut by 5-6 cents per kg

Civil Aviation Authority proposes 25% lower screening charge



### RATES & COSTS

Sylhet to Europe about \$2.80 per kg off-peak, \$3.80-\$4.00 in peak

Indian routes used to cost \$2.10-\$2.20 per kg plus \$0.15-\$0.20 via Benapole

Bangladesh rates remain competitive post-ban

### AIRFREIGHT OPERATIONS

Major brands like Inditex using charter flights from Sylhet, Dhaka

With 100-tonne capacity, Sylhet airport shipped three consignments in Aug

Air exports from Dhaka and Sylhet average 450 tonnes in lean season, 1,200 in peak

### SECTOR FEEDBACK

Exporters report smoother handling and no major delays

"So, space on cargo flights is not an issue at the moment," he said, adding that a large volume of garments bound for Europe and the United States is now shipped via Colombo, with some airlifted from Dubai when deadlines are tight.

Before the suspension, exporters transported their goods to India through Benapole by trucks, from where they were flown out of Kolkata and Delhi airports.

The route was used by local exporters due to a shortage of screening facilities in Dhaka and reduced cargo space after several airlines cut flights from HSIA.

Between January and March this year, about 34,900 tonnes of garments worth \$462 million were shipped to 36 countries through Indian airports, according to BGMEA.

# The Daily Star

08 OCT 2025

Kabir Ahmed, immediate past president of the Bangladesh Freight Forwarders Association (BAFFA), said screening facilities had improved at both Dhaka and Sylhet airports following the transshipment suspension.

"At HSIA, three of the four EDS machines are usually in operation, and explosive detection dogs are also deployed. Exporters have no complaints about screening delays at Dhaka or Sylhet airport," he said.

After the reduction of ground-handling charges, airliners now charge about \$2.80 per kilogramme from Sylhet to European destinations. In peak months such as November and December, rates rise to between \$3.80 and \$4.00 per kilogramme from Dhaka, according to Ahmed.

By comparison, Indian routes cost between \$2.10 and \$2.20 per kilogramme, plus an additional 15 to 20 cents per kilogramme for transport through Benapole, he said.

On average, 450 tonnes of dry cargo are shipped daily from Dhaka and Sylhet airports in the off-season, increasing to about 1,200 tonnes during peak periods.

A European buyer who sources billions of dollars worth of garments from Bangladesh said air shipment facilities had "improved a lot because of alternative routes such as Sylhet and Chattogram airports".

He credited the government's quick installation of new screening systems for the progress.

Air Commodore Abu Sayeed Mehboob Khan, member (Operations and Planning) of the Civil Aviation Authority of Bangladesh (CAAB), said the authority had proposed cutting screening charges for Europe-bound cargo from eight cents to six cents, a reduction of around 25 per cent.

Group Captain S M Ragib Samad, executive director of HSIA, said cargo flights are kept out of any restrictions to facilitate the country's export.

"In November and December, we will take extra measures to ensure smooth operations during the peak season," he said.

At Sylhet's Osmani International Airport, three dry cargo consignments were handled in August, said its director Mohammad Hafiz Ahmed. He said the airport now has a storage capacity of 100 tonnes and is ready to expand operations if demand increases.

Although top CAAB officials had earlier said the third terminal at Dhaka airport would open by December, that now seems unlikely.

Civil Aviation Adviser Sk Bashir Uddin said the government was ready to approach other international operators if the Japanese consortium declined to take over management of the new terminal.



08 OCT 2025

## Bashir urges Germany to import more from Bangladesh

STAR BUSINESS REPORT

Commerce Adviser Sk Bashir Uddin yesterday urged German importers to source more garments, home textiles, medicines, plastic goods, shoes, bicycles, and leather products from Bangladesh, noting that the country is strong in the production of these items.

The adviser made the call during a meeting with the newly appointed German ambassador to Bangladesh, Rüdiger Lotz, at the commerce ministry's office in Dhaka.

Germany is Bangladesh's second-largest single-country export destination after the USA, accounting for 10.96 percent of the country's total merchandise exports in a year, according to data from the commerce ministry.

**Germany is Bangladesh's second-largest single-country export destination, accounting for 10.96% of total exports in a year**

Bilateral trade between Bangladesh and Germany is heavily tilted in favour of the South Asian country, as Bangladesh serves as a major sourcing destination for Germany's clothing retailers and brands.

In the 2023-24 fiscal year, Bangladesh exported goods worth \$4.85 billion to Germany, while imports from Germany amounted to \$940.60 million, the commerce ministry data showed.

Lotz said Germany would continue working with Bangladesh to strengthen bilateral economic relations.

Germany will also



total merchandise exports in a year, according to data from the commerce ministry.

**Germany is Bangladesh's second-largest single-country export destination, accounting for 10.96% of total exports in a year**

Bilateral trade between Bangladesh and Germany is heavily tilted in favour of the South Asian country, as Bangladesh serves as a major sourcing destination for Germany's clothing retailers and brands.

In the 2023-24 fiscal year, Bangladesh exported goods worth \$4.85 billion to Germany, while imports from Germany amounted to \$940.60 million, the commerce ministry data showed.

Lotz said Germany would continue working with Bangladesh to strengthen bilateral economic relations.

Germany will also collaborate with Bangladesh to advance the ongoing process of trade diversification between the two countries, the statement added.



08 OCT 2025

## **BB allows exporters to use local ins for open account shipments**

### **FE REPORT**

In a major policy shift, Bangladesh Bank (BB) has allowed exporters to ship goods under open account credit terms backed by insurance coverage from local insurance companies, aiming to ease the country's export procedures.

To this effect, the central bank issued a circular on Tuesday permitting banks to arrange payment undertakings or payment risk coverage from Bangladeshi insurers.

The move builds on an earlier provision that allows open account exports only against payment undertakings from designated institutions abroad.

According to the new circular, banks can now facilitate export transactions under open account credit terms through foreign currency-denominated insurance policies issued by local insurers.

In case of non-receipt of export proceeds, insurance claims need to be settled in foreign currency, said the circular.

As per the circular, reinsurance coverage can be obtained from foreign sources in compliance with the regulatory framework applicable for insurance companies.

The BB in its circular

authorised banks to offer post shipment finance to exporters against respective exports based on insurance coverage. Industry insiders, however, said the facility is expected to enhance competitiveness of Bangladeshi exporters by reducing reliance on foreign institutions and enabling more flexible trade financing options.

[jubairfe1980@gmail.com](mailto:jubairfe1980@gmail.com)



08 OCT 2025

## BB allows exporters to use local insurance for open account exports

BANKING - BANGLADESH

### TBS REPORT

In a major policy shift aimed at easing export procedures, the Bangladesh Bank has allowed exporters to ship goods under open account credit terms backed by insurance coverage from local insurance companies.

The central bank issued a circular yesterday, permitting banks to arrange payment undertakings or payment risk coverage from Bangladeshi insurers.

This move builds on an earlier provision that allows open account exports only against payment undertakings from designated institutions abroad.

Industry insiders say the new policy is likely to boost the compet-

itiveness of Bangladeshi exporters by reducing reliance on foreign institutions and enabling more flexible trade financing options.

According to the new circular, banks can now facilitate export transactions under open account credit terms through foreign currency-denominated insurance policies issued by local insurers. In case of non-receipt of export proceeds, insurance claims need to be settled in foreign currency.

Also, reinsurance coverage can be obtained from foreign sources in compliance with the regulatory framework applicable to insurance companies, as per the circular.

The circular authorises banks to offer post shipment finance to exporters against respective exports based on insurance coverage.



08 OCT 2025

# Chattogram Port logs 12% growth in first quarter amid inflation, export slowdown

PORT — CHATTOGRAM

## TBS REPORT

Despite rising inflation and export challenges, the Chattogram Port has recorded growth in container, cargo, and ship handling during the first quarter of the current fiscal year.

Comparing July-September 2025 with the same period last year, the figures highlight steady operational improvement.

➤ Chittagong Port handled 9.27 lakh TEUs in July-September, a 12.24% increase

➤ Cargo handling increased by 13.88%, while ship handling rose by 1.22%

➤ New Mooring Terminal hits record in first quarter, handled 3.42 lakh TEUs

➤ Ship handling at New Mooring shows a 17.11% growth



According to the port authority, 927,713 TEUs were handled in July-September 2025, compared to 826,528 TEUs during the same period last year, an increase of 101,185 TEUs or 12.24%.

Confirming the data to The Business Standard, Chattogram Port's Chief Personnel Officer, Md Nasir Uddin, said internal statistics reflect the positive trend.

Port authorities attribute this performance to the tireless efforts of stakeholders, which have ensured the smooth functioning of the country's principal seaport. However, a brief slowdown in import-export activity occurred around July of last year due to political unrest.

Cargo and ship handling also grew, with almost 3 crore and 30 lakh metric tons of cargo and 1,031 ships handled, up from 2 crore and 89 lakh metric tons and 944 ships last year. This represents a growth of 13.88% in cargo and 1.22% in ship handling.

The port authority noted that global economic slowdowns, transport strikes, and customs interruptions affected operations.

However, with strong support from officers, employees, and stakeholders, container,

cargo, and ship handling rose, export earnings grew, and infrastructure and digitalisation projects continued advancing rapidly.

### New Mooring terminal sees record handling

From 7 July, the largest terminal at Chattogram Port, the New Mooring Container Terminal (NCT), has been operated by Navy-run Chittagong Drydock Ltd, following the expiry of Saif Powertech Ltd.'s contract on 6 July.

The interim government decided not to renew the contract and appointed an international operator to meet global standards.

In the first three months of FY 2025-26, NCT handled 3.42 lakh TEUs, which is 41.75 thousand more than the 3.01 lakh TEUs in the same period last year, a 13.88% rise. Ship handling at NCT also increased to 178 ships from 152 last year, a 17.11% growth.

**Positive indicators year-to-date**  
On a calendar-year basis, Chat-

togram Port also shows strong performance. From January to September 2025, 25.63 lakh TEUs were handled, up 1.22 lakh TEUs or 4.98% from 24.42 lakh TEUs during the same period last year.

Cargo and ship handling grew 11.70% and 10.37%, respectively, with 10.27 crore metric tons of cargo and 3,161 ships handled, compared to 9.19 crore metric tons and 2,864 ships last year.

Khairul Alam Sujan, vice-president of the Bangladesh Freight Forwarders Association (BAFFA), said to The Business Standard, "In the previous government's last term, dollar shortages complicated LC openings for imports. The interim government has resolved these issues, supporting positive performance indicators."

Overall, despite global economic uncertainty and domestic challenges, Chattogram Port's first-quarter performance demonstrates resilience, steady growth, and continued progress in modernisation, infrastructure, and operational efficiency.