

Why rice prices are rising

STAR BUSINESS REPORT

Rice prices have seen an abnormal increase recently in Bangladesh, despite higher yields and an adequate supply. Even a sharp drop in international prices failed to make an impact on the domestic market, according to a new report by the Bangladesh Trade and Tariff Commission.

The commission reviewed demand, production, local and global prices, and import duties to explain five key reasons behind the surge. The five reasons are:

Rising production costs

The price of rice procured by the government under the social safety net rose by 8 percent year-on-year to Tk 49 per kilogram (kg) this year, while paddy prices increased by 11 percent.

This increase was driven by higher input costs for fertiliser, fuel, and labour.

Limited impact of cheaper imports

From July to September 2025, rice imported from India entered Bangladesh at Tk 55 to Tk 58 per kg, with an average of Tk 57.

Yet, local coarse rice is still sold at Tk 55 to Tk 60 per kg, and medium rice at Tk 60 to Tk 70, showing only a slight easing.

Disconnect with global market

Data from the Thailand Rice Association show that international prices fell by about 37 percent year-on-year, from \$613 per tonne to \$388. Converted at Tk 120 per dollar, this equals a decline of Tk 46.56 per kg.

Despite this sharp fall, domestic rice prices in Bangladesh rose by 8 to 11 percent during the same period.

Controlled import regime

Bangladesh does not allow open rice imports. The food ministry permits shipments only when domestic supply falls short. While duty concessions have temporarily lowered import costs, with most shipments paying only 2 percent advance income tax, the government maintains restrictions to protect local farmers from being undercut.

Weather shocks and supply concerns

Floods and heavy rains in the past year disrupted cultivation, even though overall production rose by 2.3 million tonnes to 4.43 crore tonnes.

With national demand estimated at 3.7 to 3.9 crore tonnes, supply is technically adequate. However, weather volatility has added uncertainty and kept consumer prices elevated.



PHOTO: AZAHAR UDDIN

Aman rice accounts for 40 percent of the total annual rice crop, estimated at around four crore tonnes in fiscal year 2024-25.

Favourable weather, higher acreage boost Aman outlook

SOHEL PARVEZ and S DILIP ROY

Farmers have started harvesting Aman season paddy in some northwestern regions amidst expectations of an increase in production, according to agricultural officials citing a year-on-year rise in acreage and favourable weather.

Farmers transplanted the rain-fed crop on 59.28 lakh hectares of land, which was 6 percent higher year-on-year, according to a preliminary estimate by the Department of Agricultural Extension (DAE).

Farmers and agriculturists said repeated floods and unfavourable weather affected Aman season paddy last year.

Until now, there has been no major flood. Rather, regular rainfall supported the growth of the crop, they said.

"The crop condition looks excellent. We are expecting a good harvest this year," said DAE Director (Field Services Wing) Md Obaidur Rahman Mondol.

He said pest attacks could not affect the staple grain this season.

Aman rice accounts for 40 percent of the total annual rice crop, estimated at around 4 crore tonnes in the fiscal year 2024-25, and several farmers in the northwestern region expressed optimism regarding a good harvest.

The expectation comes at a time when rice is being sold at a higher price this year compared to previous years, despite imports and an increase in production.

Coarse rice, the benchmark grain for market price, was sold at Tk 55 to Tk 60 per kilogram at retail in Dhaka's markets yesterday, up 9.5 percent

from a year ago, according to data compiled by the Trading Corporation of Bangladesh.

In its latest report, the Bangladesh Trade and Tariff Commission said an increase in production costs is a major reason behind the price spike. It added that prices declined in recent days because of imports.

"As there was no major flooding this year, the yield looks

Nilphamari – show that Aman paddy has been cultivated on 6.20 lakh hectares of land this season.

Of this, the crop has been grown on 30,000 hectares of land in nearly 600 riverine chars. Farmers in these areas usually grow early-maturing and flood-tolerant varieties.

In August this year, the US Department of Agriculture

of September," it said.

Hamidul Mondol, a farmer at Char Jatrapur in Kurigram sadar upazila on the banks of the Brahmaputra river, said the Aman crop remained unaffected as there was no major flood in the Brahmaputra basin this year.

"We usually grow early varieties so that we can plant winter crops soon after. My three bighas of Aman are ripe now, and I'll start harvesting within the next two to three days," he said.

Mohammad Khalequzzaman, director general of the Bangladesh Rice Research Institute, said last year, 11 lakh tonnes of rice were lost because of floods and inclement weather.

"The weather has been favourable so far this year. So, overall production is expected to be higher this year than the previous year. We saw rainfall when it was required for the crop. There has been no terminal drought," he said. The rainfall reduced the requirement for irrigation during the season.

The Bangladesh Bureau of Statistics (BBS) estimated Aman production at 1.65 crore tonnes in the Aman season in the fiscal year 2024-25, nearly one percent down from the previous year.

Sirajul Islam, additional director of the DAE in the Rangpur region, said harvesting of Aman paddy has already started in the char areas and will be completed this month.

"In mainland areas, the harvest will begin in the first week of November. Since flooding was less severe this year, the Aman yield in char lands is expected to be satisfactory. We are also expecting good output in the mainland fields."



PHOTO: S DILIP ROY

promising," said Abu Taleb, a grower at Char Gokunda on the Teesta river in Lalmonirhat sadar upazila.

Farmers have begun harvesting the crop grown on many char areas along 26 rivers, including the Brahmaputra, Teesta, Dharla, Dudhkumar, and Gangadhar, in the northwest.

The 65-year-old farmer planted Aman on five bighas of char land and started harvesting paddy on Sunday. He has not weighed it yet but expects around 20 to 21 maunds (one maund equals around 40 kilograms) of paddy per bigha.

Data from the DAE Rangpur region – Lalmonirhat, Kurigram, Rangpur, Gaibandha and

(USDA) projected a 4 percent increase in Aman cultivation area to 58 lakh hectares from the previous Aman season, alongside increased yields this year.

The US agency said many northern farmers began transplanting Aman saplings at the beginning of July. By the second week of August, more than 80 percent of the Aman sapling transplantation in this region was complete, it added.

"In contrast, farmers in the southern part of the country typically start transplanting Aman in early August and complete it by the end of the month. Some farmers in this region may continue transplanting into the first week

Money without borders

AHMED HUMAYUN MURSHED

It was once beyond imagination that money could exist entirely in digital form, except in science fiction. Then it happened. Crypto began as a small experiment and turned into a global phenomenon. To some, it means freedom and dynamism. To others, it brings disorder and chaos. Yet what is most striking is that crypto has forced the world to rethink one of its most basic ideas: money.

The story began in 2009 with Bitcoin, when a mysterious person named Satoshi Nakamoto introduced a system allowing people to transfer money through a digital ledger known as the blockchain. There was no bank or intermediary. The idea spread like wildfire.

Soon, other names followed. Ethereum introduced a new way of handling contracts through programmes that activate automatically once specific conditions are met. Ripple made international transfers faster. Litecoin shortened transaction times. Stablecoins like Tether tried to keep the market steady by tying their value to real-world currencies such as the dollar. Each of these addressed different problems, but together they challenged the traditional financial order.

There is no central bank controlling cryptocurrencies. Instead, they work through thousands of computers that record and verify every transaction. Bitcoin uses a system called proof of work, where miners solve digital puzzles to validate transactions. Ethereum has shifted to proof of stake, where users lock up part of their holdings to help run the network. Once recorded, a transaction remains on the blockchain permanently.

Countries have responded in varied ways. The United States, Japan, Singapore, and several European nations have chosen regulation over prohibition. China has banned private crypto trading but created its own digital yuan to maintain control, testing it for cross-border use. The UAE has introduced blockchain-based platforms for trade verification.

In South Asia, reactions have been mostly cautious. India has one of the world's largest crypto communities, but it has not recognised it as legal tender and taxes it heavily. Pakistan has told banks to avoid involvement. Sri Lanka and Myanmar have warned citizens about scams.

Bangladesh, along with Nepal, Algeria, and Morocco, has chosen to ban crypto entirely. The Bangladesh Bank has repeatedly warned people about the risks, citing concerns over money laundering, fraud, and market instability.

The risks are not hypothetical. Prices can soar or crash within hours. Hackers have stolen billions from online exchanges. Scammers lure people into fake platforms. Even experienced investors have lost everything to phishing attacks or forgotten passwords. While the blockchain itself is secure, the surrounding systems remain vulnerable.

Still, the technology is reshaping finance. Major banks such as HSBC and Standard Chartered are experimenting with digital versions of Letters of Credit (LCs).

Despite the advances, money is unlikely to go fully digital overnight. Traditional banks are still powerful, and global regulations continue to favour established systems. Yet pressure is mounting. Crypto has forced banks to become faster, more transparent, and more open to innovation.

For now, a clear divide persists. Developed nations are exploring cryptocurrencies through experimentation, while many developing countries are staying cautious. The concept of money has already changed through digitalisation, and whatever comes next, that transformation cannot be undone.

The writer is co-founder and CEO at Accfintax and associate director at Hoda Vasi Chowdhury and Co



Trump vows 'massive' tariffs until India halts Russian oil buys

REUTERS

US President Donald Trump reiterated on Sunday that Indian Prime Minister Narendra Modi told him India will stop buying Russian oil, while warning that New Delhi would continue paying "massive" tariffs if it did not do so.

"I spoke with Prime Minister Modi of India, and he said he's not going to be doing the Russian oil thing," Trump told reporters aboard Air Force One.

Asked about India's assertion that it was not aware of any conversation between Modi and Trump, Trump replied: "But if they want to say that, then they'll just continue to pay massive tariffs, and they don't want to do that."

Russian oil has been one of the main irritants for Trump in prolonged trade talks with India – half of his 50 percent tariffs on Indian goods are in retaliation for those purchases. The US government has said petroleum revenue funds Russia's war in Ukraine. India has become the biggest buyer of seaborne Russian oil sold at a discount after Western nations shunned purchases and imposed sanctions on Moscow for its 2022 invasion of Ukraine.

Trade talks between India and the US are going on in a "congenial" manner, an Indian government official said on Saturday, declining to be identified due to the sensitivity of talks.

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Fall in China's exports of rare earth magnets stokes supply chain fears

REUTERS, Beijing

China's exports of rare earth magnets fell in September, reigniting fears that the world's top supplier could yield its dominance over a component key for US defence firms and makers of items from cars to smartphones as leverage in trade talks.

In April and May, Beijing squeezed global automakers with export curbs on a range of rare earths items and related magnets, while negotiators faced off over triple-digit US tariffs on goods from the world's second-largest economy.

Four months on, after Washington and Beijing unexpectedly reprised threats of fresh tariffs and rare earth export curbs, worry is growing that China could return to the same playbook.

That would mean it reneges on a June deal with the United States to ease the flow of critical minerals.

China's shipments of rare earth magnets fell 6.1 percent in September from August, customs data showed on Monday, ending three months of gains, and dropping even before Beijing unveiled a dramatic expansion of its export licensing regime this month.

"The sharp swings in rare earth magnet exports show that China knows it holds a

key card in international trade talks," said Chim Lee, senior analyst at the Economist Intelligence Unit.

The September fall to 5,774 tons from a seven-month high of 6,146 tons in August aligns with reports that China is already making it harder for firms to secure

licences for exports of rare earth magnets.

Its commerce ministry is applying scrutiny similar to that seen in April, at the height of the trade war.

On an annual basis, September shipments rose 17.5 percent.

Last week, China's commerce ministry



A labourer works at a site of a rare earth metals mine at Nancheng county, Jiangxi province. China's shipments of rare earth magnets fell 6.1 percent in September from August.

PHOTO: REUTERS/FILE

accused the United States of stoking global panic over its rare earth controls by deliberately misunderstanding the curbs, and said it would approve export licences intended for civilian use.

Still, analysts worry China could once again entangle civilian commercial users in curbs aimed at choking US defence firms' access to critical materials.

"China's ability to throttle rare earth exports is an exceptionally powerful tool," said Dan Wang, China director at Eurasia Group. Apart from disrupting production, such measures would fuel insecurity over access to critical industrial inputs and growing reliance on China, she added.

"The world has to adjust to its management style," she said, adding that Western countries are not used to complying with a monopolistic control of critical resources from countries on 'the other side'.

By country, Germany, South Korea, Vietnam, the United States and Mexico were the top five export destinations for Chinese rare earth magnets by volume last month.

Over the nine months of the year, exports of such magnets totalled 39,817 tons, a fall of 7.5 percent from the corresponding 2024 period.

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