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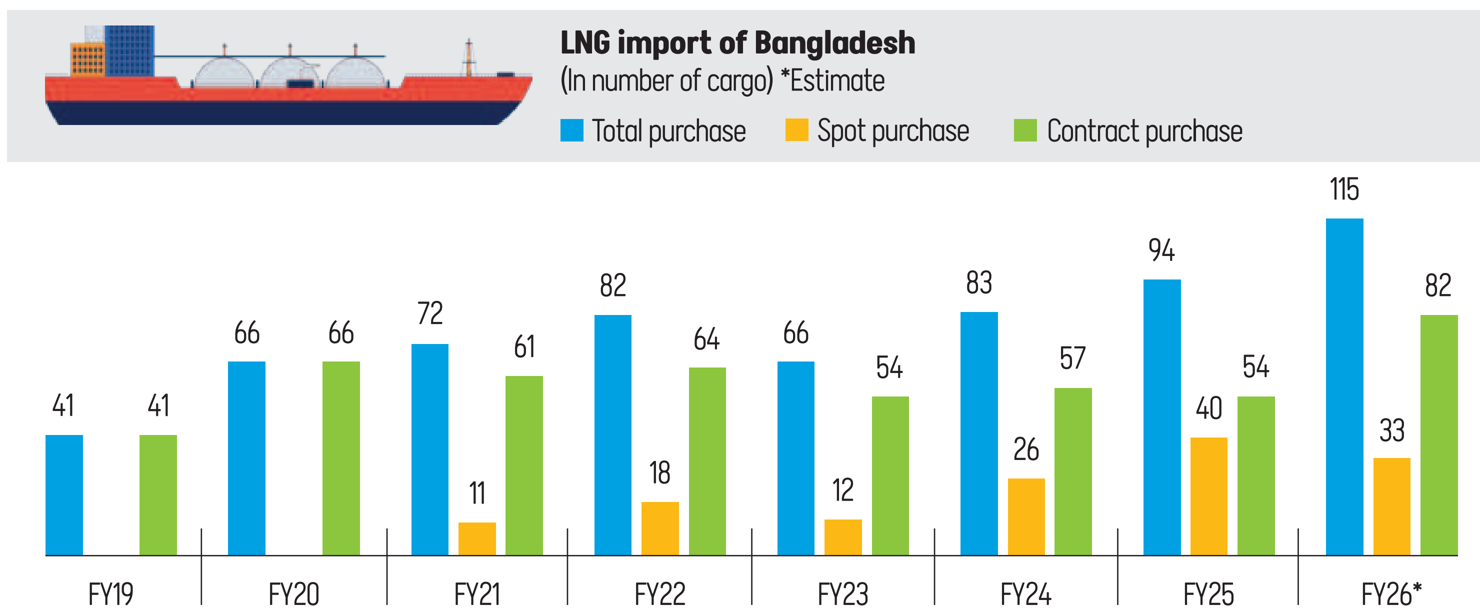
Star BUSINESS

Bangladesh to boost LNG imports on lower global prices

Falling spot prices and weak demand in Asia prompt Dhaka to look beyond its initial import plan for this year



SOURCE: RUPANTARITA PRAKRITIK GAS COMPANY LIMITED

REJAUL KARIM BYRON and AHSAN HABIB

Bangladesh is preparing to ramp up its liquefied natural gas (LNG) imports as global spot prices soften and local gas output continues to fall behind the domestic demand.

For the current fiscal year 2025-26, the government initially planned to import 115 cargoes of LNG through a mix of long-term contracts and spot purchases. That is already higher than the 94 cargoes bought in the previous year.

Now, the authorities are considering importing even more as international prices have remained subdued amid weak demand from major buyers such as China and Japan.

"LNG prices reduced significantly. So, I am going to suggest the energy ministry to import more," said Finance Adviser Salehuddin Ahmed.

"I hope LNG imports this year will be higher compared to the initial plan," he told The Daily Star.

Ahmed said money is not a problem here, though physical capacity limits how much LNG the country can bring in at short notice.

Of the planned 115 LNG cargoes in FY26, each consignment would carry 33.60 lakh mmBtu of gas, according to Rupantarita Prakritik Gas Company Limited, the state-owned firm responsible for LNG conversion and supply.

On Monday, the government approved the purchase of one spot cargo at $9.99 per mmBtu.

In 2022, after the Russia-Ukraine war broke out, LNG averaged $18.43 per mmBtu. That dropped to $12.84 in 2024. The spot rate stood at $13.52 per mmBtu in June this year before easing further to $11.02 in November.

World Bank commodity price data also point to a gradual downward trend, while international energy analysts say LNG prices may decline further as supply remains ample.

According to international media reports, North Asian spot LNG prices have hovered around $9 per mmBtu, with the region's largest buyers staying largely out of the market for the coming months.

Chinese importers are holding strong inventories and are not seeking additional cargoes. Demand in Japan also remains weak, while South Korea has shown only limited spot buying interest despite being the world's third-largest LNG buyer.

Bangladesh sources LNG through two channels, long-term supply agreements and the spot market.

Amid declining domestic gas extraction, the government began importing LNG in 2018 to meet the domestic fuel demand.

Gas demand is projected to reach 6,240 million cubic feet per day (mmcfd) by 2030, according to the Integrated Energy and Power Master Plan 2023, which maps out the energy sector through to 2050.

By the end of 2023, domestic gas production stood at about 2.08 billion cubic feet per day from all fields, including those operated by international oil companies. That is lower than the 2012 average of around 2.20 billion cubic feet per day, according to state-run Petrobangla.

Under existing long-term agreements, the government is set to buy 40 LNG cargoes from Qatar and 16 from Oman in FY26. In 2026, supplies are due to rise further, with an additional 12 cargoes from Qatar and four from Oman.

A separate deal with US-based Excelerate

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Govt to crack down on false apparel tags before Eid

REFAYET ULLAH MIRDHA

The commerce ministry is gearing up to take action against traders accused of cheating consumers through false declarations of goods, particularly garments, ahead of the Eid-ul-Fitr shopping season.

The ministry's Price Monitoring and Forecasting Cell (PMFC) has already issued a circular, published in newspapers and on the ministry's website, warning traders that selling goods with false information regarding origin, brand or price is a punishable offence.

Eid-ul-Fitr is the country's biggest retail season, when a section of traders earns substantial profits, especially from garment sales. During this period, consumers often face inflated prices in markets across Dhaka and other cities, particularly in upscale shopping centres.

For instance, some traders purchase fabrics from wholesale markets such as Islampur in Old Dhaka, tailor panjabis, kurtas, shirts and other apparel locally, and then sell them in affluent areas, including Gulshan, Banani and Bashundhara. These products are frequently mislabelled as imported from India, Pakistan or other countries to justify higher prices.

In many cases, traders also attach counterfeit labels of well-known international brands and sell the garments at exorbitant rates during the Eid rush.

"They make excessive profits by selling goods with false declarations during the peak Eid season," Commerce Secretary Mahbubur Rahman told The Daily Star yesterday.

He said officials have been instructed to take strict action against dishonest traders who cheat consumers by providing false information about their products.

If goods are found to be sold with false declarations, authorities may seize or destroy them, impose fines, and even cancel trade licences, the secretary said.

In some cases, he added, goods may be publicly destroyed in front of the shops as a deterrent.

Traders will be required to maintain proper documentation, including information on the source and origin of goods, import papers, dates of import, price levels and the country of manufacture, Rahman said.

He also said that price tags and information on the origin of products must be displayed clearly so that consumers can make informed purchasing decisions.

"We are circulating this information widely and holding meetings with traders so that they refrain from engaging in deceptive practices," the commerce secretary also said.

The circular has been issued at this time as imports of goods meant for Eid sales usually begin ahead of Ramadan, which is expected to start in mid-February next year.

An official of the Directorate of National Consumer Rights Protection, speaking on condition of anonymity, said Dhaka city has been divided into four zones to monitor the sale of falsely declared goods.

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Banks asked to ensure torn note exchange

STAR BUSINESS REPORT

Bangladesh Bank (BB) has directed all commercial bank branches to ensure smooth services for exchanging torn, defective and soiled notes, warning of action against those reluctant to comply.

In a circular issued on Monday, the central bank said branches must provide exchange value for non-issuable and mutilated notes if more than 90 percent of the note is intact and genuine security features are present.

Notes divided into two parts must be attached to thin white paper to facilitate identification.

However, claimable notes will not be settled at the branch level. Instead, banks must forward such notes to the nearest BB office, which will decide on payment within eight weeks.

Postal or courier charges for sending claimable notes will be borne by the depositor.

Charred notes must be submitted directly to the BB's claims desk. The circular also said that counterfeit or "built-up" notes created from multiple fragments will invite legal action under existing policy.

Branches have been instructed to display notices informing customers that services for exchanging torn, defective and claimable notes are available.

Monthly reports on receipt of such notes must be submitted to the central bank to ensure transparency and accountability in cash transactions.

Sugar, edible oil imports surge as dollar supply improves

SOHEL PARVEZ

Bangladesh's imports of key essential commodities rose in the first quarter of fiscal year 2025-26 (FY26), supported by improved availability of foreign exchange and lower prices in the international market.

The country remains heavily dependent on imports for sugar, palm oil, soybean oil and wheat due to inadequate domestic production.

Bangladesh imports more than 95 percent of its annual sugar requirement, estimated at around 20 lakh tonnes, according to the Bangladesh Trade and Tariff Commission (BTTC).

Data from the Bangladesh Bureau of Statistics (BBS) showed that refiners imported 8.23 lakh tonnes of raw sugar during the July-September period of FY26, marking an 87 percent increase from 4.4 lakh tonnes a year earlier.

Taslim Shahriar, deputy general manager of Meghna Group of Industries, said global sugar prices had declined and banks were now opening letters of credit (LCs) more smoothly after the easing of the dollar crisis. "Sugar imports have so far been satisfactory."

World Bank Commodities Price Data showed that international sugar prices fell to 36 cents per kilogramme (kg) during the July-September period, down from 43 cents a year earlier.

In Dhaka, sugar sold for Tk 95-Tk 110 per kg, down 19 percent from a year ago, according to data compiled by the Trading Corporation of Bangladesh.

"There is no problem with LC openings now. Commodity prices are generally low, except for soybean oil, which remains expensive due to its use in biofuel production," Shahriar said.

Imports of palm oil, another highly import-dependent commodity, also surged, rising 40 percent year-on-year to 7.44 lakh tonnes in the first quarter, showed BBS data.

In contrast, soybean oil imports declined during the period after jumping 42 percent in FY25.

BTTC estimates Bangladesh's annual demand for edible oil at 22 lakh tonnes. However, oilseed imports continued to increase as local crushers focused on processing oilseeds to extract edible oils and produce by-products such as soybean meal and rapeseed cake to meet demand from the feed industry.

Local crushers imported 22.79 lakh tonnes of oilseeds, mainly soybeans, in FY25, posting a 1 percent increase. During the July-September period of FY26, oilseed imports surged 52 percent year-on-year to 5 lakh tonnes.

Businesses say the growing forex reserve and increased demand are encouraging more imports.

"We have been able to open letters of credit for more than a year now as the foreign exchange situation has improved. There is also an uptick in demand," said Mohammad Mustafa Haider, group director of TK Group, a major commodity importer and processor.

Bangladesh Bank (BB) data showed that LC openings for imports of consumer goods, including rice, wheat and sugar, increased in the four months to October this fiscal year. Imports of industrial raw materials such as crude edible oil and oilseeds also rose during the period.

"Demand for edible oil has remained stable, but demand for wheat for both industrial and household use has increased," Haider said.

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IMPORT OF SOME ESSENTIAL COMMODITIES
Jul-Sept period (In lakh tonnes)

PHOTO: TITU DAS

Commodity	FY25	FY26
Raw sugar	4.4	8.23
Palm oil	5.32	7.44
Soybean oil	3.05	2.5
Wheat	11.81	7.42
Oilseed	3.31	5.04

SOURCE: BBS

Govt spends only 11.7% of ADP fund in five months

STAR BUSINESS REPORT

The government has spent only 11.75 percent of its Annual Development Programme (ADP) allocation in the first five months of the current fiscal year, marking the weakest implementation performance in at least 15 years.

According to data released by the Implementation Monitoring and Evaluation Division (IMED) on Monday, ADP expenditure reached Tk 28,043 crore during July-November of fiscal year 2025-26 (FY26), out of a total fund of Tk 2,38,695 crore, the lowest allocation in four years.

The pace of spending has slowed sharply compared with previous years. Officials say the low implementation is owed to political uncertainty, reduced development projects, and austerity measures.

During the same period of FY25, ADP expenditure reached Tk 34,215 crore, despite widespread political unrest that had disrupted development activities.

Officials say the low implementation is owed to political uncertainty, reduced development projects, and austerity measures

Spending was even higher in earlier years, amounting to Tk 46,857 crore in FY24 and Tk 47,122 crore in FY23. Notably, even during the July-November period of FY21, when economic activities were largely suspended due to the Covid-19 pandemic, the ADP implementation rate was higher at 17.93 percent.

IMED data also indicate a significant slowdown in the utilisation of foreign-funded development resources.

Expenditure from foreign sources fell to Tk 10,794 crore in the first five months of FY26, representing only 36 percent of the foreign-funded portion of the ADP. In the corresponding period of FY25, foreign-funded ADP spending stood at Tk 11,407 crore, or 11.41 percent of the allocation.

THE TOP SPENDERS AND LOW SPENDERS

Implementation performance varied widely across ministries and divisions. Despite receiving substantial allocations, the health sector showed particularly weak progress.

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