



Shamim Ahmed

# Tech, recycling drive plastic sector growth

Says Shamim Ahmed, president of plastic goods manufacturers' association

## JAGARAN CHAKMA

The country's plastic industry, long overshadowed by garments, is steadily expanding as manufacturers adopt new technologies, increase recycling, and diversify exports beyond traditional markets.

Speaking to The Daily Star recently, Shamim Ahmed, president of the Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA), said access to technology and skills development has driven the sector's progress over the past two decades.

"As policymakers push for broader industrial growth and export diversification, the International Plastics Fair (IPF) has become a vital platform connecting local producers, especially small and medium enterprises (SMEs), with global machinery, materials, and production processes," he added.

Ahmed highlighted that many SME entrepreneurs cannot afford to attend international fairs. "IPF allows them to see these technologies in Bangladesh," he said.

The ongoing 18th fair features about 700 foreign booths and nearly 170 local exhibitors, with participants from 16 countries, including China, Vietnam, Italy, the US, South Korea, and India. "India's participation is lower this year, but China and South Korea have a strong presence," Ahmed said.

Unlike consumer-focused trade fairs, IPF centres on machinery, equipment, raw materials, and production technology rather than finished goods. "Foreign exhibitors cannot sell finished consumer products. The focus is on technology and production knowledge," he said.

Exposure to diverse technologies and production systems helps local manufacturers improve efficiency and product quality. "Walking through the fair, you see different machines, materials, and processes. It shows where the global industry is heading," Ahmed said.

Fairs like IPF also promote business connections, with many machines sold

and deals signed during the event, he added.

The plastic sector is now a vital part of the industrial economy. "The domestic plastic market is worth about Tk 50,000 crore a year," said Ahmed, estimating total investment at Tk 50,000 to Tk 60,000 crore.

Employment figures vary, but the industry remains a major source of jobs. "A World Bank study put employment at around 1.2 million, but the actual number is likely higher," he added.

"When I joined the industry four

beyond major cities into rural areas, often through small-scale operations processing PET bottles, polythene films, and packaging waste.

Ahmed estimated that around 50 percent of plastic waste in Bangladesh is now recycled, reducing pressure on the environment. However, he stressed weaknesses in handling plastic at the end of its life.

"Waste is often collected and dumped in different places without proper processing," he said, stressing the need for a structured system that focuses on

heavily on plastic packaging.

Plastic packaging also reduces food loss and extends shelf life. "Globally, about 40 percent of plastic production is for packaging," he said, citing puffed rice as an example. While packaging in agriculture, fisheries, and fresh produce is limited, its use is expected to grow with industrialisation and rising incomes.

## EXPORTS ON THE RISE

Direct and deemed plastic exports stand at around \$2.2 billion. "Exports grow about 20 percent a year, while

## TAKEAWAYS FROM INTERVIEW



### MARKET SIZE & INVESTMENT

Domestic plastic market is worth about Tk 50,000cr

Total investment around Tk 50,000cr-Tk 60,000cr

### BENEFITS & CHALLENGES

Plastic packaging helps reduce food waste

About 50% of plastic waste is recycled

High costs make biodegradable alternatives hard to afford

### EMPLOYMENT & FACTORIES

Employs more than 1.2m people

Number of factories grew from 500 to over 6,000 in four decades



### EXPORTS & GROWTH

◆ Direct and deemed exports total around \$2.2b

◆ Export growth rising 20% annually

◆ Toys, garment accessories are key future export areas

decades ago, there were only 400 to 500 factories. Now there are over 6,000, both small and large, across Bangladesh," Ahmed said.

## RECYCLING EXPANDS

Recycling has grown rapidly in Bangladesh and "may one day become as large as the main plastic manufacturing industry," Ahmed said.

He added that plastic can be reused multiple times without losing its properties, and recycling has spread

recovering resources through recycling rather than repeated dumping.

Ahmed said that affordability is a major barrier to alternatives like bio-based and biodegradable packaging. "Consumers in high-income countries can afford it, but the same model does not work in Bangladesh," he added.

Pointing out that a sandwich packet in the UK can cost more than a sandwich in Bangladesh, he added that middle-income Asian countries still rely

domestic consumption grows 10-12 percent," Ahmed said.

He added that plastics contribute more to exports than official figures suggest, as many items are recorded under other sectors. "Plastic accessories used in garments earn foreign currency but are counted under garment exports," he said, identifying toys, packaging products, garment accessories, household items, and bags and sacks as areas with strong export potential.

## Venezuela agrees to energy cooperation with India

AFP, Caracas

Interim president Delcy Rodriguez of oil-rich Venezuela said Friday she had agreed on energy cooperation with India, a day after Caracas opened its hydrocarbons sector to private companies.

Since the January 3 ouster of leader Nicolas Maduro in a US military operation, Venezuela has been working to reset ties as it seeks to revive its battered economy.

In a telephone call with Indian Prime Minister Narendra Modi, "we addressed strategic cooperation in energy," said Rodriguez, who assumed power with US President Donald Trump's consent after Maduro's toppling.

She wrote on Telegram they also discussed partnerships in the fields of agriculture, science and technology, mining and tourism as well as the pharmaceutical and automotive industries.

Modi said on X that he and Rodriguez "agreed to further deepen and expand our bilateral partnership in all areas, with a shared vision of taking India-Venezuela relations to new heights in the years ahead."

Venezuela sits on the world's biggest proven oil reserves and reformed laws this week to open the sector up to private investment.

Venezuela was one of India's main crude suppliers until 2025, when Trump increased US sanctions on Caracas.

AFP, Caracas

In one fell swoop, decades of oil sector nationalization ended in Venezuela this week, as the global leader in known reserves opened up to private firms while seeking Washington's benediction.

Parliament on Thursday approved a reform of Venezuela's Hydrocarbons Law, tightened under socialist ex-leader Hugo Chavez in 2006 to entrench state control over a resource Venezuela has more of than any other country on Earth.

The move was immediately reciprocated by the US Treasury loosening an embargo in place since 2019 on Venezuelan crude.

How things stand:

## LOWER TAXES, ROYALTIES

Interim leader Delcy Rodriguez, trying to stay in US President Donald Trump's good graces after he ousted her predecessor Nicolas Maduro, has agreed to grant access to Venezuelan oil.

A Maduro ally who served as his vice president, she has retained the hydrocarbons portfolio she has held for years.

Venezuela's oil sector grew by 16 percent under Rodriguez's direction in 2025, and private sector projections point to growth of 30 percent this year.

The reform approved Thursday offers greater guarantees to private players, relinquishes state control of exploration, and lowers taxes.

It authorizes private firms to exploit, distribute, and market oil without state participation, and to transfer assets to other private entities.

The state can reduce royalties for bigger projects, and cut taxes at its discretion.

"This obviously completely dismantles Hugo Chavez's oil model," said Francisco Monaldi, an energy policy expert at Rice University in Texas, while pointing out the state will retain some discretion over the issuing of contracts to private players.

The reform also seeks to boost investor confidence by allowing for international arbitration in disputes.

## CONDITIONS

The United States on Thursday issued General License 46, easing sanctions and authorizing American companies to export, sell, store, market, transport, and refine Venezuelan crude.

It stipulates that contracts with the

Venezuelan government, state oil company PDVSA or subsidiaries must be governed by US law. It sets a number of conditions: payments via debt swaps, in gold, or in digital assets such as crypto currencies issued by Venezuela are not permitted.

Transactions with persons or entities linked to Russia, Iran, North Korea, Cuba, and China are also banned.

## WAIT AND SEE

US firms ExxonMobil and Chevron said Friday that they were awaiting signs of greater fiscal and legal stability in Venezuela before making any big decisions.

ExxonMobil has not operated in Venezuela since its assets were expropriated in 2007, while Chevron has remained in the country under a special license.

If all conditions are met, Chevron CEO Mike Wirth said Friday Venezuela "has the opportunity to become a more sizable part of our portfolio in the future."

Chevron estimates its production will rise from 50,000 to 250,000 barrels per day in two years.

ExxonMobil CEO Darren Woods, for his part, said institutional and economic stability were "significant challenges that must be addressed" and the company would watch for a transition "to a representative government."

Oil expert Oswaldo Felizzola said it was "unclear" whether other oil companies such as Spain's Repsol or Italy's ENI could operate under General License 46.

## CHEVRON MODEL

Analysts expect the US to loosen sanctions even further, allowing companies to operate under the so-called Chevron model -- acting as a minority shareholder in ventures with PDVSA.

"It's the only way to obtain significant investment for the country", Venezuela's former oil deputy minister Dolores Dobarro said.

"This license is good...because it has no expiration term, and that gives companies a great deal of security."

## CASH FLOW BOOST

Analysts take it for granted that there will be a rise in oil exports and revenues for Venezuela, which under sanctions was obliged to sell its crude on the black market below market value, transported under the radar on so-called "ghost" ships.

The government expects an 18 percent increase this year in oil production -- which closed 2025 at 1.1 million barrels per day (bpd).

Felizzola forecast a rise of 34 percent to 1.5 million bpd, while Monaldi projected 1.4 million bpd over a longer period, given the large investment required in infrastructure.



A view of the refinery El Palito in Puerto Cabello, Venezuela on January 22. Interim leader Delcy Rodriguez, trying to stay in US President Donald Trump's good graces, has agreed to grant access to Venezuelan oil.

PHOTO: AFP/FILE

## Weak bond market adds to banking sector strain

MAMUN RASHID

While I was auditing Indonesia during the Asian financial meltdown, a senior colleague asked me if I had seen any branches of Goldman Sachs or Bankers Trust. I was curious about how they generate funds for financing if they do not have branches. His answer was that they raise money through issuing bonds.

Many would agree that one of the biggest weaknesses of the Bangladesh economy and the banking sector is rising non-performing loans (NPLs). It crossed 35 percent of the total outstanding loans in September last year. Irregularities and corruption in loan approval and disbursement have aggravated the situation. This crisis largely stems from an overly bank-dependent financing system.

Against this backdrop, it is urgent to move away from bank-centric financing. Alternative sources of financing must be ensured. Globally, bond markets and capital markets are the most common and popular sources of long-term financing. Here, the bond market can be that alternative.

For example, in the United States, Japan, and countries in the European Union, government and corporate bond markets are key indicators of economic stability. Even developing countries such as India, Malaysia, and Indonesia have built strong local bond markets over the past two decades, which have become major sources of financing for infrastructure and industrialisation for them. If we had an effective bond market, both the government and corporate entities could raise funds. This would reduce pressure on banks and lower the risk of NPLs.

However, the bond market here is constrained by multiple factors. At the end of September 2025, Bangladesh's bond market stood at around \$30 billion, which is smaller than that of most of its neighbouring and peer countries.

Several factors explain why our bond market has not expanded. First, the bond issuance process is complex and costly. Approvals, credit ratings, trustees, and listings together take a significant amount of time and impose costs for issuers.

Second, there is a lack of investor confidence. Past allegations of irregularities in interest or principal repayments on some corporate bonds have sent negative signals to the market. The absence of strict punitive measures for violations has further deepened this mistrust.

Third, there is a shortage of long-term institutional investors. In developed bond markets, pension funds, insurance companies, and mutual funds are the main investors. In Bangladesh, these sectors remain quite weak. High interest rates on government savings certificates pose a major obstacle to bond market development. As higher returns are available from investment in other instruments, this naturally makes investors less inclined to invest in bonds.

Now, with rising default loans, Bangladesh must move away from its long-standing policy of placing banks at the centre of the financial system. A diversified financing framework is essential, and achieving this goal without a strong bond market is difficult.

For this, the issuance process should be simplified and made cost-effective. Strict enforcement of regulations must be ensured so that investors' rights are protected. Reforms in the pension and insurance sectors are necessary to build long-term institutional investors. Fourth, interest rates on savings certificates should be made market-based.

Despite these challenges, the bond market holds significant potential. New concepts such as sukuk, green bonds, and social bonds have gained popularity. If Bangladesh can develop a green or climate bond market by aligning with global agendas on climate finance and sustainable development, it could attract both domestic and foreign investment.

So, one could hope that the next elected government, along with the central bank, will take the necessary steps to develop an effective bond market for sustainable and long-term financing. If successfully implemented, it would reduce pressure on the banking sector and open up new horizons for investment.

The author is a banker and economic analyst

## Dollar gains

REUTERS, New York

The US dollar gained on Friday after former Federal Reserve Governor Kevin Warsh was selected to be the next Fed chair, and as the US currency recovered from a sharp selloff earlier in the week that analysts say was overdone in the short term.

President Donald Trump on Friday chose Warsh to head the US central bank when Jerome Powell's leadership term ends in May. Warsh is seen as likely to support lower interest rates but would stop well short of the more aggressive easing associated with some of the other potential nominees.

Marc Chandler, chief market strategist at Bannockburn Global Forex, said that Friday's move higher in the dollar is likely driven at least in part by positioning heading into the announcement.

"The dollar was terribly oversold on the short-term momentum," Chandler said. Meanwhile Warsh is "only one person...there's no consensus to have lower rates anytime soon, even if we get a late cut or two at the end of the year, like the December dot plot suggested."

Policymaker projections issued after the US central bank's December meeting showed a median expectation for a single quarter-percentage point cut this year.

The Fed on Wednesday held interest rates steady, as was widely expected, amid what Chair Jerome Powell described as a solid economy and diminished risks to both inflation and employment, an outlook that could signal a lengthy wait before any further reductions in borrowing costs.

Fed funds futures traders are pricing in 52 basis points of rate cuts this year, with the first 25-basis-point reduction likely in June.

"The reaction in the markets to Donald Trump's nomination of Kevin Warsh to be the next Fed Chair is broadly consistent with our view that the president has made a relatively safe choice," John Higgins, chief markets economist at Capital Economics said in a report.