

TENSIONS IN GULF Shipping lines suspend bookings from Bangladesh

STAFF CORRESPONDENT

Danish shipping giant Maersk has suspended all new cargo bookings between the Indian subcontinent, including Bangladesh, and the Gulf region amid the evolving situation in the Middle East.

“Effective immediately, we are suspending all new bookings between the Indian Subcontinent (India, Pakistan, Bangladesh and Sri Lanka) and the Upper Gulf markets of the UAE, Bahrain, Qatar, Iraq, Kuwait, and Saudi Arabia (Dammam and Jubail only). This suspension does not apply to other trade corridors,” it said in an advisory published on its website on Monday.

The announcement comes as Iran warns of attacks on ships trying to pass through the Strait of Hormuz, one of the world’s major trade routes, amid escalating conflict.

Maersk said it has suspended accepting all reefer, dangerous and special cargo to and from the UAE, Oman, Iraq, Kuwait, Qatar, Bahrain and Saudi Arabia with immediate effect until further notice.

MAJOR CARRIERS HALT GULF ROUTES

Earlier, several global shipping lines such as MSC, CMA CGM, Cosco and HMM also announced the suspension of Middle East cargo bookings.

Mediterranean Shipping Company (MSC), in a customer advisory issued on March 1, declared a booking suspension for worldwide cargo to the Middle East.

MSC said: “As a precautionary measure, MSC has suspended all bookings for worldwide cargo to the Middle East region until further notice. Middle East bookings will resume as soon as the security situation improves.”

France’s CMA CGM, the world’s third-largest container line, issued an advisory the same day for its customers considering the evolving security situation in the Middle East and the restrictions on maritime traffic through the Strait of Hormuz.

In the advisory, CMA CGM instructed all vessels inside and bound for the Persian Gulf to proceed to shelter with immediate effect.

It also suspended passage through the Suez Canal until further notice and asked vessels to reroute via the Cape of Good Hope.

Chinese shipping giant Cosco, meanwhile, has announced suspension of operations and ordered its ships already in or bound for the Gulf region to take shelter.



Nazeem A Choudhury

ADRIN SARWAR

Ramadan shoppers are increasingly leaving their wallets at home. Across the country, festive spending is shifting from cash-heavy, last-minute rushes through crowded marketplaces to strategically planned, digitally executed, and reward-driven shopping experiences.

“We see increased card usage across groceries, lifestyle, electronics, dining, and holiday travel. To maximise savings, today’s customers actively seek discounts, cashbacks, and flexible payment options,” Nazeem A Choudhury, deputy managing director at Prime Bank PLC, told The Daily Star in a recent interview.

Around 74 percent of all transactions at the bank now flow through digital channels, with usage on its internet banking app, MyPrime, surging by 141 percent during peak festive periods.

“Customers increasingly prefer cards, banking apps, and mobile financial services (MFS) over cash, especially during peak shopping periods like Iftar, Sehri, and Eid shopping,” he noted.

Digital transactions reduce the risks and inconvenience associated with carrying cash, particularly in crowded marketplaces. “In addition, cardholders benefit from exclusive discounts, cashback offers, and instalment facilities, which make digital payments

more rewarding.”

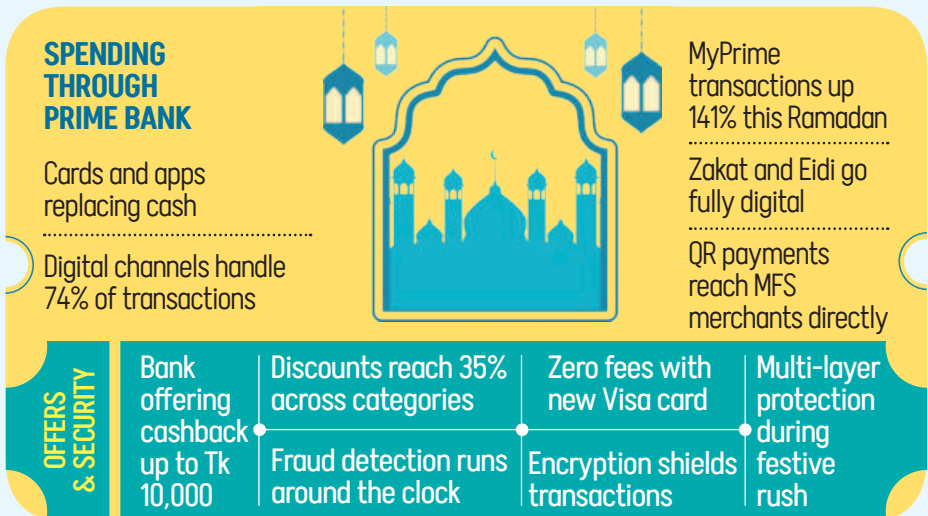
To capture that appetite, Prime Bank is running Ramadan and Eid offers that include cashback of up to Tk 10,000 and discounts of up to 35 percent across electronics, lifestyle, furniture, groceries, ticketing, and leading online platforms.

customers to transfer funds from their Prime Bank accounts into MFS wallets and vice versa.

A Bangla QR payment feature, enabled through the integration of the National Payment Switch Bangladesh (NPSB), lets users scan and pay MFS merchants directly, he

peer within Prime Bank, pushed through real-time interbank transfers via NPSB, or routed to MFS wallets, effectively covering every recipient scenario a user might face.

On the security side, the bank has layered protections across the system.



Restaurant platter deals round out the offer for cardholders.

Choudhury informed that the bank has also launched ZERO, a Visa Signature credit card positioned on a no-fee model, with no issuing fee, annual fee, MFS wallet transfer fee, over-limit fee, transaction alert fee, or EMI processing fee.

The infrastructure behind the festive rush runs deeper than offers alone. According to Choudhury, MyPrime is tightly integrated with MFS providers, allowing

added.

For more spiritually significant transfers, the bank has also built dedicated functionality into MyPrime.

“MyPrime is integrated with Prime Bank’s Core Banking Solution (CBS) and multiple external payment channels to facilitate effortless Zakat and Eidi transfers,” he said. “Customers can easily donate Zakat to a wide range of verified Zakat funds directly from the app.”

Besides, Eidi transfers can be sent peer-to-

Choudhury said, “Prime Bank ensures robust security on MyPrime, even during peak traffic like Eid. Every transaction is protected by multi-layered controls, including device binding and 2FA/OTP (two-factor authentication/one-time password).”

“Our backend utilises secure APIs, data encryption, and tokenisation for safe partner integrations, backed by continuous real-time monitoring and proactive fraud detection,” he added.

Middle East conflict and risks to Bangladesh economy

ASIF IBRAHIM

As a business leader in Bangladesh, I see a prolonged war in the Middle East not as a distant political development but as a direct and serious economic risk for our country. Our economy is already in a fragile condition. Foreign exchange reserves have come under sustained pressure in recent years, inflation has remained stubbornly high, and overall growth has slowed compared with the strong pace we experienced before the pandemic and subsequent global shocks. In such a situation, a long conflict in the Middle East could deepen existing vulnerabilities and make conditions even more challenging for businesses and households alike.

Bangladesh depends heavily on energy imports from the Middle East. More than 80 percent of our crude oil comes from countries such as Saudi Arabia and the United Arab Emirates, and we import significant volumes of liquefied natural gas from Qatar. If war disrupts oil production or key shipping routes such as the Strait of Hormuz, global fuel prices could rise sharply within a short period. For Bangladesh, that would mean a higher import bill, further pressure on already stretched foreign exchange reserves, and renewed strain on the balance of payments.

Higher fuel costs do not remain confined to the energy sector. They feed directly into electricity tariffs, transport fares and factory operating expenses. The knock-on effect would be broader price increases across the economy, pushing inflation even higher at a time when many families are already struggling to manage daily expenses. If living costs continue to increase, consumers will inevitably cut back on discretionary spending. Lower consumer demand translates into weaker sales for businesses, thinner profit margins and delayed expansion plans.

Remittances remain one of the strongest pillars of our economy. In the fiscal year 2024-25, Bangladesh received around \$30 billion in remittances, equivalent to roughly 6.5 percent of gross domestic product and covering nearly half of our import payments. Most of this money comes from workers in Gulf countries such as Saudi Arabia, the United Arab Emirates, Qatar, Kuwait and Oman.

If a prolonged war slows infrastructure development and private investment in the Gulf, many of our migrant workers could face reduced hours, lower wages or job losses. Rural households that depend on these funds would see incomes fall. Banks would face tighter foreign currency liquidity. The taka could come under renewed depreciation pressure.

Investment would also be affected. In periods of global conflict, international investors tend to become cautious. If foreign direct investment declines, new factories, infrastructure projects and technology transfers in Bangladesh could slow. Domestic investors may also delay expansion plans due to uncertainty over fuel prices, exchange rate movements and consumer demand. Prolonged hesitation on both fronts would weigh on medium-term growth prospects.

Employment is closely linked to remittances and investment. If higher shipping costs and weaker global demand affect export orders, factories, particularly in the ready-made garment sector, which earns around \$47 billion annually, may reduce production. That could mean fewer overtime opportunities, hiring freezes or even job cuts.

In short, Bangladesh’s economic ties with the Middle East are deep and significant. Energy supplies, remittance flows and trade linkages connect our stability to developments in that region. With our economy already under strain from inflation and external imbalances, a prolonged conflict would likely increase costs, reduce foreign currency inflows, weaken investment sentiment and create employment challenges.

As business leaders, we cannot afford complacency. We must prepare by encouraging diversification of energy sources, expanding export destinations beyond traditional markets, strengthening skills at home and abroad, attracting stable and long-term investment, and building stronger economic buffers. Careful planning, prudent policy and collective action will be essential to protect growth, jobs and economic stability during an increasingly uncertain global period.

The writer is vice-chairman of Newage Group of Industries

War exposes fragile oil, gas dependency

AFF, Paris

As in 2022 when Russia invaded Ukraine, the new war in the Middle East is exposing once again how far Europe and others lag in replacing imported fossil fuels with domestic solar and wind power, specialists say.

The Russian invasion in 2022 triggered a massive energy crisis, particularly in Europe, where gas prices – then largely dependent on imports from Russia – soared.

Four years later, the continent is instead importing liquid natural gas (LNG) in large volumes, notably from Qatar – one of the countries caught up in Iran’s retaliation against US and Israeli attacks.

Europe also remains dependent on oil from the Middle East, where ships have been blocked and sometimes targeted by Iranian strikes.

Regarding its energy security, “Europe is facing the biggest wake-up call since the invasion in Ukraine”, said Ana Maria Jaller-Makarewicz, analyst for the Institute for Energy Economics and Financial Analysis (IEEFA).

For Jan Rosenow, professor of energy and climate policy at the University of Oxford, the latest conflict prompted a sense of “déjà vu”, recalling 2022.

“What this shows is that we haven’t really learned the lessons that we should have learned from that experience. When you look at the dependency rate of Europe on oil and gas – it hasn’t really gone down.”

Despite countries’ pledging to reduce their burning of planet-warming fossil fuels, Europe remains dependent on

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Gulf conflict tightens insurance for shippers

AFF, Paris

The outbreak of the conflict in the Middle East has seen maritime insurers cancel coverage, adding to the risk shipping companies face.

Many insurers now refuse to offer war risk coverage for the Gulf, a key hub for global oil trade, as the war pitting Iran against the United States and Israel drags on.

“We have been receiving coverage cancellations from certain insurers since yesterday morning,” Gilles Legue, the head maritime insurer in France for the broker Marsh, told AFP.

The risks are high. Maritime safety agencies recorded on Sunday three attacks against commercial vessels in the Strait of Hormuz, which is only 50 kilometres (30 miles) wide at its narrowest point between Iran and Oman, and which Tehran has threatened to shut.

The world’s largest shipping company, the Swiss Italian firm MSC, on Sunday ordered its vessels in the area to seek safety. Its French rival CMA CGM gave the same order to its ships, as did Chinese shipping giant Cosco.

The insurers consider themselves justified in cancelling war risk policies: they covered a contingency, which no longer exists now that war has actually broken out.

“These cancellations are happening very quickly,” said Claire Jaunaux, head of the marine and transport division at broker Eyssautier-Verlingue.

The cancellation of coverage becomes effective after notice periods ranging from 48 hours to seven days, depending on the type of contract.

And then what? Logically, insurers – after having assessed the situation and their exposure in light of their contracts with reinsurers – would once again offer war risk coverage in the area but at a much higher, if not prohibitive, price.

Brokers surveyed by AFP are expecting prices 10 times higher than those in effect before the United States and Israel launched attacks on Iran on Saturday.

“The insurance costs are so high that no vessel can afford or wants to risk going through the Strait at this time,” said Amena Bakr, an oil specialist at market intelligence firm Kpler.

Insurers could also decide not to offer coverage right away, warned Frederic Deneffe, managing director of the Garex group, a specialist in insurance for conflict-related risks. He said the Gulf area is likely to remain dangerous for some time, with anything that moves a potential target.

“Even if there is a ceasefire tomorrow... there will be questions about the scope of the ceasefire, whether the ceasefire will be understood in the same way by everyone,” said Deneffe.

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Mideast war risks sending global economy into stagflation

AFP, Paris

An extended conflict in the Middle East after the US and Israel launched strikes on Iran could trigger global stagflation – a troublesome blend of high inflation and anaemic growth – due to spiking oil and gas prices, economists warned.

WILL THERE BE AN OIL SHOCK?

The conflict has nearly halted traffic through the Strait of Hormuz, through which around 20 percent of global seaborne oil passes, with several ships attacked.

Global oil prices shot higher on Monday, with the Brent crude international reference oil contract up nearly nine percent at \$79.30 per barrel at 1410 GMT.

It briefly surpassed \$80 per barrel earlier in the day, and was up considerably from the \$61 per

barrel at the start of the year.

Economist Sylvain Bersinger said the war risks “creating a third oil shock after those in 1973 and 1979 and the 2022 gas shock”.

Europe’s benchmark gas price shot more than 50 percent higher on Monday.

He said the price of oil could rise to \$110 per barrel, but added that was no longer exceptional as oil prices had risen over \$140 in 2008 and were above \$100 in the 2010s.

Adam Hetts at asset manager Janus Henderson said that while oil prices would certainly rise, the increase should remain “at reasonable levels”.

WHAT IMPACT ON GLOBAL TRADE?

The conflict could act as a shock to trade “at the worst possible moment”, said economists at ING bank.



People walk in the Chinatown neighbourhood of Manhattan. A prolonged disruption of traffic in the Strait of Hormuz would have major implications for inflation dynamics and overall economic stability.

PHOTO: AFP/FILE