

Star BUSINESS



Ctg chamber election on April 4

STAFF CORRESPONDENT, Ctg

The Chittagong Chamber of Commerce and Industry (CCCI) will hold its long-delayed biennial election for 2025-26 and 2026-27 on April 4, ending a months-long suspension triggered by allegations of vote manipulation.

The announcement, made in a notice yesterday by Election Board Chairperson Monowara Begum, follows a legal opinion from the Ministry of Commerce issued on February 26 that cleared the way for voting to resume.

The election was suspended on October 30, 2025, just two days before it was originally scheduled to take place.

The election will fill 24 director positions across four membership categories – Ordinary Group, Associate Group, Town Association, and Trade Group. Those directors will subsequently elect the chamber's president and two vice presidents.

On polls day, members will vote for 18 directors from the Ordinary and Associate groups. The remaining six positions – three each from the Town Association and Trade Group – will be filled without contest, as no competing candidates have emerged in those categories, said Begum.

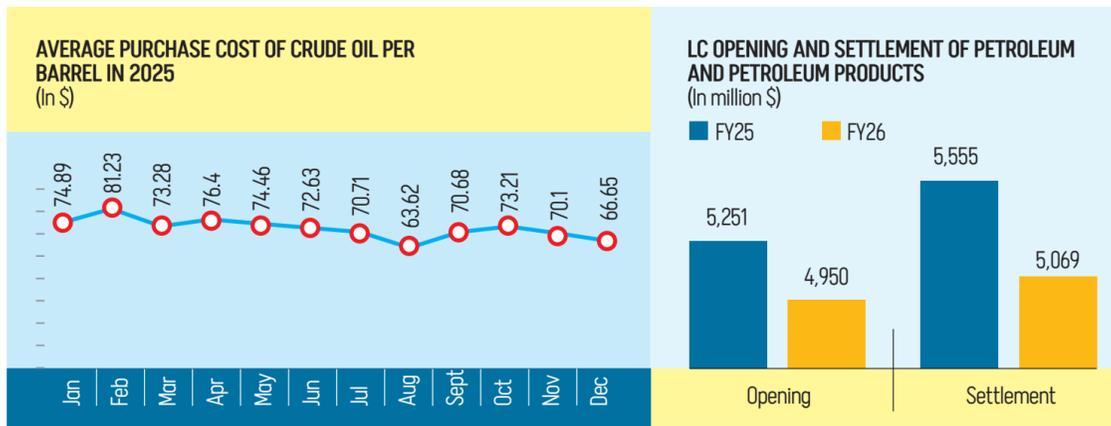
The vote marks a significant shift for the chamber. The last time voting took place at the chamber was in 2013. Since then, all committees have been formed without contest.

After the student-led mass uprising toppled the Awami League government on August 5, 2024, the entire CCCI board resigned on September 2. An administrator has run the chamber ever since.

When election schedules were announced in August 2025, members anticipated a return to democratic processes. The polls were initially set for November 1, raising hopes that competitive voting would resume after more than a decade.

\$10 oil price rise could add \$80m to monthly bill

BRAC EPL says Middle East conflict drives global energy prices, threatening Bangladesh's energy imports



Source: BERC

Source: BB

STAR BUSINESS REPORT

Bangladesh's monthly import bill could rise by up to \$80 million for every \$10 increase in oil prices, as escalating conflict in the Middle East drives up global energy prices, according to the report prepared by BRAC EPL Stock Brokerage Ltd.

The warning came yesterday as oil prices rose about 1 percent following US and Israeli strikes on Iran, which have disrupted supplies in the region.

Iran has closed the Strait of Hormuz, the only maritime gateway to the Persian Gulf. Around one-fifth of global oil exports pass through this route.

Brent crude climbed \$1.1, or 1.4 percent, to \$82.52 a barrel by 1433 GMT, after closing on Tuesday at its highest level since January 2025, Reuters reported. The BRAC EPL report cited analyst warnings that a prolonged blockade could push prices well beyond \$100 a barrel if the escalation continues into a second week.

Bangladesh bought crude at an average of \$72 a barrel in 2025, according to the Bangladesh Petroleum Corporation (BPC).

Amid rising concern, the government held an emergency meeting yesterday. Officials discussed whether energy supplies from alternative sources could be secured in time if the disruption in the Gulf continues.

The report said war risk premiums have surged. Insurance costs for vessels operating in the Gulf have risen to 1 percent of ship value, up from 0.2 percent before the strikes. That has added hundreds of thousands of dollars to individual voyages.

Major insurers have begun cancelling war risk coverage for the Persian Gulf. About 150

tankers have dropped anchor, effectively stalling 20 percent of global oil and LNG shipments.

"Bangladesh's immediate exposure is the higher delivered cost of crude and refined products, amplified by freight and insurance premiums," the report said, adding that disruption in the Gulf now poses a direct operational risk for the country.

It added that contingency plans are under discussion, including prioritising gas for fertiliser and power generation while raising coal-based output to offset the "Hormuz risk". Bangladesh spends roughly \$1 billion per year to import more than 60 lakh tonnes of petroleum and relies heavily on the Hormuz route. It sources most petroleum from the Middle East, and more than half of LNG imports in 2025 passed through this chokepoint.

Bangladesh spends roughly \$1 billion to import more than 60 lakh tonnes of petroleum a year and relies heavily on the Hormuz route

The country meets nearly 30 percent of its gas demand, equivalent to 2,650 mmcf, through imported LNG as domestic output continues to fall short.

On March 2, Oxford Economics projected that LNG prices could rise 30 percent to an average of about \$14 per million British thermal units (MMBtu) between April and June, up from \$9 to \$10 at present.

Against the backdrop, state-run Ruptantarita Prakritik Gas Co Ltd has floated tenders to purchase two LNG cargoes from the spot market for March 15-16 and March 18-19 deliveries, according to people familiar

with the matter.

The BRAC EPL report said foreign exchange reserves stood at \$30.27 billion in late February 2026, calculated under the IMF manual, providing a stronger buffer than a year earlier. However, it said the first impact of the conflict is likely to appear in the marginal dollar price of trade credit, particularly in letter of credit (LC) margins and forward premiums.

It said imported energy inflation leaves little room for absorption without wider knock-on effects.

"Under the current automatic pricing architecture, energy price changes transmit faster into transport, irrigation and food distribution costs, raising the probability of sticky headline inflation if the war premium persists into the April-May period, potentially forcing a reversal of the planned monetary easing if the war premium is not neutralised by June," it added.

The report said a shift towards a more accommodative monetary stance is expected under the new governor of the Bangladesh Bank to support growth.

It said policymakers are likely to focus on ensuring dollar liquidity for commercial banks and could reintroduce import curbs on luxury goods, similar to measures taken during the 2022 Russia-Ukraine war, to contain imported inflation.

The Gulf Cooperation Council (GCC) accounts for 51 percent of remittance inflows to Bangladesh, with the United Arab Emirates and Saudi Arabia together contributing about one third of the total, the report noted. Historically, higher oil prices have strengthened fiscal spending and labour demand in the Gulf.

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Vegetable exporters hit hard by Gulf airspace closure

REFAYET ULLAH MIRDHA

Bangladeshi exporters of vegetables and other perishable goods face mounting losses as airspace closures across the Middle East, triggered by escalating US-Israeli war on Iran, have severed vital trade routes since late February.

Shipments to the UAE's Dubai, Abu Dhabi, Sharjah, as well as Qatar, Kuwait, and Bahrain – six of Bangladesh's most important export destinations – have been completely suspended since February 28.

The disruption comes at a particularly vulnerable time for an industry already struggling to recover from last year's downturn.

After vegetable exports plummeted 28 percent in the fiscal year 2024-25 (FY25) to \$82 million from \$112.5 million in FY24. Exporters had begun to see signs of recovery in recent months. Between July and February of FY26, exports climbed 26 percent year-on-year. In February, exports dropped 38 percent compared to the same period last year.

Unlike manufactured goods, vegetables cannot sit in warehouses awaiting safer shipping routes. Mohammed Monsur, general secretary of the Bangladesh Fruits, Vegetables and Allied Products Exporters Association, estimates that exporters previously sent 40 tonnes of produce daily to the six affected destinations alone, worth roughly \$150,000.

The crisis has rippled through the supply chain. Foyez Ahmed, who runs Tahura International, used to ship 13 tonnes of vegetables and fruits daily to Kuwait, Doha, Dubai, and Muscat. Now his Middle Eastern buyers have stopped sending orders entirely.

Ahmed initially responded to the development by offloading perishable inventory at discounted prices in Dhaka's Karwan Bazar.

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Sadiq Ahmed leaves BB's monetary policy committee

STAR BUSINESS REPORT

Bangladesh Bank postponed yesterday's scheduled meeting of the Monetary Policy Committee (MPC) at a time when Sadiq Ahmed, an economist and member of the committee, said he was leaving the body.

The central bank's committee is responsible for formulating, implementing and reviewing monetary policy to achieve price stability – low and stable inflation – and support economic growth.

Officials of the central bank, seeking anonymity, told The Daily Star that there was a plan to cut the policy rate at the meeting from 10 percent to 9.50 percent.

However, the meeting was suspended following massive criticism from different quarters, they added.

After being appointed governor of the central bank, Md Mostaqur Rahman, a businessman, signalled a potential interest rate cut to revive sluggish economic growth and support the private sector.

Amid the situation, Sadiq Ahmed, vice-chairman of the Policy Research Institute of Bangladesh (PRI), submitted his resignation letter via email yesterday, saying he was no longer interested in being a member of the committee, a high official of the central bank told The Daily Star.

Ahmed also confirmed the development to the newspaper, saying, "Yes. I resigned on February 25 to allow the new governor to have his own team. I am a true believer in democratic principles and it is only fair that the new government must have full flexibility in selecting its management team including the conduct of monetary policy."

Meanwhile, BB officials said there might be a link between the controversy over the initiative to cut interest rates amid high inflation and the resignation of Sadiq Ahmed, as well as the postponement of the meeting.

The Monetary Policy Committee consists of seven members, with the governor of the central bank serving as chairman.

Sadiq Ahmed was the external member nominated by the board of directors.



STAR BUSINESS REPORT

Bangladesh must prioritise boosting investment, strengthening energy supply and supporting private sector growth to generate jobs for its expanding workforce, economists and business leaders said at a policy dialogue yesterday.

They also called for decisive action against wilful loan defaulters and deeper financial sector reforms, warning that the country's banking system remains fragile amid rising non-performing loans and weak credit growth.

The observations and suggestions came at a roundtable, titled "Looking into Bangladesh's development: priorities for the newly elected government in the short term to medium term", jointly organised by the Centre for Policy Dialogue (CPD) and The Daily Star at BRAC Centre Inn in Dhaka.

ECONOMY UNDER STRAIN

Speaking at the event, Sadiq Ahmed, vice-chairman of the Policy Research Institute of Bangladesh, pointed out that Bangladesh is currently facing a precarious economic situation.

GDP growth slowed to around 3.5 percent in the fiscal year 2024-25, while unemployment among educated youth has climbed above 10 percent, he noted.

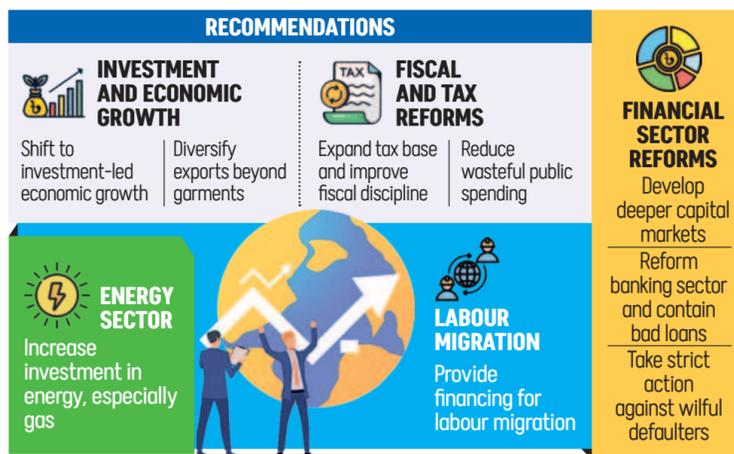
Besides, he said, poverty is rising, underemployment remains widespread, and inflation persists at about 8.5 percent, nearly three times the global average.

Moderating the programme, Fahmida Khatun, executive director of CPD, said, "Weak private investment and declining credit growth are limiting economic expansion and employment opportunities."

Noting that boosting the investment climate and private sector activity are essential for creating jobs, Khatun said

Boost investment, energy supply to create jobs

Experts say at CPD-The Daily Star policy dialogue



restoring macroeconomic stability, ensuring policy predictability and reducing regulatory complexities would help attract both domestic and foreign investment.

Khatun added that expanding the tax base and strengthening governance in the financial sector would help attract investment and create sustainable employment opportunities.

M Masrur Reza, chairman and CEO of the Policy Exchange of Bangladesh, said the new government has inherited a fragile economy and must restore fiscal discipline.

He highlighted weak revenue mobilisation, rising debt and inefficient public spending as major concerns.

BANKING SECTOR'S BURDEN
 Multiple speakers identified the banking system as a critical bottleneck. Non-

performing loans continue to rise, depositor confidence has eroded, and credit to the private sector remains sluggish.

AK Azad, vice president of ICC Bangladesh, warned that heavy government borrowing from banks is crowding out private sector credit.

He also called for strict action against wilful loan defaulters.

Md Main Uddin, a professor at the University of Dhaka, criticised policies that allow loan regularisation with minimal down payments, arguing that repeated restructuring offers only temporary relief.

"Strict action against wilful defaulters is essential to restore confidence in the banking sector," he said.

Mohammed Nurul Amin, former chairman

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Metro rail operator seeks VAT waiver extension

STAR BUSINESS REPORT

The Dhaka Mass Transit Company Limited (DMTCL) has sought a 10-year extension of the value-added tax (VAT) exemption on metro rail passenger services to keep fares affordable and ensure operational sustainability.

Describing the mass transit system as an "infant industry", the government agency said that given its need for long-term sustainability and the financial capacity of commuters, the exemption remains necessary.

In a recent letter, DMTCL requested the Road Transport and Highways Division to recommend to the National Board of Revenue (NBR) that the exemption be continued from July 1 this year to June 30, 2036.

The existing 15 percent VAT waiver on metro rail tickets is set to expire on June 30. In its letter, DMTCL presented 17 arguments in favour of continuing the waiver.

It noted that metro rail services worldwide are rarely profitable based solely on fare revenue, with ticket income typically covering up to 65 percent of operating costs, leaving the rest to be subsidised by governments.

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