

Private sector battered by global trade disruptions, inflation: DCCI

STAR BUSINESS REPORT

The country's private sector faces challenges in making satisfactory progress as global trade disruptions resulting from the US-Israel war on Iran, uncertainty over energy supply, persistent inflation and weak investment weigh on business activities, a leading chamber said yesterday.

"Since a significant portion of energy used in Bangladesh's industries is import-dependent, particularly from the Middle East, the ongoing conflict in the region has created uncertainty and tension in the private sector," said Taskeen Ahmed, president of the Dhaka Chamber of Commerce and Industry (DCCI).

He made the remarks at a seminar on "Bi-annual Economic State & Future Outlook of the Bangladesh Economy: Private Sector Perspective" at the chamber's auditorium.

The current conflict in the Middle East has also posed a serious threat

to global trade and supply chains, he said. Additionally, the new tariff policy introduced by the US may negatively affect both domestic and global trade and investment.

The DCCI called for broadening the national tax base by bringing informal and underreported sectors into the tax net.

To improve efficiency, the DCCI recommended the introduction of end-to-end digital services, including e-registration, e-filing, e-payment, e-audit, and e-refund. It also suggested developing a centralised integrated tax database linking VAT, income tax, and customs.

On the monetary front, Ahmed urged the authorities to gradually ease the policy rate to support investment and stimulate economic growth.

Currently, Bangladesh Bank (BB) maintains a contractionary stance with the policy rate at 10 percent, while interest rates have risen to 16 percent and above, slowing private sector borrowing.

Mohammad Akhtar Hossain, chief

economist at Bangladesh Bank, said that inflation currently stands at around 9 percent, and the Middle East crisis could result in further economic instability.

In such a situation, BB may need to adopt a contractionary monetary policy to control inflation, he warned, adding that excessive liquidity in the market and lower interest rates could create instability in the economy.

Mohammad Abu Eusuf, executive director at the Research and Policy Integration for Development (RAPID), highlighted the importance of restoring business confidence, as well as strengthening the confidence of bank depositors.

To tackle inflation, he emphasised coordinated efforts through fiscal policy, monetary policy and market management.

Zonayed Abdur Rahim Saki, state minister for finance and planning, said the government is well aware of the

ongoing crisis in the Middle East and is closely monitoring the situation.

AK Enamul Haque, director general at the Bangladesh Institute of Development Studies (BIDS), said there are weaknesses in supply chain management that need to be addressed.

Monzur Hossain, member of the General Economics Division at the Bangladesh Planning Commission, said that to achieve the target of transforming Bangladesh into a \$1 trillion economy by 2030, the country first needs to restore economic stability.

In this regard, manufacturing sectors should receive priority, and alternative financing mechanisms beyond the banking system should be introduced to ensure financing for SMEs.

Zaidi Sattar, chairman of the Policy Research Institute of Bangladesh (PRI), emphasised the need to reduce excessive dependence on tariffs and suggested that protection for domestic industries should be time-bound and rational.

What does

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main concern is not whether workers can send money home, but whether they will continue to earn. If economic activity slows or stops due to security concerns, many migrant workers may lose wages.

"This is especially true in informal sectors, where many Bangladeshis work in small shops, construction sites, transport services, and other temporary jobs."

He added, "These workers are often paid daily or weekly and have limited job protection. If businesses slow or close temporarily, income drops immediately, reducing remittance flows. This could be significant in the UAE, Kuwait, Bahrain, and parts of Saudi Arabia."

"These income shocks could gradually affect rural economies in Bangladesh, where remittances support household spending, education, healthcare, and small investments," Munier said.

"About 20 to 25 districts strongly rely on remittances for economic activity. Lower remittances could reduce spending in local businesses, housing construction, and agriculture. Over time, this could also pressure Bangladesh's foreign currency reserves, which depend on remittances alongside garment exports."

RISING FUEL COSTS AND ECONOMIC RIPPLE EFFECTS

The conflict has pushed global oil prices up due to fears of supply disruptions in the Middle East. Bangladesh, which imports most of its fuel, faces rising costs. Higher fuel prices raise the import bill, widen the trade deficit, and increase production and transportation costs, adding to inflation.

However, the link between oil prices and employment in the Gulf is complex. Historically, higher oil prices increased government revenues in Saudi Arabia, the UAE, and Kuwait, often leading to more spending on infrastructure and development projects, creating jobs for migrant workers.

"If prices remain high but conflict does not escalate, Gulf governments

may increase spending, potentially creating new opportunities for foreign workers, including Bangladeshis," Munier said.

In the short term, he stressed, informal sector workers are the most vulnerable.

"Security restrictions, closures, or reduced activity can leave workers without income. Unlike formal employees, many informal workers do not get paid if work stops. They are the most exposed group in the current crisis."

"If the conflict continues, immediate effects include lower income for these workers and reduced remittances to Bangladesh."

Abdul Hai Sarker, chairman of the Bangladesh Association of Banks, and Selim Raihan, professor of economics at the University of Dhaka and executive director of SANEM, said the impact on remittance inflows will depend on how long the conflict lasts and how the situation develops.

Raihan said, "If economic activities slow down, Bangladeshi workers will face job or income losses. In the short term, remittances could temporarily rise as some workers send savings home due to uncertainty. But this should not be seen as a positive sign."

On the medium-term outlook, Raihan warned, "If the war prolongs, the economies of those countries may shrink. That would reduce employment opportunities for migrant workers. Many returning workers may struggle to find jobs when the domestic economy is already under stress."

Mohammad Fakhru Islam, former joint secretary general of the Bangladesh Association of International Recruiting Agencies, said the crisis affects both workers abroad and those preparing to travel.

"One group is migrants already in the Middle East. Another group is workers on leave in Bangladesh who cannot return because flights have been cancelled," he said. "Some have finished medical tests and other formalities, but the conflict situation has stopped their departure."

Iran war could shake Bangladesh economy

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This dynamic could leave the economy facing elevated inflation alongside slowing growth.

After months of easing, headline inflation reached a 10-month high in February due mainly to rising food prices, according to the Bangladesh Bureau of Statistics (BBS).

FOREIGN EXCHANGE UNDER STRAIN

Energy imports are one of Bangladesh's largest sources of foreign currency outflows. A prolonged rise in oil prices would add pressure on the country's foreign exchange reserves.

Bangladesh has previously faced periods of reserve stress due to high import bills and currency volatility. Another energy shock could widen the current account deficit, increasing the cost of fuel imports.

As demand for dollars rises, the Bangladeshi taka may face renewed depreciation, further

raising the domestic price of imported goods and reinforcing inflation.

REMITTANCE RISKS

Bangladesh's large migrant workforce in the Middle East is another vulnerability. Since fiscal year 2025, around 86 lakh Bangladeshi workers have gone abroad for jobs, with Saudi Arabia employing nearly half.

Middle Eastern countries, including Saudi Arabia, Oman, Qatar, the United Arab Emirates, and Kuwait, account for around 75 percent of overseas employment, according to the Bangladesh Economic Review 2025.

If the conflict escalates, economic activity in the Gulf could slow, threatening employment for migrant workers and reducing remittance inflows.

Even a moderate slowdown would put additional pressure on Bangladesh's external balance, as remittances play a crucial role in offsetting the country's large import bill.

The war could also disrupt global trade routes. During geopolitical tension, shipping companies often raise insurance premiums, and freight rates increase if vessels reroute to avoid conflict zones.

For Bangladesh's export-oriented industries, particularly the ready-made garment sector, higher logistics costs could reduce competitiveness. Importers would also face higher charges for essential commodities, machinery, and industrial inputs, feeding through into domestic prices.

Bangladesh's energy system remains fragile. Power generation depends heavily on imported fuels and LNG.

Tight global gas markets or surging LNG prices could make affordable supply difficult, leading to potential power shortages or higher generation costs. Such disruptions could affect industrial production, especially in

energy-intensive sectors such as manufacturing and textiles.

"The first risk is energy, both in terms of price increases and availability," said economist Hussain.

"Even if you are willing to pay a higher price, you may not be able to secure supply. If energy supply is disrupted, the real economy, agriculture, industry and services, come under risk," he added.

The economist also warned of mounting pressure on the US dollar. "As global uncertainty rises, the dollar strengthens and our import bill increases," Hussain said.

"Even if the volume of imports does not rise, the total bill will increase, meaning we will have to spend more local currency to buy the same amount of dollars. That will further fuel inflation."

A stronger dollar could complicate external payments.

"When dollars become

scarce, settlement of outstanding payments becomes difficult, and payment obligations start to accumulate," he said, adding that this could create pressure on banks' balance sheets and the government budget.

The third channel is trade and financial flows, particularly higher logistics costs.

"Freight charges, port costs and insurance premiums are already rising, which increases payments under the services account of the balance of payments," Hussain said. "Individually, these costs may seem small, but collectively they create significant pressure."

He also flagged risks to remittance flows.

"There are two risks for remittances. First, employment and wage risks for migrant workers if the conflict spreads, and second, possible disruptions in payment systems that could affect

money transfers," he said.

"The external balance, financial sector and energy supply are all exposed, and their combined impact will eventually affect the real economy — growth, employment and wages," Hussain added.

BANGLADESH NEEDS A CONTINGENCY PLAN

Mustafizur Rahman, distinguished fellow at the Centre for Policy Dialogue (CPD), said Bangladesh should prepare a contingency plan to deal with emerging risks.

"We need to think about how to use the foreign financing already in the pipeline so that pressure on foreign exchange reserves remains limited," he said. "Once these funds arrive, they could add several billion dollars to reserves, easing external pressure."

Rahman also called for mobilising additional support, including budgetary assistance from institutions such as the World Bank.

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e-Tender Notice

Memo No. 25.36.2680.533.07.027.2026/1450 Date: 09/03/26

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>). Procurement of the following works & goods:

Sl. No.	Tender ID	Tender/proposal procurement nature	Tender/proposal procurement method	Scheduled tender/proposal publication date	Tender/proposal document last selling/downloading date and time	Tender/proposal closing & opening date and time
1	1242704	Works	OTM	08/3/2026	30/3/2026 13.00	31/3/2026 13.00
2	1189050	Works	OTM	09/3/2026	24/3/2026 12.00	24/3/2026 17.00
3	1188066	Works	OTM	09/3/2026	24/3/2026 12.00	24/3/2026 17.00

These are the online tenders, where only e-Tender will be accepted in the National e-GP Portal and no offline/ hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (<http://www.eprocure.gov.bd>).

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Memo No-35.01.5900.447.04.008-26-656 Date: 09/03/2026

e-Tender Notice (LTM)

e-Tender is invited in The National e-Gp system portal (<http://www.eprocure.gov.bd>) by the Executive Engineer, RHD, Munshiganj Road Division, Munshiganj for the procurement of

SL No	Tender ID # & Package No	e-Tender Description	Last Selling Date & Time	Closing Date & Time	Opening Date & Time
1	1239199, 63-LTM/e-GP/Mundiv/2025-2026	Supplying Un-Skilled Labour for Routine Maintenance work (Jungle Cutting of Both Side Soft Shoulder) at 10th km (P) to 14th km (P) of Keraniganj(Sayedpur)-Hasara-Birtara-Kazolpur-Nagerhat Road (Z-8203) under Munshiganj Road Division, Munshiganj during the Year 2025 - 2026.	24/03/2026 16:00	25/03/2026 10:00	25/03/2026 10:00

1. The above tender is online Tender. Where only e-Tenders will be accepted in e-Gp portal and no Offline/hard copies will be accepted. To submit e-Tender, please register on e-Gp system portal (<http://www.eprocure.gov.bd>).

2. The fees for downloading the e-Tender Documents from the National E-GP system portal have to be deposited online through any registered Bank's Branch.

3. Further information and guidelines are available in the National E-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd).

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GD-532

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Memo No. NDCL/Prosha/Procurement/126/24/121 Date: 05.03.26

Invitation for Tender (OTM)
e-Tender Notice No. 01 (2025-26)

e-Tender is invited to the National e-GP System Portal (<https://www.eprocure.gov.bd>) for the Procurement of the following goods:

Sl No.	Tender ID and Package No.	Description of package	Tender/proposal publication date and time	Last selling date and time	Closing/ opening date and time
01	1235009 DGDA/NDCL/2025-26/GR-01	Goods Procurement of Chemicals for NDCL	09-03-2026 10:30	25-03-2026 10:30	25-03-2026 13:30
02	1236231 DGDA/NDCL/2025-26/GR-02	Goods Procurement of MSR for NDCL	09-03-2026 10:40	25-03-2026 10:40	25-03-2026 13:40

This is an online tender, where only e-Tenders will be accepted on the National e-GP Portal, and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required.

The fees for downloading the e-Tender documents from the e-GP Portal have to be deposited online through any branch of the banks registered in the e-GP System.

Further information and guidelines are available in the National e-GP System Portal (<http://www.eprocure.gov.bd>) and from the e-GP help desk (helpdesk@eprocure.gov.bd).

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