

## Beyond the panic at the petrol pump



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Over the past two weeks, there have been more questions about Bangladesh's energy situation than about any other topic in recent memory. In very plain terms, people want to know whether they should be afraid. Anxiety without information is dangerous, and right now, fear is outrunning the facts. The picture that emerges from the data is more nuanced than what most people think.

The petrol sold in Bangladesh is 100 percent produced domestically, from local refineries processing condensate from domestic gas fields and crude, according to BPC officials. About half of octane is also produced locally, with a small share of imported components sourced from outside the Middle East. Even the supplemental petrol that is imported comes primarily from Singapore, not the Gulf. The fuel that most people are queuing for is not at risk.

Yet demand for it has nearly doubled. In the first days of March, daily petrol demand surged from a normal 1,300 tonnes to over 2,300 tonnes. Octane went from 1,100 to over 2,000. Diesel, which actually faces import risk, jumped from 12,000 to 25,000 tonnes a day. None of this was real consumption but people are pulling forward future purchases. Multiply that across thousands of vehicle owners and the system buckles under demand

that does not exist. The government's rationing measures are not a signal that fuel is running out. They are designed to break the hoarding cycle before it creates the very shortage people fear.

There is no question that Bangladesh remains vulnerable where it matters most. The country imports 95 percent of its oil demand and 30 percent of its gas demand. LNG, which feeds the power grid and fertiliser plants, has no meaningful storage and operates on a tight delivery cycle. The core exposures in crude and LNG remain concentrated and Hormuz-dependent.

The questions then turn to diesel

feedstock from the Middle East start to drop.

The bigger concern is what happens if this war drags on. Gulf producers who have already curtailed output will eventually run out of storage and be forced to shut in production entirely. A prolonged conflict means that even if safe passage is restored, there may be little left to ship.

There are also risks building quietly that most people are not yet tracking. Bangladesh's long-term LNG deals are indexed to oil prices on a three-month lag, similar to other South Asian countries. The full cost of \$90 plus

billions in January 2026 alone, up 45 percent year-on-year. That is a buffer most import-dependent economies do not have. But a sustained oil price shock will erode it. The central bank should resist the temptation to cut rates prematurely. Defending the currency and preserving reserves matters more right now than stimulating credit.

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Houthi disruptions in the Red Sea. As a medium-term diversification option, it is worth pursuing. An immediate solution does not exist. Saudi Arabia's Yanbu port on the Red Sea is a faster alternative, with tankers that could reach Chittagong in 10 to 14 days.

For anyone tracking where this goes, there are a handful of indicators that matter more than the rest. The most important is the Hormuz reopening timeline. Until there is clarity on that, nothing else stabilises. A short closure is a shock the region absorbs. A prolonged one rewrites the cost structure of everything Bangladesh imports.

We need to watch Brent crude and Asian LNG spot prices more closely. These determine the real cost of every replacement cargo Bangladesh is sourcing right now. If both stay elevated through the second quarter, the import bill grows in ways that pressure reserves and the exchange rate simultaneously.

The US dollar rate and Bangladesh Bank's weekly reserve data are the clearest early warning signals for external stress. Remittances are strong, but a sustained oil price shock is a large force working in the opposite direction. If reserves start sliding and the taka weakens faster than the central bank can manage, that is when the energy crisis becomes a broader economic one.

For the private sector specifically, freight rates and shipping availability deserve attention. Vessels are rerouting. That adds time and cost to supply chains that were already under pressure, and it hits import-dependent manufacturers before the fuel price does.

There is reason for cautious confidence. The government has moved quickly and built a stockpile of 4-6 weeks across various energy categories. Alternative supply routes are active, and diplomatic channels have kept Bangladeshi vessels moving. What keeps this situation under control is what ordinary people do next.

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and furnace oil, which is critical for our agricultural and industrial sectors. The answer requires looking at the actual import data rather than the headlines. Diesel, which accounts for 65 percent of total fuel use, comes primarily from Singapore and Malaysia. That said, refineries in Singapore and Malaysia are also curbing production, as crude

Brent will not hit the LNG import bill until June, 2026. The fiscal arithmetic gets significantly worse from the second quarter onward, regardless of whether the strait reopens this month.

Bangladesh Bank faces a balancing act between defending the taka and supporting growth. Remittances have been a genuine bright spot, with \$3.17

exist a week ago.

The United States has now granted a temporary waiver of sanctions on Russian crude oil. However, Bangladesh's only refinery, built in 1968, cannot process heavier Russian crude, so the country would need refined products. Transit from Russia's western ports takes 30 to 40 days, longer with

## CODES TO DECODE Cyber risks for Bangladesh when balancing great power rivalry



ASHEER SHAH

In the game of strategic balancing, Bangladesh is now navigating between securing energy supplies and maintaining geopolitical balance. But Bangladesh has barely examined the security of its energy infrastructure, which is heavily dependent on operational technology (OT) and industrial control systems (ICS).

The Bangladesh e-Government Computer Incident Response Team, the national frontline against cyber threats, was established in 2016 following the Bangladesh Bank cyber heist. Alarming, the last alert from BGD e-GOV CIRT was issued on December 9, 2025 and focused on a scam campaign. The agency has remained largely absent during critical moments such as the national polls and the ongoing US-Israel-Iran tensions.

On the geopolitical front, the Finance and Planning Minister Amir Khasru Mahmud Chowdhury met with US Ambassador, Brent T Christensen on Wednesday, and requested approval from the US to import fuel oil from Russia. The Finance Minister seeks a similar temporary waiver like India, which allows India to buy Russian oil for 30 days. The smartest decision would have been to maximise capacity utilisation of the India-Bangladesh Friendship Pipeline. This would allow Dhaka to enjoy Russian oil supply through India, keeping it distant from the longstanding US-Russia rivalry and the current US-Israel-Iran conflict.

From a crisis management perspective, seeking Russian oil directly only tangles Bangladesh further into deep geopolitical conflicts. Alliances with Russia could bring a range of cyberattacks targeting the OT and ICS systems at Bangladesh's energy infrastructure, notably Eastern

Refinery Limited and the Moheshkhali Floating LNG Terminal.

In the latest threat advisory published by the Data Security Council of India (DSCI), over 150 pro-Palestinian hacktivist groups targeted Indian critical infrastructure during 2023-2024, as well as in 2025, with more than 4,000 cyberattacks recorded. Among these groups, one is reportedly claimed to be a Bangladeshi hacktivist group named "Mysterious Team Bangladesh." Even though Bangladesh has not been directly involved in war against Israel, this Bangladeshi origin hacktivist group has already launched attacks on Indian and Israeli infrastructure. The group launched over 828 cyberattacks between 2022 and 2023 alone. India and Israel sit at the top of the group's target list, with 34 percent of attacks directed at India and 18.1 percent at Israel.



Mysterious Team Bangladesh has also claimed responsibility for a series of attacks launched at US military-linked firms in June 2025, following the escalation of the US-Israel-Iran 12-day war. These attacks by a Bangladeshi non-state actor place Bangladesh's digital infrastructure under immense risk, especially its digital energy infrastructure, from Israeli, Indian, and US non-state cyber counterparts.

Bangladesh's energy infrastructure, most notably Eastern Refinery Limited and the Moheshkhali Floating LNG Terminal, is heavily dependent on OT and ICS. Several operational functions at these facilities are completely automated. These sites could become prime targets for opposing hacker groups from the West, Israel, and India, today or tomorrow. The question

remains: is BGD e-GOV CIRT prepared with a proper incident response mechanism and crisis management plan? In simple terms, it is not.

BGD e-Gov CIRT must move immediately from passive monitoring to active defence. First, it should launch a national cybersecurity hackathon focused specifically on OT and ICS vulnerabilities in energy infrastructures. Ethical hackers, universities and engineers should be invited to test and hack into the systems and identify weaknesses so that these systems can be patched quickly. Second, every employee working at Eastern Refinery Limited and the Moheshkhali LNG terminal must undergo intensive behavioural cybersecurity training, particularly on phishing and social engineering, which remain the most common entry points for cyber intrusions. Strict operational discipline must

be introduced inside these facilities. Personal and work devices must be completely separated, personal phones should not be allowed inside control rooms, and employees should use dedicated secure devices for work. Finally, BGD e-Gov CIRT must establish dedicated 24/7 cyber crisis teams for these two strategic energy sites, continuously monitoring threats, coordinating with plant operators and responding immediately to any abnormal digital activity. Even if we can successfully balance between the US and Russia by receiving oil from India and China, we are completely on our own when it comes to protecting our energy infrastructure.

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## Why Bangladesh should use FDI as a foreign policy strategy



RAHAT AHMED

Bangladesh spends a lot of energy explaining itself, to investors, multilateral lenders, and regional partners. The pitch is always the same: young population, low labour costs, strong export fundamentals. It is accurate and it is almost entirely besides the point. The countries that command respect in economic negotiations are not the ones with the best PowerPoint decks. They are the ones whose absence would cost someone else money.

Consider how leverage actually works in geopolitical and economic negotiations. When Vietnam pushed back on US trade conditions in the mid-2010s, it had something concrete behind it: billions in manufacturing exposure from US and Asian multinationals who needed Vietnamese supply chains to remain stable and open. When India negotiates with the IMF, it does so as a country where global capital has made substantial, illiquid bets. Leverage in diplomacy increasingly follows capital. Countries that have attracted deep, sticky foreign investment – the kind embedded in factories, financial investments, and supply chains with cascading effects – negotiate from a fundamentally different position than countries that are still an after thought.

Bangladesh is still fighting to get on the radar, not because the opportunities are weak, but because the country's playbook is outdated. Bangladesh attracted FDI equivalent to roughly 0.3 percent of its GDP in 2024, against Vietnam's 4.2 percent and Indonesia's 1.7 percent. The difference reflects a failure of narrative, coordinated

outreach, and the feedback loops needed to translate strong fundamentals into opportunities that, over time, compound into policy reform and industrial development.

Bangladesh has largely assumed the fundamentals speak for themselves. They don't. This matters beyond economics. Foreign investment creates stakeholders. Foreign investment is how smaller economies build the relationships that protect them, the leverage that gives them options, and the presence in global supply chains that makes them too costly to ignore. What Bangladesh has lacked is the recognition that attracting investment is not an economic priority with diplomatic benefits.

When a Malaysian conglomerate has a major manufacturing footprint in Bangladesh, the Malaysian government has a direct interest in Bangladesh's political stability and market access. When European investors hold exposure to Bangladeshi bonds or equity, London becomes more attentive to Bangladesh's interests in trade negotiations. Capital does not just flow into a country – it creates relationships and incentives that reshape how counterparties engage.

Bangladesh's diplomatic relationships have historically been underutilised. The relationship with Malaysia is instructive: Bangladesh supplies nearly 40 percent of Malaysia's foreign workforce and received \$3.03 billion in remittances from Malaysia in 2024 alone, according to The Daily Star. Yet, Malaysia's cumulative investment position in Bangladesh amounts to roughly \$820 million built up over decades. Malaysia extracts labour; Bangladesh extracts remittances. Deepening Malaysian investment in manufacturing, infrastructure, halal supply chains would give Kuala Lumpur a reason to treat Dhaka as a partner rather than a labour supplier.

Bangladesh sits at one of the most strategically significant geographic intersections in Asia between South Asia and Southeast Asia. China, India, Japan, and the United States all have reasons to care about which

direction Bangladesh chooses to face. That is genuine leverage. But leverage is only real when activated. Attracting capital from multiple competing powers creates the balanced exposure that gives a small country room to manoeuvre. Dependency on any single partner erodes that room. Diversified investment builds it.

The US tariff episode last year illustrated this gap in real time. When Bangladesh faced significant new tariffs on garment exports, what went unmobilised were the US corporate interests that stood to lose alongside it. Walmart, Target, and Gap source billions from Bangladesh factories, and each has Washington lobbying operations that Bangladesh cannot match. BGMEA and the government had a ready-made coalition of US companies whose interests aligned precisely with Bangladesh's. That coalition was barely activated. Bangladesh negotiated virtually alone.

Foreign corporate presence is not just an economic input. It is a political asset and countries that understand this build their investment strategies accordingly.

The BNP government's 10 million jobs mandate creates a political opening to make this case domestically. Jobs require capital, capital requires foreign investment, and foreign investment requires institutional reforms that have been deferred for too long. What has been missing is the urgency to match the rhetoric.

Capital that does not come to Bangladesh goes somewhere else. To Vietnam. To Indonesia. To Pakistan. Every dollar that builds a factory elsewhere is a dollar that does not create a stakeholder in Bangladesh's stability. The competition for foreign investment is not abstract. It is a competition for geopolitical relevance. FDI is a seat at the table, side by side with the countries that set the terms.

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