Crop insurance for farmers on the cards: minister

STAR BUSINESS REPORT

Agriculture Minister Mohammed Amin Ur Rashid has announced plans to introduce crop insurance to protect farmers from losses caused by natural disasters.

Farmers will receive compensation if their crops are damaged by floods or other calamities, ensuring they are not financially burdened, he said at a rice distribution event at Shyampur High School in Adarsha Sadar upazila of Cumilla yesterday.

The minister said the government is steadily working to fulfil its pre-election commitments, and that since Prime Minister Tarique Rahman assumed office, efforts have been underway to turn them into reality.

He highlighted that initiatives such as family cards, farmer cards, and honorariums for imams and muezzins are already being implemented.

The minister also said said the government has also taken measures to strengthen farmers' financial capacity through incentives, assistance, and easier access to agricultural loans.

Describing agriculture as the backbone of the national economy, he said ensuring financial security for farmers remains a top government priority.

The introduction of crop insurance, alongside existing support programmes, is expected to significantly reduce farmers' vulnerability to natural disasters, he said.

The minister also assured that the country has sufficient food reserves to meet demand in the coming months, and that the government is committed to ensuring that no citizen faces food shortages.

Following the event, jointly arranged by the upazila administration and the upazila food controller's office, a total of 1,879 beneficiaries in Amratali union each received 30 kg of rice under the food-friendly programme.

PHOTO: STAR/FILE

Farmers will receive compensation if their crops are damaged by floods or other calamities, Agriculture Minister Mohammed Amin Ur Rashid said.

Latest oil crisis readies hammer for demand curve

REUTERS, *New York*

It took two Middle East oil shocks for the world to really focus on energy efficiency. The result was a multi-decade, steady reduction in the amount required to produce a certain amount of wealth. If the region's latest crisis persists, it will accelerate the trend into a new gear.

Before 1973, crude held, in real terms, at less than $30 a barrel. The price was so cheap that consumers couldn't get enough. It replaced dirty coal for heating, catalyzed automaking and inspired scientists to develop new chemicals.

An oil embargo by Opec members against the United States after the 1973 Arab-Israeli War caused the price per barrel to nearly quadruple, even though accompanying production cuts were only about 9 percent of total supply, according to the Center on Global Energy Policy at Columbia University. A few years later, the Iranian Revolution knocked out, 7 percent of the world's supply, leading prices to double.

Economies, naturally, reacted. Shoppers were more discerning and the quest for alternative energy sources intensified. The result has been a steady increase in efficiency, as laid out in the paper, "Oil Intensity: The curious relationship between oil and GDP" Some 53 years ago, it took about a barrel of oil to support $1,000 of GDP, but now the same economic output comes from less than half as much. The world kept using more oil, as wealth was growing faster.

US petrol demand exemplifies the story. It grew in tandem with GDP expansion until the 1970s, then detached as cars converted fuel into energy more effectively. Sustained improvements meant gasoline consumption plateaued at around 9 million barrels per day, despite the growing population.

A third crisis is now in the making. Prices are manageable, with $100 oil about half the inflation-adjusted 2008 rate. The sheer volume being cut off from consumers, however, invites further increases. Around 20 percent of crude, and petroleum liquids, or some 20 million barrels, flow through the Strait of Hormuz. Even if half finds its way to market, the percentage decrease in supply will be larger than the shocks in 1973 and 1979. Fallout from US and Israeli attacks on Iran also affects about 20 percent of worldwide LNG exports, a nascent market in the 1970s.

Demand doesn't swing much in the short run. People need to keep driving to work, heating their homes and shipping goods by truck. Average folks also don't buy oil by the barrel or cryogenically store natural gas. What they care about is end products. The mix varies by country, but about 43 percent of US crude and related liquids are turned into gasoline. Another fifth goes into diesel and heating oil while much of the remainder becomes everyday items like clothes, soap, furniture and paint. They will all cost more, further squeezing shoppers still feeling the pinch from recent bouts of inflation.

An oil tanker is guided to a berth at a port in Qingdao, in China's eastern Shandong province, on March 16.

PHOTO: AFP

Texas tells the tale. It's the heart of the US energy industry, but heating oil off its own coast costs 50 percent more than a few weeks ago. Gasoline has jumped 75 percent. Prices for other goods heavily exported from the Middle East Gulf, like LNG and nitrogen-based fertilizers, also will spike. Because everyone from farmers to homeowners depends on such products, higher prices will spread across the planet.

Companies like Exxon Mobil and Chevron will reap supernormal profit now, but others stand to gain later. Chinese battery manufacturer CATL, solar panel maker JinkoSolar and EV producer BYD are among the potentially big beneficiaries.

Over the long run, high prices will weigh heavily on the demand curve. In 2007, the cost of Brent roughly doubled from January to December. Daily desire increased just 1.1 percent from the previous year, compared to 3.5 percent in 2003 when a barrel cost less than half as much, according to the Statistical Review of World Energy. While usage increased slowly in developing nations, consumption in rich countries fell. The higher that oil prices go and the longer they last, the more downward pressure on demand they'll exert.

The reasons are fairly straightforward. People don't buy cars often, but consistently higher petrol prices make a smaller, more fuel-efficient one more attractive. This is also the first Middle East oil crisis since power generated by the sun, wind and batteries became cheap and widely available. Oil consumption in developed countries has been essentially stagnant. Sales of electric cars, heat pumps and solar panels should accelerate. Still, the United States only spent about 6 percent of GDP on energy last year compared to 13 percent in 1979.

More pronounced are changes for developing nations, where fossil fuel use keeps rising. Brazil, Russia, India and China consume more than 40 percent of the world's energy, and far less efficiently than the international average, according to Enerdata. Ecologically conscientious goods have boomed in recent years as prices fall, making the overall cost cheaper than those powered by fossil fuels. Spiking oil and gas costs in such countries makes the decision to switch even easier.

Solar installations are already growing rapidly in poorer countries. Electric-car sales from Indonesia to Uruguay are rocketing as well, and far outpace US adoption. In India, sales of electric induction stoves have jumped, as people worry about access to cooking gas. Automaker VinFast is offering discounts to persuade owners of gasoline-powered cars to switch to its electric ones at home in Vietnam, as well as in India and Indonesia.

Governments will also adapt. Countries like China, Vietnam and Thailand will be hit hardest, according to the World Bank, because their economies are tethered to energy-intensive manufacturing, while others lean on either services or agriculture. Asia is also a big importer. About 80 percent of Qatari liquefied natural gas, for example, is sold into the continent. The situation in Iran can only motivate policy that weans from fossil fuels.

Pakistan is racing to do so. It has deployed solar quickly, going from a negligible amount of electricity generation to about 25 percent. The country's power minister told Reuters he would double down on green power rather than risk energy security.

M Nazeem A Choudhury, additional managing director of Prime Bank, and Jahid Hussain, founder of Export Sheba, pose with the signed document along with other senior officials from both organisations.

PHOTO: PRIME BANK

Prime Bank, Export Sheba partner to support exporters

STAR BUSINESS DESK

Prime Bank has recently signed a strategic agreement with Export Sheba to promote export business development and strengthen the capabilities of SME and emerging exporters in Bangladesh.

The signing ceremony was held in Dhaka, marking a joint initiative to enhance exporters' readiness through structured training, advisory support and knowledge dissemination, according to a press release.

Under the agreement, Export Sheba will organise export-focused training programmes, workshops, and advisory sessions to help entrepreneurs better understand international trade practices, export documentation, and global market opportunities.

The initiative will particularly focus on supporting non-RMG export sectors and guiding new exporters toward structured and compliant export operations.

The agreement was signed by M Nazeem A Choudhury, additional managing director of Prime Bank, and Jahid Hussain, founder of Export Sheba, in the presence of senior officials from both organisations.

The strategic agreement reflects Prime Bank's continued commitment to strengthening Bangladesh's export ecosystem and positioning the Prime Bank SME TradeFin Centre as a leading platform for exporter knowledge, advisory support, and sustainable export growth.

Gold prices ease

REUTERS

Gold prices ticked down on Wednesday, as investors weighed the risk of a more hawkish US Federal Reserve policy stance, with high oil prices increasing concerns over renewed inflation pressures.

Spot gold fell 0.4 percent at $4,986.79 per ounce as of 0915 GMT. US gold futures for April delivery fell 0.3 percent to $4,990.70.

"Investors are worried about rates staying 'higher-for-longer' due to elevated energy prices ... the longer the Iran conflict goes on, the more likely that scenario," making non-yielding gold less attractive, said Jamie Dutta, market analyst at Nemo.money.

The Middle East conflict is in its third week, as Iran targeted Tel Aviv with missiles in what it said was retaliation for Israel's assassination of Iran's security chief Ali Larijani, Iranian state television reported on Wednesday.

Brent crude oil prices eased slightly, but held above $100 per barrel, as escalation in the Iran conflict and the ongoing closure of the Strait of Hormuz offset some relief to supply concerns.

Elevated oil prices add to inflationary pressures by pushing up transport costs. While gold is viewed as a hedge against inflation and uncertainty, high interest rates curb its appeal by raising the cost of holding bullion and boosting returns on yield-bearing assets.

From silos to synergy

FROM PAGE B4

Fintech and digital lending underline the same trend. These services combine banking functions, digital platforms and connectivity, alongside software, data and security concerns. Competition policy and taxation cut across all of them.

When regulators operate in isolation, such overlaps can create uncertainty, duplicative compliance and delays for new services. Gaps between mandates may leave risks insufficiently regulated or encourage regulatory arbitrage. Fragmentation also weakens the ability to manage systemic risks, especially when shocks, such as cyber incidents or payment disruptions, spread quickly across sectors.

Crisis management is a particular concern. Cyber threats, digital fraud and infrastructure failures rarely respect sectoral lines, yet responses are often confined within single institutions. This increases the risk of delay or misalignment. Stronger collaboration is therefore critical for economic efficiency, financial stability and consumer protection. It can reduce uncertainty, support innovation and ensure consistent standards while aligning with Bangladesh's wider digital ambitions. Importantly, this does not require sacrificing regulatory independence or creating a "super regulator". It is about coherent oversight through aligned processes, shared risk assessment and regular collaboration.

These arrangements focus on alignment and information sharing, not on centralising authority. Several Commonwealth countries have adopted converged or functionally coordinated regulatory models without dismantling their broader administrative structures. The United Kingdom, for example, moved early towards a converged regulator model by integrating telecoms, broadcasting and spectrum oversight within a single authority, while maintaining strong coordination with competition and data protection bodies. Australia followed a similar path by aligning telecommunications, broadcasting and online content regulation within a unified framework, complemented by clear coordination mechanisms with competition, financial and cybersecurity regulators. Singapore, though institutionally distinct, shows how strong statutory coordination and clear lead regulator principles can achieve convergence outcomes even when regulators remain formally separate.

In all these cases, convergence was achieved with minimal bureaucratic disruption. Rather than wholesale restructuring, reforms focused on harmonising mandates, adopting technology-neutral laws, clarifying inter-agency responsibilities and institutionalising coordination mechanisms.

In Bangladesh, coordination currently takes place mainly through informal consultations or ministry-led committees, often on an ad hoc basis. While useful, these mechanisms lack permanence and institutional memory. There is no standing platform where regulators can regularly discuss emerging cross-sector risks, align regulatory priorities, or jointly plan responses to technological change.

A practical way forward would be to institutionalise an inter-regulatory coordination framework. Such a framework could bring together regulators like BTRC, Bangladesh Bank, BERC, BSEC, the Competition Commission, ICT authorities, Information Commission and NBR to address cross-cutting issues such as digital finance, smart infrastructure, data governance and platform-based markets. Much of this can be achieved through executive decisions and interagency agreements, without immediate changes to existing laws.

As the Bangladesh economy becomes more digital and interconnected, regulatory effectiveness will depend not only on the strength of individual institutions but also on how well they work together. The question is no longer whether inter-regulatory collaboration is needed, but how quickly it can become a permanent feature of the governance framework. Initially, a cell could be formed under the Cabinet Division or the Prime Minister's Office to begin coordinating different regulators.

The writer is the chief executive officer of a telecom company and a telecom researcher. He can be reached at mfakml@gmail.com