

Star BUSINESS



BB reserve heist: 10 central bank officials among 70 suspects

CID identifies suspects in seven countries; charge sheet to be submitted soon

TOUSIF KAUM

Nearly a decade after the Bangladesh Bank (BB) reserve heist stunned the world, investigators say they have identified 65 to 70 suspects across seven countries and are now preparing to submit the charge sheet soon.

Among those implicated are about 10 officials of the central bank, according to the Criminal Investigation Department (CID) under Bangladesh Police.

"The long running probe is now in its final stage," Al Mamun, the investigation officer and an additional superintendent of police, told The Daily Star.

"We are now preparing the draft charge sheet and hope to submit it soon," he said.

The development comes after years of delays. Over the past 10 years, the investigation officer has been changed four times, and the submission of the probe report has been deferred more than 86 times.

On February 4, 2016, hackers broke into the BB's systems and issued 70 fake payment instructions to the Federal Reserve Bank of New York, seeking to withdraw nearly \$1.94 billion.

Most of the transactions were blocked by the Fed's security system. But five slipped through, resulting in the release of \$101 million.

Of that amount, \$81 million was transferred to accounts at Rizal Commercial Banking Corporation in the Philippines. Another \$20 million was sent to Sri Lanka, but was recovered after a spelling error in the transfer request raised red flags.

On March 15, 2016, a case was filed by then BB Deputy Director Zobayer Bin Huda with Motijheel Police Station. The investigation was later handed over to the CID.

So far, Bangladesh has recovered \$14.66 million from the Philippines.

On condition of anonymity, a senior CID official said the recovery process has proved complex because the funds were not returned through the same banking channels used for the transfers, complicating legal proceedings.

INTERNATIONAL TRAIL, NEW LEADS

Investigators say the probe gained pace last year after authorities received a report from a US intelligence agency through the Mutual Legal Assistance Request (MLAR) process.

READ MORE ON B3



IMF calls for reforms to ensure strong growth

STAR BUSINESS REPORT

Bangladesh needs to pursue ambitious policies and structural reforms to maintain macro-financial stability and promote strong, inclusive, and job-rich growth, said Krishna Srinivasan, director of the Asia Pacific Department at the International Monetary Fund (IMF).

He made the remarks at the conclusion of an IMF delegation's visit to Dhaka on March 24-25, the first engagement since the general elections on February 12, reads a press release.

During the visit, he met Prime Minister Tarique Rahman, Finance Minister Amir Khosru Mahmud Chowdhury, and Bangladesh Bank Governor Md Mostaqur Rahman.

"We had productive discussions with Prime Minister Rahman and other key policymakers on the economic and financial challenges facing Bangladesh," Srinivasan said.

He added, "The IMF remains a steadfast partner in supporting Bangladesh and its people and stands ready to assist the country in the pursuit of sustained stabilisation and growth that benefits all Bangladeshis."

"The IMF team will continue its dialogue with Bangladesh's authorities during the upcoming IMF-World Bank Spring Meetings in April to identify the best path forward to engage on the Fund-supported programme."

On the first day of the visit, March 24, Srinivasan made a courtesy call on the prime minister at the Secretariat in Dhaka. Finance Minister Chowdhury was also present. The discussions focused on the country's reform agenda

READ MORE ON B3

Youth unemployment contributing to social risks

Govt report says youth could drive growth or become demographic burden

MD ASADUZ ZAMAN

Youth joblessness is emerging as a serious concern in Bangladesh, with social consequences including substance abuse, online gambling, urban violence, and gender-based harassment, according to a new policy paper by the General Economics Division (GED).

"These social risks are not isolated problems but interconnected consequences of youth marginalisation and limited economic opportunity," the paper said.

The policy brief, titled "Harnessing the Potential of Youth: A Policy Framework for Youth Development in Bangladesh", also said that the country's large youth population could either drive economic growth or exacerbate social instability, depending on the effectiveness of existing policies.

education to work.

The report said substance abuse has reached "near-epidemic levels".

Earlier narcotics surveys conducted across 16 districts suggest that an estimated 83 lakh people, nearly 5 percent of the population, are addicted to substances, with young people aged 18 to 35 comprising 80 percent of users.

The GED report said initial drug exposure usually occurs between 15 and 18, often by peers.

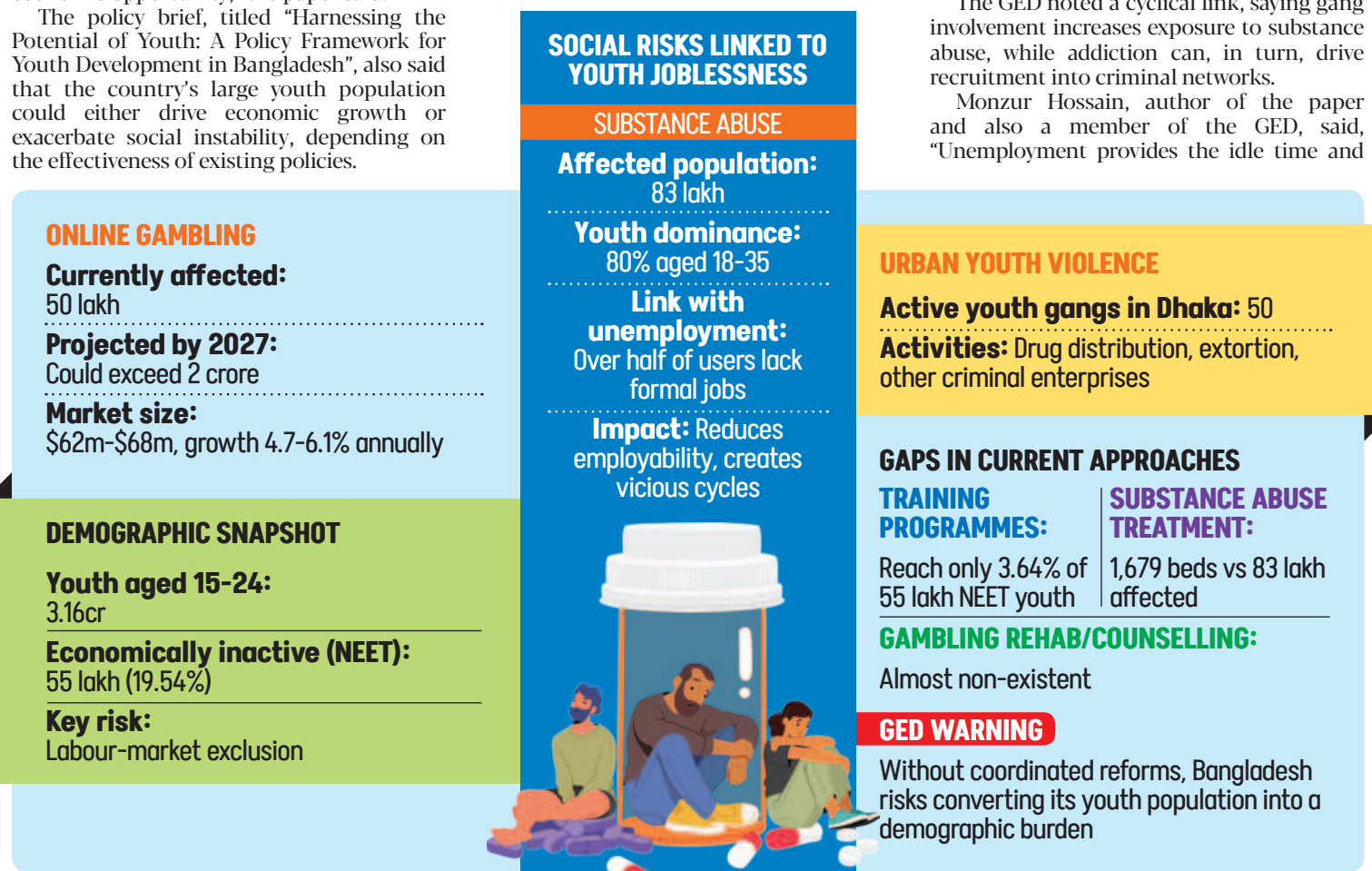
The policy paper draws a link between

Despite its illegality, transactions are carried out through mobile financial services, with more than 1,000 agents. The paper said that idle time and economic frustration make quick wealth promises from gambling especially attractive to young people.

Urban youth violence is another concern. In Dhaka, there were nearly 50 youth gangs in 2024. These groups were reportedly engaged in drug distribution, extortion, and other criminal activities.

The GED noted a cyclical link, saying gang involvement increases exposure to substance abuse, while addiction can, in turn, drive recruitment into criminal networks.

Monzur Hossain, author of the paper and also a member of the GED, said, "Unemployment provides the idle time and



"Without decisive, well-coordinated reforms, Bangladesh risks converting its youth population into a demographic burden marked by unemployment and social unrest," the report mentioned.

Roughly 19.54 percent of young people aged 15 to 24, which is around 55 lakh, are economically inactive, neither in education, employment, nor training (NEET), according to the Bangladesh Bureau of Statistics (BBS).

The report said this inactivity represents deeper labour-market exclusion rather than simple unemployment, raising concerns over the efficiency of the country's transition from

unemployment and drug use. Over half of those addicts do not have formal jobs, highlighting how economic exclusion can contribute to social vulnerabilities.

The paper identified online gambling as another rapidly expanding threat.

More than 50 lakh people are already involved in such activities, a figure that could cross 2 crore by 2027 without intervention.

The online gambling market, estimated at \$62 to \$68 million, is growing 4.7 to 6.1 percent annually, largely through platforms operating via foreign servers with Bangla-language interfaces.

economic frustration that makes quick wealth promises from gambling attractive and increases vulnerability to substance abuse."

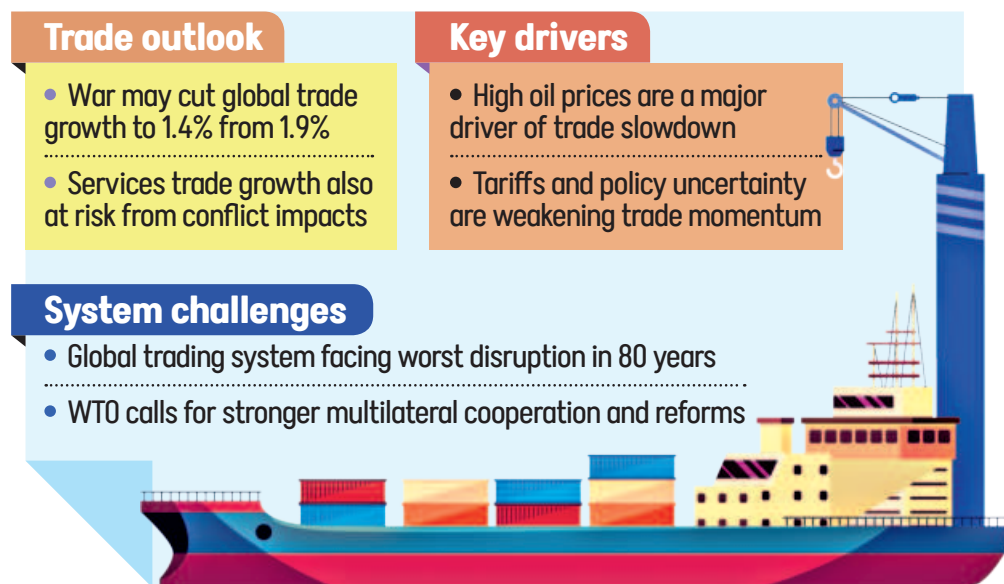
"Addiction undermines employability, creating vicious cycles. Gang involvement offers both economic opportunity and social belonging for those excluded from legitimate pathways. Gender-based violence reflects broader power imbalances that limit women's economic participation and educational attainment," Hossain added.

The report highlights a serious mismatch between the scale of social risks and the capacity of interventions.

READ MORE ON B3

WTO conference kicks off with push to resist protectionism

Prolonged crisis in Middle East may cut global trade by 0.50 percentage points, says WTO chief



REEYET ULLAH MIRDHA, from Yaounde in Cameroon

The 14th WTO Ministerial Conference began yesterday with a call to uphold the multilateral trading system, as rising trade protectionism poses challenges to the free flow of global trade.

At the event, which began in Yaounde, Cameroon, World Trade Organization (WTO) Director-General Ngozi Okonjo-Iweala urged leaders of the 166 member countries to take necessary steps to reform the organisation, established in 1995, so that it can contribute more effectively to the global trading system.

Delivering the inaugural speech at the conference, she informed that prolonged high

oil prices resulting from the Middle East conflict could lower the global trade growth by 0.5 percentage points, from 1.9 percent to 1.4 percent.

Economists are forecasting slower 1.9 percent growth for goods trade, with the impact of frontloading gone, previously postponed tariffs kicking in, and reflecting geopolitics, energy prices, and policy uncertainty.

However, she said, "I am full of hope for what we can achieve here for the WTO of the future – to use this unique opportunity to lay the foundations for a reformed and reinvigorated institution."

The WTO director-general said it is no secret that the world trading system is experiencing the worst disruptions in the past 80 years.

READ MORE ON B3

War threatens Bangladesh remittance inflows: ADB

STAR BUSINESS REPORT

Bangladesh and other South Asian countries could face lower remittances from the Middle East as the ongoing conflict in the region weakens labour demand and squeezes migrant worker incomes, according to new research by the Asian Development Bank (ADB).

The report, released yesterday, estimates that the conflict could lower economic growth in developing Asia and the Pacific by up to 1.3 percentage points over 2026-2027 and push inflation up by 3.2 percentage points if energy market disruptions persist beyond a year.

Nearly half of Bangladesh's more than \$30 billion in annual remittances come from the Middle East. Saudi Arabia, Oman, Qatar, the UAE, and Kuwait together accounted for 86 percent of Bangladesh's migrant workers who secured jobs abroad in fiscal year 2024-25, according to the Bangladesh Economic Review 2025.

The disruption is already visible. Hundreds of Middle East-bound flights from Bangladesh have been cancelled since the escalation of the US-Israel war on Iran, mostly affecting migrant workers.

The ADB warned that a remittance shock could compound the effects of higher energy prices and tighter external financing conditions by simultaneously weakening foreign currency inflows and household demand.

"This channel is especially important because remittance dependence does not always align with exposure based on trade or energy indicators, and may therefore represent an additional source of macroeconomic vulnerability," the report said.

The report said remittances to many Asian economies have historically exhibited countercyclical behaviour, often increasing and providing an important buffer during periods of stress.

"However, the current shock may differ, as it is centred in the Middle East – a significant migration destination and source of remittances," the report said, adding that economies in South Asia appear particularly exposed,

READ MORE ON B3

India secures 60 days of oil supply

REUTERS, New Delhi

India has secured crude oil supplies for the next 60 days, ensuring stable fuel supplies in the country despite disruption in shipments from the Middle East, the oil ministry said in a statement on Thursday.

India, the world's third biggest oil consumer and importer, was buying over 40 percent of its oil imports from the Middle East. Those supplies are disrupted due to the US-Israeli war on Iran.

Higher availability of crude in global markets, mainly from the Western hemisphere, has helped offset the shortfall, the government said.

Taking advantage of a temporary US waiver, Indian refiners have also ramped up purchases of Russian crude, securing millions of barrels to fill the supply gap.

"Despite the situation at the Strait of Hormuz, India is today receiving more crude oil from its 41-plus suppliers across the world than what was previously arriving through the Strait," the ministry said.

As a net exporter of petroleum products, India's domestic availability of petrol and diesel remains structurally secure, the government said.

The world's fourth-largest refiner has oil and fuel stocks sufficient to meet 60 days of demand, against a total storage capacity of 74 days, it added.

"Nearly two months of steady supply is available for every Indian citizen, regardless of what happens globally. The next two months of crude procurement have also been secured," it added.

India has asked refiners to maximise production of liquefied petroleum gas, used as cooking fuel, as the nation was buying 90 percent of its LPG imports from the Middle East.

How Big Tech's \$630b AI splurge will fall short

REUTERS, London

For all the hand-wringing in financial markets about an artificial intelligence bubble, investors may be focusing on the wrong risk. The prevailing fear is that technology giants will spend hundreds of billions of dollars on AI infrastructure only for demand to fall short. The more immediate problem, though, is that tech firms will struggle to spend their massive 2026 budgets in ways that deliver functioning data centres.

The scale of Silicon Valley's ambition is already colliding with physical reality. Just four companies — Amazon.com, Microsoft, Alphabet, and Meta Platforms — are projected to spend about \$630 billion on data centres and AI chips in 2026 alone, Morgan Stanley estimates. That's more than four times the 2023 figure, and equates to roughly 2.2 percent of US GDP. Widen the lens to include the top 11 providers of cloud computing and infrastructure, like Oracle and CoreWeave, and total capital expenditure is set to hit \$811 billion.

Even for the world's largest companies, this expansion is staggering. The four tech giants currently operate roughly 600 data centre facilities globally, and have another 544 in planning or under construction, according to S&P Global Energy Horizons data. Turning that development pipeline into live computing power could prove a bigger challenge than mobilizing the necessary capital.

On paper, the economics look straightforward. A modern 100 megawatt AI data centre can cost more than \$4 billion, including chips. About 70 percent of spending goes on servers and graphics processing units, much of it linked to the most sought-after chips designed by Nvidia. Land typically consumes up to 6 percent of that budget, depending on location. The rest is split between buildings, electrical gear, networking, security and cooling systems required to run dense AI workloads. The catch is that the industry's worst bottlenecks are not necessarily in semiconductors, but in physical infrastructure and the local permits required to install it.

Power is one of the primary constraints. Securing a connection to the public grid in major hubs like London can now take up to a decade. To escape this purgatory, operators are pushing into rural locations like parts of Texas. But while permits are easier to get in remote places, skilled labour is harder to find. In some cases, companies have to build supporting communities to staff their facilities. Even then, this workaround has limits as data centre demand shifts from training



In this photo, racks of graphics processing units with a closed-loop liquid cooling system are seen inside an operational Microsoft data centre in Karawang, West Java.

PHOTO: AFP/FILE

large-language models to inference — the process of running a trained AI model to generate outputs for real world use. Providing swift responses to customers requires inference data centres closer to populated areas.

Operators are trying to bypass the power grid entirely by building "island" data centres powered by on-site gas turbines. About one-third of US facilities currently under construction rely on on-site power generation, according to McKinsey's Diego Hernandez Diaz. But this workaround has created its own bottleneck: new suitable gas turbines are effectively sold out until 2029, prompting developers to look for alternatives, Boston Consulting Group's Thomas Bumberger says. Geopolitics adds a further layer of fragility. Most data centres rely on diesel backup generators that kick in if the main power source fails, according to McKinsey. These units are tested daily, leaving the AI boom exposed to potential shortages of refined fuel caused by conflict in the Middle East.

The broader industrial supply chain is also struggling to keep up with overwhelming demand. The process of making kit like substations, transformers

and cooling systems is out of sync with the tech industry's cycle. The lead time for transformers supplied by groups such as Schneider Electric, Eaton and Hitachi Energy is now up to 100 weeks in Europe, while generators in the United States can take around 50 weeks to arrive, according to BCG. Nearly 60 percent of data centre projects were delayed by more than three months last year. Roughly 88 percent of projects face setbacks simply laying concrete foundations, while 78 percent are delayed during the installation of cooling systems and fire alarms, according to data centre project forecasting firm nPlan.

Rapid innovation adds to the backlog. Nvidia's newest Blackwell chips — and its upcoming Rubin architecture — generate far more heat than previous versions. This has forced data centres to shift from air cooling to more complex liquid systems, which require new plumbing and water purification infrastructure. Meanwhile, next-generation server racks will draw so much power that traditional ways of delivering electricity no longer work efficiently. To cope, data centre operators are shifting to more advanced solid state transformers (SSTs), which also enable fast

charging of electric vehicles. As a result, tech companies are competing with carmakers for components.

Some operators like Amazon Web Services are using workarounds, such as designing proprietary equipment. Others like Microsoft are renting capacity from agile "neocloud" operators like CoreWeave and Nebius. These companies, many of which own repurposed former bitcoin mining facilities, have often secured valuable land, power and permits.

History offers a stark warning of the dangers of investment splurges. Take the commodity boom of the late 2000s, when large oil groups, including Exxon Mobil, Shell, BP and Chevron sharply increased capital spending to take advantage of record crude prices. Global investment in searching, drilling and pumping oil and gas nearly tripled from roughly \$250 billion in 2000 to almost \$700 billion by 2013. But shortages of labour, specialized equipment, and permitting constraints took their toll. Overall production output barely budged while costs spiralled. Returns collapsed, exacerbated by a sharp drop in oil prices from \$147 a barrel in mid-2008 to below \$60 months later.

bKash, City Bank roll out 'Pay Later' for instant mobile top-ups

STAR BUSINESS DESK

The country's leading mobile financial service (MFS) provider, bKash Limited, in partnership with City Bank PLC, has launched a new service, titled "Pay Later", to ensure uninterrupted mobile connectivity and added convenience during urgent moments.

Under the service, customers can instantly recharge up to Tk 1,000 to their own or others' mobile numbers even if their bKash balance is insufficient. The amount can be repaid within seven days without any interest, according to a press release.

Eligible users can recharge between Tk 100 and Tk 1,000 to any mobile operator, although a processing fee will apply. Both prepaid and postpaid users can purchase internet packs, talk time, minutes, or bundled offers through this facility.



Customers may use the approved "Pay Later" limit either in a single transaction or across multiple uses. The service remains accessible regardless of the current balance in the user's bKash account.

To avail of the feature, users need to select the "Mobile Recharge" option in the bKash app, enter the desired number and amount, and choose the "Pay Later" option at the payment stage.

After selecting "Pay in 7 days", they can review and confirm the transaction. The service is available only to eligible customers.

The borrowed amount will be automatically deducted from the user's bKash account within seven days, and customers must ensure sufficient balance by the due date. Early repayment is also allowed.

Failure to repay within the specified period will result in late payment interest in line with the applicable terms and conditions.

The addition of the "Pay Later" feature to bKash's mobile recharge service is expected to enhance user convenience and further encourage cashless digital transactions.

Iran war chokes petrochemical supply, sends plastic prices soaring

REUTERS

Disruptions to oil and petrochemical flows through the Strait of Hormuz following the outbreak of the Iran war have tightened global chemicals supply and lifted prices of plastics and polymer, used in everything from auto parts to toys, to roughly four-year highs.

About \$20 billion to \$25 billion worth of petrochemical products pass through the Strait annually, according to Rabobank, underscoring the fact that continued disruptions to this flow would push producers to pass the higher costs on to consumers.

"Anyone who imports from the Middle East, which is pretty much everyone in the rest of the world to a certain extent, has lost a large supplier and is having to scramble to find replacement resin at extraordinarily higher prices," said Joel Morales of Chemical Market Analytics by OPIS.

The Middle East accounted for over 40 percent of polyethylene exports in 2025, led by Saudi Arabia, and ships to nearly every region outside North America, the next largest exporting region.

Prices for plastics such as polyethylene (PE) and polypropylene (PP) have surged since the Middle East conflict began, tracking higher crude and feedstock costs.

"Global logistics have become uncertain, with up to 50 percent of polyethylene supply either offline, constrained or being impacted following the events in the Middle East," said Dow CEO Jim Fitterling.

FEEDSTOCK SHOCK RIPPLING THROUGH CHEMICALS

Analysts said the Strait's closure could disrupt nearly 1.2 million barrels per day of global naphtha export flows, further tightening feedstock availability for the production of petrochemicals.

The war has sent Asia's naphtha refining margin above \$400 a ton over Brent crude from about \$108 a ton before the conflict started, according to LSEG data.

Maksim Sonin, energy executive at Stanford University's Center for Fuels of the Future and Hydrogen Initiative, said the spike in prices reflects a growing "risk premium", with Asia particularly vulnerable, given its heavy reliance on naphtha as a key petrochemical feedstock in plastics production.



A car rides along the coast of Musandam overlooking the Strait of Hormuz amid the US-Israeli conflict with Iran on March 2.

PHOTO: REUTERS

Japan, South Korea and India, among others, are most exposed due to their dependence on imported crude and petrochemical inputs.

ASIA, EUROPE SQUEEZED AS US GAINS EDGE

Plastic manufacturers in Asia and Europe, which are heavily reliant on imported feedstocks and Middle East supply, are facing higher input costs and tighter margins.

Europe is being squeezed by rising feedstock costs and imports, while surging naphtha prices have created a disconnect with contract pricing, leaving producers struggling to pass costs onto customers, LyondellBasell said.

But North America is relatively advantaged, due to its feedstock availability. Agustin Izquierdo, CFO of US-based petrochemicals maker LyondellBasell, said PE and PP prices, along with oxyfuels linked to crude, have risen significantly since the conflict began, adding that April order books are the strongest in several months despite the price hikes.

"It's becoming obvious that North America is an advantaged region in terms of feedstock, and we'll continue to take advantage of that going forward."

Plastics in the US are largely made from natural gas and related feedstocks, according to the Energy Information Administration, unlike elsewhere, where producers mainly rely on naphtha, a crude oil derivative.

With more than 50 percent of polyethylene output exported, US producers are seeing "super-normal" profits, said Utpal Sheth of Chemical Market Analytics by OPIS.

CONSUMERS TO PAY

US chemical producers are passing on the higher costs to consumers. Celanese has raised prices across its engineered materials and acetyl lines, while Dow plans polyethylene price hikes in March and April.

European firms such as BASF and Wacker Chemie are also lifting prices to offset higher raw material and transport costs.

Germany's Lanxess has gone further, hiking prices for flame retardants and other specialty additives by up to 35 percent, and as much as 50 percent for plasticisers, citing sustained cost pressures.

India's biggest bottled water company, Bisleri, has raised prices by 11 percent, putting a strain on customers as access to clean drinking water remains uneven in the country.

Middle East war: updates on global economic fallout

FROM PAGE B4

The Philippines is heavily dependent on imported fuel, the cost of which has hit historic highs since the war forced the partial closure of the Strait of Hormuz.

US ISSUES E15 FUEL WAIVER

The US Environmental Protection Agency issued a temporary emergency waiver to allow nationwide sales of higher ethanol E15 fuel in the summer, Administrator Lee Zeldin said, easing smog controls amid government concerns about adequate supply.

The government has issued similar waivers in recent years under both the Trump and Biden administrations.

FUEL COSTS HIT US POST OFFICE

The US Postal Service announced an eight-percent rate increase for some retail and commercial products, with the "transportation-related" move coming as global oil prices spiral due to the war on Iran.

WTO WARNING

As World Trade Organization ministers prepared to meet in Cameroon, the head of the

International Chamber of Commerce warned that the conflict could cause the "worst industrial crisis" in decades.

"The head of the International Energy Agency has warned that the world is facing an energy crisis more severe than the oil shocks of the 1970s," John Denton said.

"From a business perspective, we believe this could yet become the worst industrial crisis in living memory."

RED SEA SHIPPING THREAT

Iran will target shipping in the Red Sea, a crucial conduit for global oil and other goods leading up to the Suez Canal, if the United States launches a ground invasion, a military official told local media.

IRAN SAYS KEY STRAIT 'CLOSED ONLY TO ENEMIES'

Iranian Foreign Minister Abbas Araghchi said the Strait of Hormuz was "closed only to enemies", with the Middle East war having all but shut the vital oil and gas shipping route.

Iran had informed the International Maritime Organization on Tuesday that "non-hostile vessels"

could transit the strait if they meet safety and security regulations in coordination with the relevant authorities.

WTO SOUNDS FERTILISER WARNING

Disruptions to fertiliser supplies caused by the Middle East war pose a double threat to global food security through scarcity and high prices, a top World Trade Organization official warned.

Iran's de facto closing of the Strait of Hormuz has also impacted fertiliser shipments, with a third of the global supply normally transiting the Gulf strait.

IEA READY FOR ANOTHER OIL STOCKS RELEASE

The head of the International Energy Agency said he was "ready to move forward" with an additional release of oil reserves "if and when necessary".

Fatih Birol's comments in Tokyo came after Japanese Prime Minister Sanae Takaichi asked the agency "to prepare to implement an additional release in case the situation drags on" with the war in the Middle East.

Cosco's ships are a new gauge

FROM PAGE B4

China's Cosco Shipping Lines, a subsidiary of state-owned giant COSCO Shipping, announced on March 25 that it has resumed new booking services for ordinary freight containers from the Far East to the Middle East, including the United Arab Emirates, Saudi Arabia, Bahrain, Qatar, Kuwait, and

Iraq, effective immediately.

It had previously suspended these services on March 4, citing escalating conflict in the region and resulting restrictions on maritime traffic through the Strait of Hormuz.

Chinese Foreign Minister Wang Yi urged Iranian counterpart Abbas Araghchi in a phone call to engage in negotiations as soon as

possible with the United States to end the war between the two sides, according to a Chinese government statement on March 24.

Oil prices sank 5 percent on March 25 after reports the United States had sent Iran a 15-point proposal aimed at ending the conflict. Iran denied that direct talks had taken place, Reuters reported.



PHOTO: AFP

A customer shops at a grocery store in Miami on March 11. US headline inflation is forecast to reach 4.2 percent in 2026, up 1.2 percentage points from the earlier projection.

Iran war erases global growth upgrade, fans inflation: OECD

REUTERS, Paris

The escalating conflict in the Middle East has knocked the global economy off a stronger growth path, the OECD warned on Thursday, as a near-halt in energy shipments through the Strait of Hormuz threatens to push inflation sharply higher.

The Paris-based Organisation for Economic Cooperation and Development said the global economy had been on course for stronger than expected growth before the war in Iran erupted, but that prospect has now all but disappeared.

Global GDP growth is now projected to ease from 3.3 percent last year to 2.9 percent in 2026 before edging up to 3.0 percent in 2027, as an energy price surge and the unpredictable nature of the conflict offset tailwinds from strong technology-related investment, lower effective tariff rates and momentum carried over from 2025.

"There's a high level of uncertainty around the duration and the magnitude of the current conflict in the Middle East and that means that this outlook is

subject to significant downside risks that could result in lower growth and higher inflation," OECD chief Mathias Cormann told journalists.

ADVERSE SCENARIO

The projections in the OECD's interim Economic Outlook are conditional on a technical assumption that energy market disruption moderates over time, with oil, gas and fertiliser prices declining gradually from mid-2026 onwards.

The 2026 projection is unchanged from the OECD's December forecast, but preliminary indications since then had suggested global GDP growth could have been upwardly revised by around 0.3 percentage points in 2026 had the conflict not escalated, a revision that has been entirely erased by the impact of the fighting.

With energy prices now soaring, G20 inflation is projected to be 1.2 percentage points higher than previously expected in 2026 at 4.0 percent, before easing to 2.7 percent in 2027.

In an adverse scenario where energy prices peak higher and stay elevated

longer, global growth would be 0.5 percentage points lower by the second year of the shock and inflation would be 0.9 percentage points higher, the OECD said.

US OUTLOOK

The war is compounding an already complex picture on trade.

US bilateral tariff rates have declined following the US Supreme Court ruling against tariffs imposed under the International Emergency Economic Powers Act, with particularly large reductions for several emerging market economies, including Brazil, China and India. Nonetheless, the overall US effective tariff rate remains well above that prevailing prior to 2025.

On individual economies, annual GDP growth in the United States is projected to moderate from 2.0 percent in 2026 to 1.7 percent in 2027, as strong AI-related investment is gradually offset by a slowdown in real income growth and consumer spending. The OECD had pencilled in a forecast of 1.7 percent this year and 1.9 percent for 2027 in December,

before the Supreme Court ruling.

US headline inflation is now forecast to hit 4.2 percent in 2026, up 1.2 percentage points from the previous projection.

DIVERGING PATHS

In China, growth is projected to ease to 4.4 percent in 2026 and 4.3 percent in 2027, both in line with the OECD's previous forecasts.

Euro area GDP growth is anticipated to slip to 0.8 percent in 2026, as higher energy prices weigh on activity, before increasing to 1.2 percent in 2027 helped by stronger defence spending. That marked a sizeable downgrade from December when the OECD had forecast 1.2 percent growth in 2026 and 1.4 percent in 2027.

In Japan, growth is projected at 0.9 percent in both 2026 and 2027 - both unchanged, as the rising cost of energy imports offsets robust business investment.

The OECD urged central banks to remain vigilant and called on governments to ensure any support measures for households were well-targeted and time-limited.

EU parliament backs Trump tariff deal -- with conditions

AFP, Brussels

European Union lawmakers on Thursday gave a green light - with conditions - to the bloc's tariff deal with US President Donald Trump, which Europe hopes to salvage while also racing to diversify its trade ties around the globe.

Brussels and Washington last summer clinched a deal setting tariffs at 15 percent for most EU goods.

But Trump's 2025 tariff blitz, including hefty levies on steel, aluminium and car parts, jolted the 27-country bloc into cultivating trade ties around the world, and it has since signed deals from South America to Australia and continues to pursue others.

But that doesn't mean the EU intends to walk away from its 1.6 trillion euro (\$1.9 trillion) relationship with its largest trade partner, the United States.

A large majority of EU lawmakers agreed to cut EU tariffs on some US imports - as a first step towards implementing the 2025 deal - but with additional safeguards.

"Today's vote is an important procedural step and a political signal that the EU stands by its word," EU economy chief Valdis Dombrovskis said in a parliamentary debate Thursday before the vote.

Before the US tariff deal is implemented by the bloc, it still needs to be negotiated with EU states - although Brussels hopes talks will go quickly.

A large majority of EU lawmakers agreed to cut EU tariffs on some US imports -- as a first step towards implementing the 2025 deal -- but with additional safeguards

EU trade commissioner Maros Sefcovic welcomed the move as a "crucial step" and said he would meet US Trade Representative Jamieson Greer on the sidelines of a World Trade Organization meeting in Cameroon on Friday.

ADDITIONAL SAFEGUARDS

The green light comes after months of delay as lawmakers resisted approving the accord due to transatlantic tensions over Greenland - and then put it on hold again following the US Supreme Court's ruling striking down many of Trump's levies.

The ball started rolling again after the European Commission, in charge of EU trade policy, said it would stick to the pact despite the US ruling and called on lawmakers to do the same, having received reassurances from Washington.

Trump, however, retaliated after the ruling with a new tariff regime - pushing EU lawmakers to tighten the existing agreement with numerous safeguards.

Lawmakers added several provisions in response, such as making the EU's tariff reductions automatically lapse in March 2028, and tying tariff cuts on steel and aluminium goods to similar reductions by the US side.

"Let's not be naive. More Trump coercion and chaos will come, and that is exactly why we say today no free pass, no blank cheque," EU lawmaker Kathleen Van Brempt said during Thursday's debate.

WTO conference kicks off

FROM PAGE B1

But these disruptions are a symptom of the wider disruptions shaking the international order created after the Second World War to prevent a repeat of the horrors of the first half of the 20th century, she said.

Okonjo-Iweala said some argue that we are in a rupture, a fundamental break with the past. Others counter that we are in more of a transition, as institutions and practices adjust to a world in which economic and geopolitical power are more widely distributed, and leadership is more diffuse.

She mentioned three important factors that have reshaped the multilateral trading system: first, the multilateral trading system changed the world; second, the world cannot go back; and third, looking to the future while keeping the multilateral trading system in mind.

Because open international trade has raised living standards and created wealth in both rich and poor countries, it has helped lift 1.5 billion people out of extreme poverty in recent decades.

However, she said these impacts were uneven: many poor countries, and poor people and regions within rich countries, were left behind.

There were job displacements. Nevertheless, it is indisputable that trade has been a major factor in raising living standards and in the unprecedented progress against poverty.

The volume of global trade today is more than 47 times higher than it was in 1950, while real global GDP has grown 15-fold over the same period.

"Now we are seeing resilience in the

face of disruptions and crises as we speak. Our new trade outlook shows that last year, global goods trade grew by 4.6 percent in volume terms.

"Yes, tariffs and uncertainty had a dampening effect, but these were offset by import frontloading, the AI investment boom, and favourable macroeconomic conditions.

"The huge increase in trade in AI-related products like semiconductors and processors accounted for 42 percent of global trade growth last year. I want to note here that most of these goods were exempt from new tariffs, and that the bulk of global trade is just about everything that goes into a data centre faces low or zero tariffs under the WTO's plurilateral Information Technology Agreement, to which 84 of you are participants," the WTO DG also said.

Global trade was severely disrupted by the fallout from Covid-19, and due to a system of rules and norms that kept trade flowing, economies have shown remarkable resilience through many global crises, more recently the global financial and food crises from 2008 to 2010, and the Covid-19 pandemic.

Services trade is set to grow by 4.8 percent, though this too could fall to 4.1 percent if travel and transport are dragged down by the Middle East conflict. But there are also upside scenarios, such as if demand for AI-related products remains strong.

An important factor in trade's resilience is that most economies have chosen to keep trading with each other on normal WTO terms that assure predictability, stability, and a good degree of openness.

The share of global goods trade conducted on most-favoured-nation (MFN) tariff terms has moved up and down in recent months - it has been a bit volatile, but our latest analysis shows that it still remains around 72 percent - nearly three-quarters of global goods trade.

WTO rules are still providing global trade with a stable core; however, much uncertainty is swirling around it.

She sought cooperation from WTO member countries to carry out reforms, as in the past thirty years since the Uruguay Round, not much has changed in the organisation's rules and governance.

This was bound to lead to tensions within and between the organisation's core functions.

These tensions were very much out in the open yesterday in this member-driven organisation, as one headline after another pronounces the organisation's impending demise or irrelevance.

Advocating for a multilateral trading system, Luc Magloire Mbarga Atangana, minister of commerce of Cameroon and chair of the 14th WTO Ministerial Conference, called for strong unity and positivity for the rules-based trading system.

For instance, because of this strong unity and positivity, the adoption of the proposal on reducing fisheries subsidies by member countries was possible.

The multilateral trading system will offer a unique opportunity for member countries, he also said.

The summit will continue until March 29.

BB reserve heist

FROM PAGE B1

The information helped identify several foreign suspects.

"Without getting information from those countries, it was not possible to complete the investigation properly. Due to delays in receiving responses to the MLAR requests, the investigation took longer," said Additional SP Mamun.

CID officials say they have gathered information from authorities in China and the Philippines as well.

On September 18 last year, a Dhaka court ordered the seizure of funds from Rizal Commercial Banking Corporation as part of the ongoing investigation.

Investigators said they have traced the laundering of the stolen funds across the Philippines, Japan, North Korea, Sri Lanka, India and China.

They say around 30 individuals and seven companies in the Philippines were linked to the laundering process.

According to investigators, Philippine businessman Kam Sin Wong has been identified as a central figure in the network. Wong allegedly hired North Korean hacker Park Jin Hyok, believed to be associated with the state-backed Lazarus Group, also known as APT38.

The hackers allegedly sent malware-infected links to BB officials by email, gaining access to internal

systems and initiating fraudulent SWIFT transactions.

Funds were routed through several intermediaries before being channelled into casinos, including Solaire Resort and Casino and Midas Hotel and Casino. Other entities identified in the laundering chain include Philrem Service Corporation, Centurytex Trading, ABBA Currency Exchange Inc and Beacon Currency Exchange Inc.

In Sri Lanka, investigators traced the attempted \$20 million transfer to an account at Pan Asia Bank in Colombo belonging to the Shalika Foundation, led by Hegoda Gamage Shalika Perera.

The transaction failed after the word "foundation" was misspelt, alerting authorities and preventing the funds from being withdrawn.

CID officials say eight individuals and institutions in Sri Lanka have been linked to that attempted transfer.

SCRUTINY OF CENTRAL BANK LAPSES

Investigators are also examining possible lapses within the central bank.

They are reviewing why the Real Time Gross Settlement (RTGS) system was connected directly to the SWIFT network without adequate risk assessment.

They are also looking into the approval process that allowed the SWIFT server used to manage foreign reserves to be linked with the RTGS system under the then-governor Atiur Rahman.

Some BB officials allegedly downloaded malware-infected files without verifying their source, while others are suspected of removing technical evidence after the breach came to light.

CID officials say these issues will be detailed in the charge sheet.

IMF calls

FROM PAGE B1

and economic challenges amid global uncertainty and geopolitical tensions.

Talks have also resumed on the stalled \$5.5 billion IMF loan programme approved in January 2023, which has been on hold since the fifth review in November last year.

Bangladesh may receive a \$1.3 billion tranche by June if it advances key reforms, including moving towards a more market-based exchange rate, strengthening revenue mobilisation, reducing subsidies, and addressing vulnerabilities in the banking sector.

Two instalments were released together in June last year, bringing the total received so far to \$3.6 billion.

Speaking to reporters after a separate meeting with the finance minister, Srinivasan said discussions with Bangladesh are mainly focused on policy measures.

"Our engagement this morning with the minister was centred on policies," he said, adding that IMF financing is fundamentally based on policy dialogue.

He said that Bangladesh, like many other countries, faces uncertainty due to global developments but reaffirmed the IMF's continued support.

The delegation also met with the central bank governor to discuss the technical aspects of the ongoing reform requirements.

Youth unemployment

FROM PAGE B1

Training programmes currently cover only 3.64 percent of the 55 lakh economically inactive young people, severely limiting potential impact.

The government's plan to expand substance abuse treatment will provide just 1,679 beds, a fraction of the 83 lakh affected individuals. Similarly, counselling and rehabilitation for online gambling remain almost non-existent.

This scale mismatch is further

compounded by fragmentation. Multiple agencies run programmes with limited coordination, unclear accountability, and weak monitoring and evaluation. The absence of systematic tracking makes it difficult to measure success or cost-effectiveness, reducing the overall impact of youth development initiatives.

Selim Raihan, an economics professor at Dhaka University, backed the government report on youth unemployment and its contribution to social risks.

"Yes, employed youth can also contribute to social risks, but those without work, income, or stable jobs are far more vulnerable," he said. "Their frustration increases exposure to issues like drug use, social instability, and even extremism."

He added that many young people who have completed their education but are unable to enter the job market experience a prolonged "gap period," during which they are particularly susceptible to these risks.



Sales at the Amar Ekushey Book Fair had started to recover from the Covid-19-induced slump, yet the figures fell sharply again this year. In this photo, a family of four is seen browsing books at a stall at this year's fair that ended on March 15. PHOTO: STAR

Book sales at the 2026 fair lowest in five years

DIPAN NANDY

Business at the Amar Ekushey Book Fair took a massive hit in 2021 because of the Covid-19 pandemic. In the years since, book sales at the annual fair started to recover. However, sales plunged again this year, bringing a fresh wave of uncertainty among publishers.

An analysis of sales data over the past decade shows significant fluctuations in the book fair market. Sales increased steadily for several years before the pandemic.

In 2020, right before the pandemic spread in the country, sales at the fair crossed the Tk 80 crore mark. Just a year later, the figure stood at a meagre Tk 3 crore.

In the years since, the market showed signs of recovery, with sales figures rising to as much as Tk 60 crore at the 2024 fair. However, this year's fair — with its duration cut short due to political events — has dashed publishers' enthusiasm with low sales.

STEADY GROWTH, THEN A DRASTIC FALL

Book sales at the fair grew steadily between 2017 and 2020, according to the Bangla Academy.

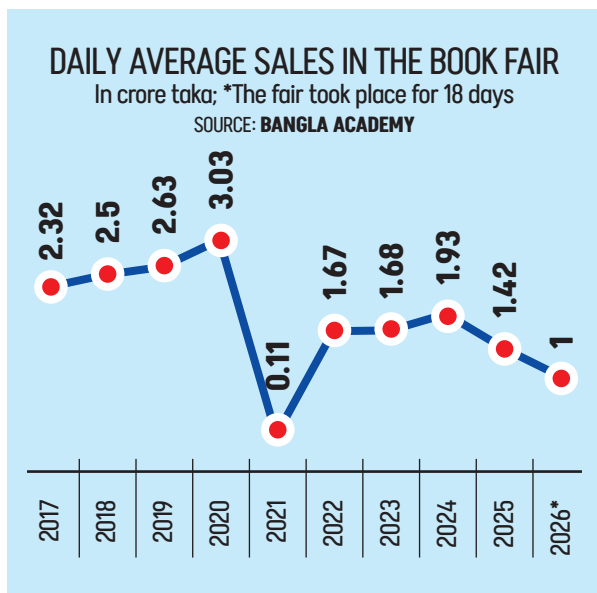
In 2017, books worth around Tk 65 crore were sold, with an average daily sale of about Tk 2.32 crore. Sales rose to around Tk 70 crore in 2018, with daily average sales of Tk 2.50 crore.

In 2019, sales increased further to about Tk 79 crore, with average daily sales of Tk 2.63 crore. The peak came in 2020, when total sales reached about Tk 82 crore. During that year's 27-day fair, average daily sales stood at about Tk 3.03 crore, the highest in the past decade.

"The release of new books by popular authors, a strong turnout of readers and the expansion of the fairgrounds all contributed to the growth during that period," Mazharul Islam, chief executive of Annyaprakash, told The Daily Star.

The situation changed drastically in 2021 due to the Covid-19 pandemic.

That year, the fair started on March 18 instead of



February 1. Although it was scheduled to run for 28 days, the worsening pandemic situation forced the organisers to cut it short to 26 days.

Total sales dropped to just Tk 3 crore, meaning the average daily sales were only Tk 11 lakh — the lowest figure in recent years.

Recalling that year's fair, Osman Gani, head of Agamee Prokashani, said, "The number of visitors was limited, and many people feared infection, which significantly reduced book sales."

HOPES OF RECOVERY UNCERTAIN

As the situation began to normalise after the pandemic, book sales were gradually showing signs of bouncing back.

In 2022, books worth about Tk 52 crore were sold

during the 31-day fair, with average daily sales of Tk 1.67 crore.

In 2023, total sales declined slightly to around Tk 47 crore, though the daily average remained almost the same at Tk 1.68 crore.

Sales rose again in 2024 to about Tk 60 crore, with average daily sales of around Tk 1.93 crore.

However, this upward trend did not last long. In 2025, total book sales fell to around Tk 40 crore, with average daily sales of about Tk 1.42 crore.

Book sales dropped sharply in 2026. During the 18-day fair, total sales stood at approximately Tk 17 crore, translating to an average daily sale of around Tk 1 crore.

"Due to political and economic instability, book sales at the 2025 fair were about 60 percent lower than the previous year. That trend has intensified this year," said Mahrukh Mohiuddin, managing director of The University Press Limited.

"Compared to a normal year, book sales at this year's fair have dropped by around 70 percent. Nearly 90 percent of participating publishers could not even recover the basic cost of constructing their stalls. Among them, around 30 percent of publishers sold books worth less than Tk 5,000."

Mahbubur Rahman, chief executive of Adarsha Prokashani, said, "This year's fair was largely symbolic. In reality, sales should not have reached even this level."

However, Mohammad Azam, director general of Bangla Academy, disagrees with judging the fair's success solely based on book sales.

Speaking to The Daily Star, he said, "Many people had predicted that this year's fair would be empty. In reality, that did not happen."

He argued that, though footfall declined, people who visited this year's fair were purely buyers.

"And the lower turnout does not necessarily mean fewer sales, because people who buy books rarely miss the fair," Azam said.

Leadership lessons from a reckless war

MAHTAB UDDIN AHMED

Trump launched the crisis, blamed Iran, blamed Europe, blamed the media, and then asked allies for urgent support. It felt like a bad boss breaking the office printer, shouting at staff, and ending the day with a lecture on teamwork.

As part of my leadership journey, I once attended a war game simulation. Serious people sat around large tables, maps open, consequences calculated, and every move was followed by one uncomfortable question: "And then what?" Nobody was allowed to say, "Attack first and think later." Watching the war around Iran, driven by the United States and Israel, I am reminded of that exercise. This version feels less like a strategy and more like a badly run board meeting where the loudest boss mistakes impulse for vision, the yes men nod, and others quietly update their CVs.

This conflict is not only about missiles and military power. It is about leadership, especially the kind that causes damage far beyond the battlefield. Geopolitics often resembles corporate life, with bigger egos and deadlier tools.

I have written before about the incompetent boss and the idiot boss. Such leaders arrive with noise, slogans and oversized confidence. They dismiss experience, treat disagreement as disloyalty, and confuse fear with respect. They weaken culture, damage institutions, and leave the place worse than they found it. The incompetent boss lost his job, but not before leaving the company in shambles. History is full of such leaders.

Another lesson is the danger of the yes-man ecosystem. Weak leaders do not welcome dissent. They prefer applause to analysis. Once a room fills with people who agree too quickly, bad decisions stop looking bad. In politics, that can mean disastrous wars.

Arrogance makes everything worse. No culture likes arrogant people, not even allies. Arrogance breeds overconfidence, and overconfidence leads leaders to underestimate risk. In geopolitics, this destabilises regions and disrupts trade. In business, it leads to poor decisions and leaders who think a title can replace judgment. A strong leader listens. An arrogant one announces.

Leadership also requires understanding differences. All five fingers are not the same. Venezuela and Iran cannot be handled with one formula. In the corporate world, a chief executive cannot treat every chief officer the same way. A finance head, a marketing head and a technology head bring different strengths and motivations. Good leadership adapts. Poor leadership applies one style to all.

Selfishness is another destructive habit. In the name of tariffs and power plays, Trump has strained ties with allies. In companies, selfish leaders sacrifice long-term trust for short-term personal victories. They sideline capable colleagues, damage partnerships, and weaken teamwork. Once trust cracks, performance follows.

Then there is distraction. When a crisis comes, weak leaders redirect attention. The noise around the Epstein files shows how focus can shift when pressure becomes uncomfortable. Corporate leaders use the same tactic. When governance questions arise, suddenly there is a new slogan, a fresh committee, or a shiny CSR project. It is a misdirection. The war also teaches the value of asymmetric strategy. When one side dominates conventional power, the weaker side looks for pressure points. That lesson applies to business. Smaller competitors do not win by copying giants. They win by moving faster and striking where the giant is vulnerable.

The United States appears caught in the imperial trap, still not learning from Britain's experience of overstretch. While America spends time and attention managing conflicts, China and Russia focus on building economic and technological strength. In business, market leaders who fight every battle exhaust themselves and hand rivals the advantage.

The biggest danger is the wrong lesson reckless leaders leave behind. Political and corporate leaders watch this chaos and draw comfort from it. They look at Trump and company and think, with relief, "Alhamdulillah, we are not that bad." That false confidence is deadly. Instead of improving, they lower the bar. In our part of the world, where leadership quality is already a concern, this reassurance only makes bad leadership feel respectable.

The writer is the founder of BuildCon Consultancies Ltd and BuildNation Ltd



Middle East war: updates on global economic fallout

AFP, Paris

Here are the latest economic events in the Middle East war:

JAPAN RELEASES OIL RESERVES

Japan said it had started to release another part of its strategic oil reserves Thursday as it looks to temper the impact on the resource-poor nation from the surge in prices caused by the war.

Japan is the fifth-biggest importer of oil, with more than 90 percent of it from the Middle East.

OIL EDGES UP, EQUITIES MARKETS MIXED

Oil prices rose and equities were mixed Thursday as investors tracked mixed developments in the war.

With investors holding on to hope that a deal can be struck, oil prices have stabilised this week. Brent edged up 1 percent to trade at \$103.25 a barrel at 0230 GMT. West Texas Intermediate rose 1.2 percent to \$91.41 a barrel.

After gains on Wall Street and Europe, Asian markets fluctuated after a two-day rally.

RUSSIAN OIL ARRIVES IN PHILIPPINES

A ship carrying more than 700,000 barrels of Russian crude oil has arrived in the Philippines, a source with knowledge of the matter told AFP Thursday, days after the Southeast Asian country declared a national energy emergency over the Middle East war.

The Sierra Leone-flagged Sara Sky, bearing high-quality crude from Russia's ESPO pipeline arrived on Monday, with documents showing the consignee as Petron Corp, operator of the Philippines' sole oil refinery, said the source, who asked to remain anonymous as they were not authorised to speak to press.

READ MORE ON B2

Cosco's ships are a new gauge for Hormuz crisis

REUTERS, London

China's Cosco Shipping Lines may not have intended to send a geopolitical message. Yet its decision on Wednesday to restart bookings to the Middle East looks like a referendum on whether crucial maritime lanes through the Strait of Hormuz are reopening. Whether they do so on the United States' preferred terms is another matter.

Joint American-Israeli strikes on Iran have engulfed the region in a conflict that has effectively blocked the Strait, through which a fifth of the world's oil and gas ordinarily transits.

The \$33 billion state-backed shipping firm has not taken any chances on braving passage, even as other vessels gamble that Iranian forces and their proxies will treat Chinese ships with deference, according to the Financial Times. It halted services to the Middle East on March 4, citing escalating tensions.

Its subsequent reversal, covering routes from the Far East to Gulf hubs such as the United Arab Emirates and Saudi Arabia, therefore carries weight. Granted, this is just for ordinary freight cargoes, not energy shipments that are the fulcrum of Iran's leverage. But container shippers

are acutely sensitive to risk: they move only when insurers, counterparties and, crucially, governments signal it is safe enough. Cosco's return suggests that threshold has been met, at least as far as it is concerned.

This is a material measure of reopening, much more so than muddled talks of efforts to end the war. True, Brent crude oil futures fell as much as 5 percent after the United States proposed a ceasefire, as the New York Times reported. But

markets have been wrong-footed before, and Iran has repeatedly denied that it's in talks with Washington.

The catch is that what's viable for ships flying under the flag of Beijing, Tehran's closest major partner, might not be for everyone else. Iran has charged fees of as much as \$2 million to allow passage for some commercial vessels, Bloomberg reported while officials have said that "non-hostile" fleets may pass, so long as they coordinate with authorities. This raises the specter of either Tehran or local Revolutionary Guard elements essentially operating a tolling system over some of the most valuable water in the world.

That would presumably be anathema to Washington, and much worse for Western carriers than the pre-conflict status quo. Any move in this direction is still very tentative. Cosco's bookings are one-way, and vessels diverted earlier will still take two to three weeks to return, according to Niels Madsen of shipping data provider Sea-Intelligence.

In that sense, Cosco's ships might map out a new order in Hormuz. The waterway may be poised to reopen, but not like before, and not for everyone — at least not yet.



Chinese container ship "Cosco Shipping Ariès" is unloaded at a loading terminal in the Port of Hamburg in Germany. PHOTO: REUTERS/FILE

PHOTO: REUTERS/FILE

READ MORE ON B2