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Fuel queues pushing up transport costs

Delays at pumps raise trucking costs for food and industrial goods, threaten government efforts to stabilise prices



As longer wait times at fuel pumps eat up work hours, truckers across the country are demanding extra pay, bumping up goods transport costs. This photo of trucks waiting in a long queue for diesel was taken yesterday at a fuel pump in Chattogram.

PHOTO: RAJIB RATHAN

DWAIPAYAN BARUA and JAGARAN CHAKMA

Amid long queues at refuelling stations, trucks carrying perishable vegetables, food items and factory raw materials are charging at least Tk 5,000 more than pre-war rates per trip to Dhaka from different parts of the country.

These higher transport costs risk pushing up production expenses and the price of kitchen staples, a ripple effect of the US-

Israel war on Iran.

Despite reports of a fuel shortage, disrupted international supplies and panic buying nationwide, authorities said there was no serious shortfall. The government has also repeatedly said that it has no plan to raise fuel prices.

Officials say any upward adjustment of fuel prices would drive up the cost of essentials, adding to a years-long period of stubbornly high inflation.

But delays at pumps are

already inflating transport costs, threatening the price relief the government is attempting to provide.

Md Islam, a vegetable supplier sending produce to wholesale markets in Dhaka from northern district Thakurgaon, said everything had become more expensive after the war.

Islam said that he used to pay around Tk 24,000 for a medium to large truck to Dhaka, but that has

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S&P warns of heightened energy risk for Bangladesh

STAR BUSINESS REPORT

Bangladesh is facing intensifying energy-related risks with limited policy flexibility, as global supply disruptions and geopolitical tensions constrain its ability to manage shocks, according to a recent report by S&P Global Ratings.

The report by the American credit rating agency highlights that countries such as Bangladesh, Pakistan, and Sri Lanka – despite showing some signs of macroeconomic recovery – remain at “greater risk” due to their heavy reliance on imported fuel and weaker external positions.

“These countries are particularly vulnerable to rising oil prices and potential supply disruptions,” states the report published last week.

Bangladesh faces mounting growth, inflation, and external risks if the spike in energy prices endures longer than currently anticipated, it adds.

The duration of the US-Israel war on Iran and the associated price shock, as well as the physical availability of fuel supplies, will be key determinants of the impact on the sovereign’s creditworthiness, the report notes.

Higher fuel prices are likely to stall the gradual decline in inflation over the next three to six months and could weigh on recovery momentum.

Nearly 50 percent of Bangladesh’s electricity generation is gas-fired, and almost a quarter of its gas needs are met through imports.

Meanwhile, the economy is almost entirely reliant on imports for crude and refined oil products.

Oil supply reserves are likely to last less than one month, after which measures to curb consumption may become more pronounced if imports remain constrained.

While the government and national energy companies have recently secured additional supplies of gas, diesel, and petrol, availability could become scarcer if the conflict continues.

Officials have moved quickly to implement measures aimed at offsetting the impact of higher fuel prices.

These include a cap on retail fuel prices, a temporary rationing mechanism, cuts to operations at fertiliser plants to prioritise gas supply to power plants, and early school closures to manage energy consumption.

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Oil rises as traders doubt prospects of ceasefire in Iran war

REUTERS, New York

Oil prices rose on Friday and notched weekly gains, reflecting scepticism about prospects for a ceasefire in the month-old Iran war.

Brent crude futures rose by \$4.56, or 4.2 percent, to \$112.57 a barrel. US West Texas Intermediate futures rose \$5.16, or 5.5 percent, to settle at \$99.64.

The Brent benchmark has jumped 53 percent since February 27, the day before the US and Israel launched strikes against Iran, while WTI has gained 45 percent since then. On a weekly basis, Brent gained about 0.3 percent, while WTI gained over 1 percent.

Traders are cautious about Trump’s statements about the Iran talks. An Iranian official told Reuters that a US proposal conveyed to Tehran by Pakistan was “one-sided and unfair.”

“Investors remain focused on the war’s longevity rather than headlines, with any prolonged closure of the strait (of Hormuz) or damage to infrastructure keeping a significant risk premium in prices,” StoneX analyst Alex Hodes said.

While Trump extended his deadline for Iran to reopen the Strait of Hormuz or face the destruction of its energy infrastructure, the US has also sent thousands of troops to the Middle East, with Trump weighing whether to use ground forces to seize Iran’s strategic oil hub of Kharg Island. “We look for the oil market to develop an immunity to Trump’s conciliatory comments and optimistic tone regarding a deal, especially given apparent intentions to send an additional 10,000 troops toward Iran,” oil trading adviser Ritterbusch & Associates said in a note to clients.

Rain brings relief to Boro farmers amid fuel crunch



Days of rainfall have brought relief to many Boro farmers struggling to irrigate their fields amid an ongoing fuel shortage. This photo was taken yesterday at a haor in Khadimpura union under Sylhet Sadar upazila.

PHOTO: SHEIKH NASTIR

SUKANTA HALDER

Consecutive days of rainfall across the country recently have brought some relief to farmers struggling to irrigate crops – mostly Boro rice – amid the supply shortage of fuel oil gripping the nation.

The government had restricted fuel supply for a few days earlier this month. Even after the fuel purchasing cap was withdrawn, supply remained strained, and farmers struggled to run pumps to irrigate their fields.

After the rainstorms, farmers say they no longer need to worry about the fuel shortage, as there is now standing water in the fields, cutting the need to pump up groundwater.

Jamal Mia, a farmer from Brahmanbaria Sadar upazila, said he has cultivated Boro rice on four acres this season, and has faced difficulties irrigating his fields for a few days due to the ongoing diesel shortage.

However, the recent rainfall over the past few days has brought much-needed relief, he said.

Md Omar Faruq, a meteorologist at the Bangladesh Meteorological Department (BMD), said that rainfall was recorded in multiple districts over the past seven days, with varying intensities.

Sylhet received 53 millimetres (mm) of rain between 6:00 am and 12:00 am yesterday. The previous day saw the highest rainfall in Dinajpur (48 mm), followed by Rangpur (40 mm), Saidpur (30 mm), and Rajshahi in Kurigram (29 mm), he told The Daily Star.

He added that Tangail recorded 21 mm the day before, while Manikganj had 51 mm on Thursday.

Earlier, Netrokona received 34 mm on Tuesday. Panchagarh saw 26 mm on the 21st of this month after a dry spell, he

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Drilling rigs operate in the Permian Basin oil and natural gas production area in Lea County, New Mexico, US.

PHOTO: REUTERS/FILE

Services firms feel the squeeze as oil rally fails to spur drilling

REUTERS

Global oilfield services companies are bracing for a hit to earnings as the Iran war disrupts energy infrastructure across the Middle East and producers hold back on new drilling until higher oil prices prove durable.

Surging commodity prices - the Brent benchmark is up 53 percent since February 27, the day before the US and Israel launched strikes against Iran - typically make oil and gas projects more profitable, boosting demand for rigs and crews.

In the Iran war, however, security risks and infrastructure damage have sent activity plummeting and reduced demand for oilfield services and equipment in one of the world's top energy-producing regions.

"For oilfield services companies, the situation is quite ambiguous: if producers do not increase activity, the price jump alone will not lead to a rise in orders," said Igor Isaev, head of analytics at European broker Mind Money.

Idled rigs in the Gulf, slower crew mobilizations, and rising logistics and insurance costs are disrupting operations, delaying projects and cutting utilisation.

Offshore rig count, an early indicator of future output, has fallen about 39 percent to 72 rigs in the Gulf, as of March 27, according to Rystad Energy's estimates.

There were a total of 118 offshore rigs online in the region before February 28, the consultancy firm has said.

The Strait of Hormuz, which carries roughly a fifth of global oil and natural gas supply, has also become harder to navigate amid the rising security risks, further complicating offshore drilling and equipment movement.

Refineries will need repairs once export routes are restored, work that typically falls to oilfield service providers and engineering firms.

Energy infrastructure repair costs in the Middle East have reached at least \$25 billion, according to Rystad Energy.

"Damage across Gulf energy infrastructure will generate meaningful demand for oilfield services ... this would result in operators prioritising repair and maintenance of existing fields over contract awards for new development," said Rystad Energy's analyst Karan Satwani.

QatarEnergy's CEO told Reuters the Iranian attacks had knocked out a sixth of the country's LNG export capacity, worth about \$20 billion a year, with repairs expected to take three to five years.

Baker Hughes CEO Lorenzo Simonelli said the company stands ready to support, opens new tab QatarEnergy as it assesses the damage.

"Additional repair and maintenance to damaged facilities in the region will to some extent result in additional demand for OFS companies, the extent to which this occurs however will be heavily dependent on broader market conditions and firm's capital allocations," Welligence Energy's Mayhew said.

US producers gathered at the CERAWee conference in Houston this week signaled a need for oil prices to remain elevated for several months before adding rigs.

Industry bellwether SLB expects first-quarter revenue below expectations and a 6-9 cent-per-share earnings hit, after suspending travel and demobilizing operations in the Middle East.

SLB, Halliburton and Baker Hughes have the highest exposure to the Middle East, but smaller rivals that invested in the region in recent years are also facing the squeeze. UK-headquartered Borr Drilling put four rigs on standby across Saudi Arabia, the UAE and Qatar, and evacuated staff from one site.

Overall, revenue generated from oilfield services provided in the Middle East could fall by 10 percent to 20 percent in the first quarter, said Richard Spears, vice president of oilfield consultancy Spears & Associates.

"If the war keeps going on, well, the second quarter is not good."

REBUILDING SEEN LAGGING

While the conflict is weighing on activity now, it is expected to support future demand.



"A persistent closure of the Strait of Hormuz would severely impact crew mobilisations in the region as well as create logistical challenges for movement of equipment and higher insurance costs," said Lauren Mayhew, head of MENA Research at Welligence Energy Analytics, adding project delays would be expected across the region.

COMPANIES FACE EARNINGS HIT

For oilfield services firms, the impact has been immediate as activity in the Middle East has declined, and producers

US consumer

FROM PAGE B4

"Of course, even if higher gas prices don't fully offset the OBBBA, they would still reduce real spending power compared to what was expected before the Mideast conflict began. Higher gas prices are also mostly felt more evenly across the income distribution."

Stocks on Wall Street extended their decline, with the S&P 500 and Nasdaq Composite indexes dropping to more than six-month lows. The dollar was steady against a basket of currencies. US Treasury yields were mixed.

The survey's measure of consumers' expectations for inflation over the next year jumped to 3.8 percent this month from 3.4 percent earlier in March and in February. Consumers' expectations for inflation over the next five years slipped to 3.2 percent from 3.3 percent last month.

The Federal Reserve left its benchmark overnight interest rate in the 3.50 percent-3.75 percent range this month. In updated projections released alongside the decision, US central bank policymakers anticipated higher inflation and only a single reduction in borrowing costs this year.

"The evidence would appear to be for now that the inflation impact of high gas prices is expected to be temporary, but it would appear that the year-ahead expectation is set to jump above 4 percent in the preliminary April report," said John Ryding, chief economic advisor at Brean Capital.

"From a Fed perspective, the majority of the (policy-setting) committee might interpret this to mean that rates should be held steady."

Fishy trades

FROM PAGE B4

The Commodity Futures Trading Commission, which regulates derivatives markets, did not respond to several requests for comment.

On Thursday, a group of congressional Democrats introduced a bill that that would ban bets on elections, government actions, war and sports, CNBC reported. Even some members of Trump's own party are seeking clarity on the trades.

"Someone needs to be publicly shamed for insider trading," said Republican Jeremy Munson, a candidate for the Minnesota Senate.

Mark Neuman, chief investment officer at Hero Asset Management, said it should be possible to discover the identities of those who placed the trades in question, and suggested the problem resulted more from lax oversight.

"When you make a transaction, there are details you have to provide" to the exchanges, "so there's no secret," Neuman said. "If there were stricter regulators in this country, we would find out" their identities.

"But it seems this administration favors less regulation," he said. "It's really sad, because the integrity of the markets is being torn to shreds."

Trump officials tout US energy dominance as global oil execs warn of supply crisis

REUTERS, Houston

US officials this week said the historic spike in fuel prices during the war in Iran will be short-term and trumpeted record US production at an industry conference where oil executives and government officials from Asia, the Middle East and Europe bemoaned the worst oil and gas supply disruption in decades.

The contrasting messages relayed to industry leaders at the annual CERAWee conference in Houston reflected the different political realities in the US and the rest of the world.

US cabinet members said American consumers could absorb a temporary price shock. Their effort to project calm reflected the political stakes for President Donald Trump, who has slid in the polls even as he repeatedly said the war is already won and promised the financial pain will be short-lived.

Still, Iran has continued hitting its neighbors with missile and drone strikes while keeping the Strait of Hormuz closed to shipping, halting a fifth of global oil and gas supplies. Global oil prices have spiked above \$100 a barrel.

Supply disruptions have already slowed the global economy. Some countries in Asia dependent on Middle East oil face fuel shortages and are taking steps such as work-from-home directives. Europe is bracing for shortages to hit next month.

The impact of the war on energy supplies would last much longer than the conflict itself, executives said, because of damage inflicted on oil and gas infrastructure by Iran in response to the US-Israeli attacks.

Trump's approval rating has slumped to its lowest point since he returned to the White House, a Reuters/Ipsos poll found, as many Americans have blanched at surging fuel prices and disapproved of the war on Iran. Trump's Republican Party faces a fight to retain slim majorities in the US Congress in November's midterm elections. The issue of affordability has emerged as a central theme.



A maze of crude oil pipe and equipment is seen with the American and Texas flags flying in the background during a tour by the Department of Energy at the Strategic Petroleum Reserve in Freeport, Texas, US.

PHOTO: REUTERS/FILE

"Markets do what markets do," US Energy Secretary Chris Wright said in the keynote address at the conference. "Prices went up to send signals to everyone that can produce more, please, produce more. The prices have not risen high enough yet to drive meaningful demand destruction."

Wright touted expanding US liquefied natural gas exports, efforts to keep coal power plants from retiring and plans to cut red tape for new nuclear projects.

"Every day our mission remains clear: grow energy, improve American lives, strengthen American security and strengthen the world," Wright said.

Interior Secretary Doug Burgum acknowledged the higher fuel prices were impacting Americans but said it would be short-term.

"President Donald Trump is super empathetic, as we all are, about the fact that there's been a temporary increase in pricing," Burgum said at an event on the sidelines of the conference.

Executives and officials from other countries said the global energy system was in crisis and that high prices would not come down as quickly as Trump predicts even if the conflict ends.

Americans have not faced an immediate fuel shortage like those afflicting economies across Asia. Still, surging US gasoline pump prices have exposed American consumers to price rises on the global oil market that have priced in shortages. Higher fuel prices are also pushing up the cost of food and consumer goods.

"This is raising the cost of living for those who can least afford it and slowing economic growth everywhere. From factories to farms to families around the world, the human cost is mounting by the day," Sultan Al Jaber, CEO of Abu Dhabi's

state-run energy giant ADNOC, told attendees via videolink from the United Arab Emirates.

The UAE, like its Gulf neighbors, has been hit by Iranian missiles and drones and has had to cut oil production because it cannot export through the Strait of Hormuz.

Asian countries dependent on Middle East energy imports already face shortages of fuel and gas. Officials of Asian governments are weighing work-from-home policies and stimulus measures last enforced during the Covid pandemic.

Emergency efforts were "not enough" to ease market strain, said Takehiko Matsuo, Japan's Vice Minister for International Affairs.

Japan has asked the International Energy Agency for an additional release from strategic petroleum reserves. Tokyo also is tapping cash reserves to subsidise soaring gasoline prices and is considering intervening in oil futures markets to shore up the yen.

The Philippines declared a state of emergency. The country had just 45 days of oil supply as of March 20.

South Korea has asked people to cut shower time, charge phones during the day and run vacuums on weekends.

The fuel supply shortages would spread to Europe in April if the conflict continues, Shell CEO Wael Sawan said.

"Countries cannot have national security without energy security," Sawan said at the conference.

Consultancy Rystad Energy estimates that war damage to refineries, LNG and other facilities could cost \$25 billion to repair. Even undamaged infrastructure would take months to restart. Kuwait would take three to five months to get crude production back to pre-war levels, Kuwait Petroleum CEO Sheikh Nawaf Saud Al Sabah said.

"It will take time to come out of this," Chevron CEO Mike Wirth said Monday, noting that the energy market's tightness from the Strait of Hormuz closure has not yet been fully reflected in forward oil prices.

Dollar rises

REUTERS, New York

The dollar rose on Friday and was on course for its strongest monthly gain in almost a year, buoyed by safe-haven demand as the Middle East war intensifies and hopes fade for de-escalation.

The yen was particularly under pressure, falling in afternoon trading to its weakest since July 2024 and raising the possibility of currency market intervention by the Japanese authorities.

Iran is expected to respond on Friday to a US peace proposal to end the war, with US President Donald Trump and senior White House officials told by interlocutors to expect a counter-proposal.

US Secretary of State Marco Rubio said that the war was expected to last weeks, rather than months, and that US objectives could be met without ground troops.

US consumer sentiment slipped to a three-month low in March as war-driven oil price rises weighed on the economic outlook.

Safe-haven flows underpinned the dollar, which has also been lifted by rising expectations for a US rate increase this year. The dollar index rose 0.3 percent to 100.17, up 2.57 percent so far in March and on course for its best monthly showing since July 2025, when it rose 3.4 percent.

"Weekend trading is also, to a certain degree, taking hold in terms of what you might or might not want to be long or short over the weekend," said Marvin Loh, senior global market strategist at State Street in Boston. "The dollar has been pretty correlated with risk these days in the correct way."

While senior Iranian officials said diplomacy continued, the Islamic Revolutionary Guard Corps reiterated a ban on all shipping through the Strait of Hormuz that was linked to allies of the US and Israel.

Energy crisis may force Germany to run coal plants longer: Merz

AFP, Frankfurt

Chancellor Friedrich Merz said Friday that if the energy crisis sparked by the Middle East war dragged on, Germany might have to keep running coal-fired power plants longer than planned.

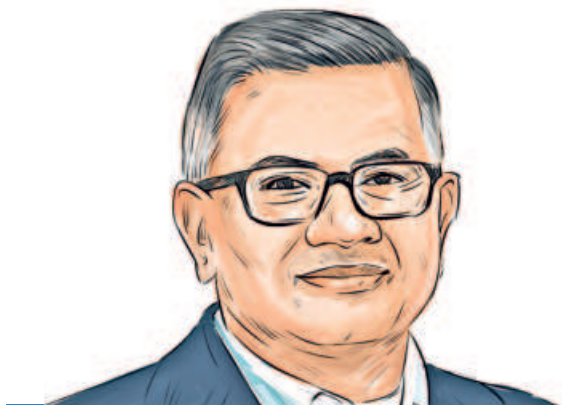
Germany has committed as part of its climate plans to gradually shutting down plants fired by anthracite and lignite and complete the coal phase-out by 2038 at the latest.

"If the energy crisis continues and a shortage actually occurs, we may even have to keep existing coal-fired power plants online for longer," Merz told a forum in Frankfurt organised by the FAZ newspaper.

"We have to supply this country with electricity. I am not prepared to jeopardise the core of our industry just because we have decided on phase-out plans that have become unrealistic."

Europe's biggest economy has for decades pushed an energy transition away from fossil fuels and nuclear energy by building up wind, solar and other clean and renewable energy sources.

While the Merz government has pledged to stick to national climate targets, it has prioritised boosting the stagnating economy and scrapped some green energy initiatives.



Muhit Rahman

ONE Bank targets digital growth

Managing Director Muhit Rahman highlights plans for SMEs and foreign trade

MD MEHEDI HASAN

Private commercial ONE Bank plans to expand digital banking and strengthen engagement with small and medium enterprises (SMEs) and foreign trade.

“ONE Bank currently has strong corporate clients, but there is significant room for growth in retail, SME, and digital services,” said Muhit Rahman, managing director of the bank, in an interview with The Daily Star.

He added that future banking will not rely solely on expanding branches, as digital platforms and fintech will play a major role.

Rahman, a former foreign bank executive with more than three decades of international banking experience, joined the local commercial lender as managing director in November 2025.

He previously worked at American Express and Standard Chartered Bank. He said his long career with global financial institutions convinced him that a mid-sized Bangladeshi bank could improve significantly with focused reforms.

Discussing digital expansion and SME lending, he said the new strategy includes expanding retail and SME banking while building on the bank’s traditional strength in corporate banking.

The bank plans to introduce more digital solutions in corporate banking, including cash-management systems, payment solutions, payroll services, and distributor financing for corporate supply chains. He said the bank also plans to deepen partnerships with fintech companies to expand financial inclusion.

ONE Bank already operates more than 160 locations and around 260 agent outlets, but these services require

stronger promotion and better digital integration, he added.

The bank is also studying nano-loan products, which some banks have recently introduced through mobile financial service platforms.

FOREX MARKET AND EXTERNAL RISKS

Regarding the forex market, Rahman, an MBA graduate from the Institute of Business Administration at the University of Dhaka, said ONE Bank has maintained strong foreign currency liquidity and did not delay international payments even during the dollar shortage over the past years.

The new strategy includes expanding retail and SME banking while building on the bank’s traditional strength in corporate banking

He said many Bangladeshi banks faced overdue import payments mainly because of temporary dollar shortages and exchange rate distortions rather than loan defaults.

“Bangladesh has never defaulted on international payments,” he said.

However, the ongoing war in the Middle East could pose risks if the conflict drags on, particularly through higher energy import costs and possible shipping disruptions. He suggested maintaining strong foreign currency liquidity and prioritising essential imports if global tensions intensify.

ADDRESSING NON-PERFORMING LOANS

On the non-performing loans (NPLs) situation, Rahman said NPLs in the

banking sector generally come from three sources: legacy loans, business downturns with weak monitoring, and, in some cases, loans taken under questionable circumstances.

However, he said ONE Bank has not found any fraudulent lending cases in its portfolio. He expressed hope that stronger governance, better monitoring, and an economic recovery could gradually improve asset quality.

Pointing to governance issues in some local banks, he said, “In multinational banks, decisions follow strict processes, and credit approvals go through multiple committees. Boards set strategy but do not approve individual credit proposals.

“In many local banks, accountability gaps exist. Strengthening accountability is essential before driving business growth.”

He also said that ONE Bank’s board has been supportive of improving governance and strengthening management structures.

NEED FOR STRONGER CAPITAL MARKET

Rahman said Bangladesh needs to develop its capital market to reduce heavy reliance on banks for financing.

“Almost everything in Bangladesh depends on bank lending. In developed markets, companies raise funds through bond markets and capital markets,” he said.

He added that Bangladesh could attract foreign portfolio investment and tap global funding sources such as green, sustainable, and Islamic finance.

The managing director of the third-generation bank also proposed organising an international banking forum in Dhaka to present Bangladesh’s

economic story and attract foreign lenders and investors.

“Many global banks already take part in trade finance linked to Bangladesh, but they rarely come together on a single platform to discuss opportunities. Such engagement could help increase trade finance flows, foreign investment, and international confidence in Bangladesh’s financial sector,” he said.

LENDING STRATEGY AND OUTLOOK

Regarding ONE Bank’s lending strategy, Rahman said the private bank plans to increase its exposure to Bangladesh’s key export sector – ready-made garments – as well as pharmaceuticals, commodities, and infrastructure-related industries such as steel.

He said future lending will increasingly depend on cash-flow-based credit assessment rather than collateral-based lending.

“If banks focus more on cash-flow-based lending instead of relying only on collateral, asset quality will improve,” he said, adding that weak collateral execution has contributed to the country’s high level of non-performing loans.

While discussing the outlook, Rahman remained cautiously optimistic despite challenges such as high interest rates, slow private sector credit growth, and global uncertainties.

“Economic activity could gradually recover if business confidence improves and reforms in the banking sector continue. With stronger governance, digital transformation, and support for SMEs, banks can play a bigger role in employment generation and economic growth,” he said.

Making the case for a regulatory reform commission

MAMUN RASHID

For years, businesses in Bangladesh have struggled with an invisible but formidable opponent: a web of outdated, inconsistent and burdensome regulations. Navigating this bureaucratic maze, often justified in the name of oversight, has meant unpredictable delays, opaque procedures and uneven enforcement. As the new government seeks to revitalise the economy and attract fresh investment, regulatory reform is not merely timely. It is essential.

In response to mounting pressure from domestic business leaders and international development partners, the immediate past interim government discussed an ambitious reform agenda. Although it produced little in the way of a concrete action plan, I believe the centrepiece should be a “Regulatory Reform Commission” (RRC), tasked with overhauling archaic rules that constrain economic activity. Its role must be continuous and proactive: to monitor, evaluate and streamline the full spectrum of economic, especially business-related, regulations.

This is not Bangladesh’s first attempt. Against the backdrop of earlier efforts in 2005-2006, the caretaker government set up a commission in 2007, led by the late Akbar Ali Khan. It dissolved after 2008, largely because political continuity was lacking. That experience offers a clear lesson. From my engagement with the earlier “Better Business Forum”, which helped establish the original RRC, I can say business owners repeatedly stressed that leaving reform solely to line ministries would yield little progress. What is needed is a central authority with a clear mandate and strong political backing.

The case for reform is also borne out by data. Bangladesh continues to lag behind regional peers in measures of the business environment.

In early 2025, the country scored 56.99 out of 100 in the regulatory framework pillar, placing it in the bottom quintile among 50 surveyed economies. Despite positive steps such as the digitalisation of trade documentation and one-stop service initiatives, entrepreneurs still face regulatory uncertainty that stifles innovation and deters investment. Foreign direct investment fell by 5 percent in FY24, a worrying signal for an economy that relies on private capital to drive growth.

Recent economic headwinds have sharpened the urgency. GDP growth has slowed, prompting the World Bank to revise its annual forecast to 4 percent. Domestic revenue rose by just 3.7 percent in the first quarter of FY25, compared with 17.7 percent a year earlier. In response, the government has secured more than \$3 billion in World Bank funding, with a significant share earmarked for regulatory and structural reforms.

Analysts point to two persistent weaknesses. Many regulations are outdated or no longer fit for purpose. At the same time, Bangladesh lacks clear frameworks to govern emerging technologies and new business models. Policymakers are too often playing catch-up. This widening gap between regulation and reality strengthens the argument for a permanent reform commission.

If the RRC is to avoid becoming a token initiative, it must be established by law and insulated from political cycles. Drawing on past experience, a three-tier structure could prove effective: broad consultation to identify bottlenecks; expert-led design of reforms aligned with global best practice; and institutional mechanisms to ensure implementation. The earlier commission made tangible progress when backed by the Better Business Forum and strong leadership. It should again operate within a wider public-private ecosystem.

Bangladesh must move away from reactive, piecemeal regulation towards a strategic and forward-looking approach. A well-designed Regulatory Reform Commission can help achieve that goal, not only by cutting red tape but by making the economy more adaptive, inclusive and competitive in a fast-changing world.

The writer is an economic analyst and chairman at Financial Excellence Ltd



Fishy trades before major news spark insider trading allegations

AFP, New York

Unusual bursts of trading on the oil and stock markets this week, just minutes before social media posts on the Iran war by President Donald Trump, have added to suspicions of insider trading linked to his administration.

Democratic lawmakers, traders and industry watchdogs are raising alarms, saying such seemingly prescient bets are forming a pattern that suggests people are profiting from prior knowledge of White House decision-making.

“This is the kind of thing that makes people wonder if their government is acting in their best interest or trying to enrich certain individuals,” said Jordan Libowitz, vice president of the ethics watchdog Crew.

In the latest case, trading in oil and S&P 500 futures contracts, in which an investor promises to buy or sell an asset at a fixed price at a later date, saw an unusual spike in trading early Monday.

Just 15 minutes later, Trump posted on his Truth Social network that talks with Iran were “very productive” – a dramatic shift in tone after Trump warned Saturday that he had given Tehran 48 hours to reopen the Strait of Hormuz or face strikes on its energy grid.

The news sent oil prices plunging and stocks surging. People who placed the flurry of futures trades beforehand likely pocketed tens of millions of dollars, according to calculations by a market operator for AFP.

“Seeing large transactions like these before an announcement is a little suspicious,” said Michael Lynch, an oil analyst at Strategic Energy & Economic Research. “It’s unusual. You don’t see this at this level in the oil market.”

Monday’s incident came a few weeks after six accounts on the betting site Polymarket made \$1.2 million on bets that the United States would attack Iran on February 28, the day the war began.

According to an analysis by the

analytics firm Bubblemaps, the bets were placed just hours before the bombings were reported.

And in early January, an individual pocketed more than \$400,000 after betting on Polymarket that Venezuelan leader Nicolas Maduro would be ousted just hours before he was seized in a raid by US forces.



So far, there is no evidence to suggest that Trump or White House officials are linked in any way to these transactions.

“Any insinuation, without evidence, that a member of the government engaged

in these acts is baseless and irresponsible,” a White House spokesperson told several media outlets.

Still, critics of the administration see the trades as evidence of corruption.

Democratic Senator Chris Murphy posted on X: “Who was it? Trump? A member of his family? Someone in the White House? This is unbelievable corruption.”

The transactions have provided further ammunition for Democratic lawmakers and other critics who have accused Trump of conflicts of interest since the beginning of his second term last year.

Members of his family have made hundreds of millions of dollars in profits from cryptocurrencies, a market he has sought to deregulate.

The Chicago Mercantile Exchange, the world’s largest market for trading derivative financial products, and the US Securities and Exchange Commission both declined to comment.

READ MORE ON B2

UN chief launches task force to aid passage of fertiliser through Hormuz

AFP, United Nations

UN Secretary-General Antonio Guterres has launched an interagency task force to help secure the passage of fertilizers through the Strait of Hormuz, his spokesperson announced on Friday.

“As the conflict in the Middle East unfolds and threatens to intensify, disruptions in maritime trade through the Strait of Hormuz risk creating ripple effects impacting humanitarian needs and agricultural production in the coming months,” Stephane Dujarric said. “Immediate action is essential to mitigate these consequences.”

The “dedicated task force” will work to “develop and propose technical mechanisms” that will “facilitate fertilizer trade, including the movement of related raw materials” through the strait.

The group includes representatives from several international agencies and will work “in close consultation” with relevant UN member states.

Dujarric noted that the secretary-general had phone calls in recent days with representatives of Iran, the United States, Pakistan, Egypt and Bahrain.

“We have a lot of experience on kind of these types of mechanisms in conflict zones,” he said while referencing an agreement that allowed Ukrainian grain to transit the Black Sea for a little over a year after Russia’s invasion of Ukraine.

The establishment of the task force comes as the planting season – which will require fertilizer – is about to begin in many of the world’s major agricultural regions.

US consumer sentiment slides to three-month low as war fans inflation fears

REUTERS, Washington

US consumer sentiment fell more than expected in March, touching a three-month low, as war in the Middle East stoked inflation worries and cast a shadow over the economic outlook.

The decline, reported by the University of Michigan’s Surveys of Consumers on Friday, occurred across political party affiliation and age groups, with large decreases among middle- and higher-income consumers as well as those owning stocks.

The month-long US-Israeli war with Iran has sent global oil prices surging more than 50 percent. Retail gasoline prices have jumped \$1 to an average of \$3.98 per gallon, data from motorist advocacy group AAA showed, while the S&P 500 index has dropped about 6.7 percent.

Though the correlation between consumer sentiment and spending is weak, rising gasoline prices and falling share values, combined with a stagnant labor market, could undercut consumption and hamper economic growth. Higher-income households have led consumer spending, underpinned by robust wealth levels.

“Sentiment hit a record low in mid-2022 when inflation was at its highest

level in decades, but the economy held up with solid GDP growth and an historically strong labor market,” said Gus Faucher, chief economist at PNC Financial.

“But if the conflict drags on, gasoline prices move even higher in the summer driving season, and stocks continue to falter, consumers could throw in the towel

and start to pull back on their spending.”

The University of Michigan said its Consumer Sentiment Index dropped to a final reading of 53.3 this month, the lowest reading since December, from 55.5 earlier. Economists polled by Reuters had forecast the index would ease to 54.0.

It was at 56.6 in February and is not



A shopper browses a food display while shopping for groceries at an Albertsons supermarket in Redmond, Washington, US.

PHOTO: REUTERS/FILE

too far from a record low touched in June 2022. The survey’s short-run economic outlook gauge plunged 14 percent, while a measure of year-ahead expected personal finances sank 10 percent. Declines in long-run expectations were more subdued, the survey showed.

“These patterns suggest that, at this time, consumers may not expect recent negative developments to persist far into the future,” said Joanne Hsu, the director of the University of Michigan’s Surveys of Consumers.

“These views are subject to change, however, if the Iran conflict becomes protracted or if higher energy prices pass through to overall inflation.”

WILL GASOLINE PRICES OFFSET TAX CUTS?

There are worries that gasoline prices, should they continue to rise, could cut into the fiscal boost from tax cuts ushered in by the One Big Beautiful Bill Act. Economists at JPMorgan estimated that could happen if the national average price rises close to \$5 per gallon or more. Prices at the pump in California and Washington state have already topped \$5 per gallon.

“As things stand now, the increase in gasoline prices to date is unlikely to fully offset the magnitude of lower taxes,” they wrote in a note.

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