

Indian rupee hits fresh record low

AFP, Mumbai

India's rupee fell to a record low of more than 95 to the dollar on Monday, before recovering, despite recent efforts by the central bank to stem its fall.

The rupee was among Asia's worst forex performers in 2025, and its underperformance has continued well into this year, hitting new lows on a regular basis.

Experts say the Middle East war has piled more pressure on the currency, as overseas investors offload Indian shares, and as concerns grow over India's rising energy import bill and the possibility of a wider current account deficit.

On Monday afternoon, the rupee hit 95.21, down 0.3 percent from Friday's close, before recovering later to 94.83.

The world's most populous nation is one of the "most vulnerable economies within Asia to an energy price shock", analysts at Nomura wrote in a note on Monday.

This has partly caused overseas investors to sell around \$12 billion in Indian equities in March so far.

"Foreign outflows from Indian equities could intensify, if the Middle East conflict tightens global financial conditions significantly," Nomura analysts added.

More significantly, the rupee's drop comes despite recent interventions by the Reserve Bank of India (RBI) to stem the fall, including via aggressive dollar sales.

On Friday, the RBI clamped down on speculation in the foreign exchange market by limiting to \$100 million the daily currency positions that lenders can have.

"By capping onshore exposure, the RBI forces unwind ... long-dollar positions, draining speculative fuel from the market," Raj Gaikar of SAMCO Securities told AFP.

Inland cargo transport at risk as lighters starved of fuel

FUEL SHORTAGE DISRUPTING INLAND CARGO FLOW

LIGHTER VESSEL OPERATIONS

1,400 vessels transport imports nationwide

They need 3.5 lakh litres of diesel daily

But current supply is around just 10%



CURRENT SITUATION

80 mother vessels waiting at Ctq port outer anchorage, Kutubdia

They are carrying wheat, food grains, fertiliser, raw materials

IMPACT

Long delays in unloading and inland transport

Loaded lighter vessels stranded 6-8 days

Supply chain disruptions threaten to hike prices

DWAIPAYAN BARUA, Ctq

Lighter vessels are facing fuel shortages that are slowing and disrupting their regular operations to unload cargo from mother ships at Chattogram port's outer anchorage.

Besides, smaller vessels that have managed to unload cargo from mother vessels cannot head to around 50 inland destinations across the country, as fuel supplies remain insufficient.

If the situation does not improve, unloading from Chattogram-bound mother vessels could grind to a halt, according to the Bangladesh Water Transport Coordination Cell (BWTCC).

BWTCC, the central organisation responsible for coordinating bulk cargo across inland waterways, sent a letter to the finance minister on Monday.

The cell said it earlier wrote to the secretary of the power, energy and mineral resources ministry, urging uninterrupted fuel supplies. But day-to-day operations continue to face severe shortages.

"State-owned fuel suppliers Padma, Meghna and Jamuna have repeatedly failed to provide enough diesel to marine dealers," the cell's Convener Shahiq Ahmad wrote in the letter to the finance minister.

"Due to the shortage of fuel, lighter vessels are unable to regularly load cargo from mother vessels or even transport loaded cargo," he mentioned.

Ahmad added that lighter vessels are waiting for long periods to reach the outer anchorage for unloading import cargo, while many with loaded cargo are unable to depart for their destinations.

Around 1,400 lighter vessels move import cargo from the outer anchorage to more than 50 destinations across Bangladesh's inland waterways. BWTCC supervises around 1,050 of the vessels, while industrial groups own the remaining 350.

BWTCC is responsible for allocating lighter vessels to unload cargo from at least 55 of these ships. Ahmad said the cell usually assigns 70 to 80 lighters per day for cargo operations. These vessels collectively require over 3.50 lakh litres of diesel, but only 10 percent of the demand is being met.

"The fuel shortage is so severe that BWTCC cannot even hold its regular berthing meetings," he added.

Currently, about 80 mother vessels remain at the port's outer anchorage and Kutubdia anchorage in the Bay of Bengal. Most are carrying imported wheat, other food grains, fertiliser and industrial raw materials.

Among the mother ships, MV Pan Sapphire arrived at Kutubdia anchorage on March 23 carrying 60,000 tonnes of wheat.

Sarwar Alam Sagar, director of ship's handling firm Aryan Stevedor, said the vessel was scheduled to reach the port's outer anchorage within three days after unloading 15,000 tonnes at Kutubdia.

"But in the past eight days, it has only managed to unload 12,000 tonnes because there are not enough lighter vessels to service it due to fuel shortages," Sagar said.

Parvez Ahmed, a BWTCC leader and proprietor of Mutual Shipping, said at least seven of their loaded lighter vessels had to wait six to eight days before departing for their destinations because diesel supplies are inadequate.

Meanwhile, BWTCC Convener Ahmad said a Dhaka-bound lighter vessel needs 3,500-4,000 litres of diesel for a round trip from Chattogram.

"Unlike the highway, there are no refuelling pumps on the waterways. That is why a vessel needs the full volume of fuel before starting the trip. But suppliers are only providing 500-600 litres," he said.

He further said that delays in cargo transport could disrupt supply chains and ultimately push up product prices.

Friend-shoring reshapes supply chains

SAZZADUL HASSAN

Globalisation once promised an economy in which efficiency, cost and comparative advantage determined where goods were produced. For decades, companies stretched supply chains across continents in search of lower costs. That model delivered growth, but it also created long, complex networks vulnerable to disruption. Recent geopolitical shocks have exposed the weaknesses of this hyper-globalised system. In response, a new concept called "friend-shoring" has emerged.

Friend-shoring refers to relocating supply chains to countries that share political values, strategic interests or geopolitical alliances. Rather than sourcing from the cheapest producer anywhere in the world, companies increasingly prefer to manufacture or procure goods from nations seen as reliable partners. By relying on trusted allies, firms hope to secure stable access to critical materials and components during crises. The term "friend-shoring" was popularised in 2022 by US Treasury Secretary Janet Yellen, who argued that trusted partners should work together to make supply chains more resilient to geopolitical disruption.

The idea gained traction during the supply-chain upheavals caused by Covid-19. Lockdowns at major manufacturing hubs delayed shipments of vital goods, from medical equipment to semiconductors. Shortages spread quickly across industries. The war in Ukraine and rising tensions between the United States and China further highlighted how deep economic interdependence could become a geopolitical risk. In this volatile environment, resilience now carries as much weight as efficiency. Governments and businesses want supply chains that are less exposed to political tensions, sanctions, trade disputes or sudden disruption. Across strategic sectors, they are reconfiguring sourcing and production towards trusted partners.

In semiconductors, legislation such as the US CHIPS Act and major investments by companies including Intel and TSMC are redirecting advanced chip production towards allied countries. In batteries and electric vehicles, new factories are being built in the United States, Europe and East Asia to reduce reliance on China. Covid-era shortages prompted efforts to reshore pharmaceutical and active pharmaceutical ingredient production. Partnerships on critical minerals and rare earth processing, notably among Australia, Japan, South Korea, the United States and Canada, aim to secure raw material supplies. Defence and dual-use manufacturing have become more concentrated within NATO and allied networks, while large technology firms have diversified assembly operations to countries such as Vietnam, India and Mexico.

Friend-shoring offers clear advantages. It can strengthen resilience by spreading production among politically reliable partners and reducing dependence on any single supplier for strategic goods such as chips, minerals and medicines. It may also deepen economic ties among like-minded nations. However, the shift is not without cost. Moving production away from the lowest-cost locations may raise manufacturing expenses and, ultimately, consumer prices. There is also a risk that global trade fragments into competing geopolitical blocs, eroding efficiency gains built over decades and potentially slowing global growth. For businesses, the implications are significant. Geopolitical risk must now be integrated into supply-chain strategy. Companies are diversifying suppliers, building regional production hubs and strengthening partnerships in politically stable countries. Flexibility, once viewed as inefficiency, is increasingly seen as protection.

Bangladesh faces both opportunity and risk as this trend unfolds. The country could attract new investment if multinational firms seek alternative production bases outside geopolitically sensitive locations. With its strong garment sector and competitive labour force, Bangladesh can position itself as a reliable manufacturing partner for Western markets. Yet challenges remain. If global trade increasingly operates within strategic blocs, countries outside major alliances may struggle to secure long-term commitments. To respond, Bangladesh must strengthen economic diplomacy, diversify export markets and upgrade manufacturing capabilities. Improving logistics, enhancing regulatory transparency and investing in infrastructure will be essential to remain competitive in a rapidly evolving supply-chain landscape.

The writer is the chairman and managing director of BASF Bangladesh Limited



China's factory activity expands at quickest pace in a year

AFP, Beijing

China's factory activity expanded in March at its quickest pace in a year, official data showed on Tuesday, ending a two-month slump as production picked up after the annual Spring Festival holiday.

The world's second-largest economy has been struggling with a slowdown in domestic demand and investment in recent years that has weighed on its vast manufacturing sector.

Despite this, the manufacturing

purchasing managers' index -- a key measure of industrial health -- rose to 50.4 in March, according to the National Bureau of Statistics (NBS).

That figure was up from 49.0 in February and 49.3 in January, and beat a forecast of 50.1 in a Bloomberg survey of economists.

It is the highest since March 2025 when the PMI was 50.5.

NBS statistician Huo Lihui attributed March's expansion to the "resumption of work and production after the Spring Festival", which led to increased market

activity.

There was an acceleration in the production activities of manufacturing enterprises and a marked improvement in market demand, Huo said.

China's non-manufacturing PMI -- a gauge of activity across services and construction -- was 50.1 in March, an improvement from February's slump of 49.5.

The data has underscored some resilience in China's economy despite the uncertainty that the raging Middle East war has brought about, after US-

Israeli strikes on Iran triggered Tehran's retaliation that sharply restricted access to the Strait of Hormuz.

The outlook for the second quarter is unclear, and the market is "increasingly worried" about the risk of global growth slowdown and supply chain disruption, Zhiwei Zhang, president and chief economist at Pinpoint Asset Management, wrote in a note.

"While China has ample energy reserves to mitigate the term of trade shock, a global growth slowdown would dampen China's exports," Zhang said.

Top US trade official slams WTO after failed talks

AFP, Washington

US Trade Representative Jamieson Greer on Monday lambasted the World Trade Organization after high-level talks ended with a failure to extend a years-long ban on customs duties for e-commerce.

"I have always been skeptical of the value of the WTO, and this week's conference confirmed that this organization will play only a limited role in future global trade policy efforts," Greer said in a statement.

The WTO's top-level ministerial conference that opened in Cameroon on March 26 ended Monday with no significant agreements and deep divisions on display.

As a result of the failure to agree on e-commerce duties, a WTO moratorium that since 1998 has exempted cross-border digital transmissions from duties expired Monday.

It does not mean tariffs will automatically be imposed, but it deals a heavy blow to developed countries and the United States in particular.

The talks had taken place against a backdrop of global economic turmoil linked to the Middle East war, and a trade environment upended by US President Donald Trump's wide-ranging tariffs.

For nearly three decades, every WTO ministerial -- its biennial decision-making body -- has negotiated extending the moratorium exempting electronic transmissions from customs duties. The United States identified Brazil and Turkey as the countries that blocked the extension at the meeting in Cameroon.

Greer said Washington would now "work outside of the WTO with all interested partners to get it done."

Asia barter for scarce energy as Iran crisis throttles supplies

REUTERS, Tokyo/Colombo/Wellington

Indonesia's leader visited Tokyo this week in Asia's latest flurry of fuel bartering efforts to offset crippling shortages caused by conflict in the Middle East, a key source of regional energy supplies.

The race for alternatives has hotted up as China, the world's second largest economy, imposed fuel export bans, while nations such as South Korea and Thailand try to exploit the lifting of US sanctions on Russian energy as a stopgap move.

Matters are getting desperate for poorer nations as the Philippines became the first to declare a national energy emergency, Sri Lanka cut its work week to four days and rationed fuel, and Myanmar limited car drivers to alternate days.

Southeast Asia's biggest economy and the world's fourth most populous country, Indonesia is also expected to announce curbs in coming days.

"To maintain rational economic relationships is of vital importance," President Prabowo Subianto told Japanese business leaders in Tokyo after pacts signed on Monday covering long-term oil and gas and geothermal power projects.

"The geopolitical situation in the

Middle East gives strategic uncertainty for the security of our energy."

More immediately, Jakarta could strike a deal to beef up supplies of liquefied natural gas to Tokyo in exchange for liquefied petroleum gas, an essential cooking fuel, Djoko Siswanto, the head

of oil and gas regulator SKK Migas, told Reuters on Monday.

While Prabowo and Japan's Sanae Takaichi agreed to boost ties on energy security at a meeting on Tuesday, neither leader confirmed such a swap agreement.

Japan's government-backed oil and

gas producer Inpex is discussing a similar barter deal with India to swap LPG for naphtha and crude oil, according to an internal Japanese government document seen by Reuters.

Vietnam has also sought Japan's help for energy supplies, it showed, while the Philippines said on Monday it had received diesel from Tokyo.

Japan's trade minister stressed the importance of keeping up fuel supplies to Southeast Asian nations where it has supply chains, but declined to comment on specific deals.

Resource-poor Japan relies on the Middle East for about 95 percent of its oil and 11 of its imports of liquefied natural gas, though its energy stockpiles are among the world's largest.

Australia's position as a major energy producer and exporter should give it clout in talks with Asian partners for supplies of jet fuels that could soon run short, energy analysts said.

The government was engaging with major suppliers such as China, Singapore and South Korea, Foreign Minister Penny Wong said this month.

However, China has banned exports of refined fuel, including jet fuel, to safeguard its economy from energy disruption.



An oil tanker is guided to a berth at a port in Qingdao, in China's eastern Shandong province. The race for alternatives has hotted up as China, the world's second largest economy, imposed fuel export bans.

PHOTO: AFP/FILE