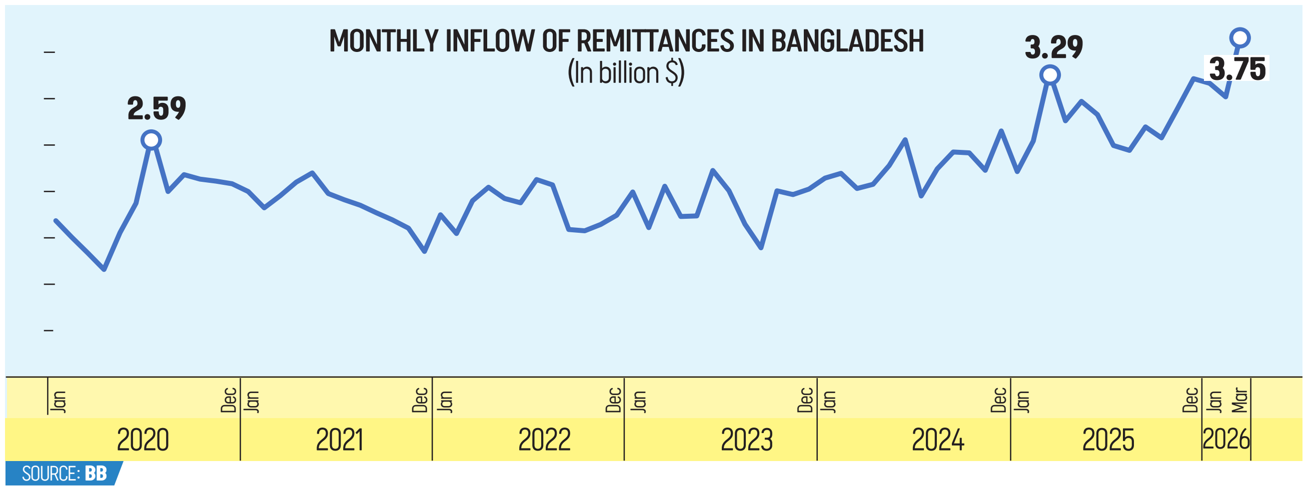
DHAKA THURSDAY APRIL 2, 2026, CHAITRA 19, 1432 BS ● starbusiness@thedailystar.net

Star BUSINESS

Remittances all-time high of $3.75b

Expats sent more before Eid in March, offering relief amid concerns over war fallout on economy

STAR BUSINESS REPORT



Remittance hit $3.75 billion in March, the highest on record, giving a respite amid deepening worries over the ripple effect on Bangladesh's struggling economy due to the US-Israel war on Iran.

The inflow in March was 14 percent higher than $3.29 billion in March 2025 as Bangladeshis working abroad sent increased amounts to their loved ones ahead of the Eid-ul-Fitr festival on March 21.

Overall remittance, which acts as a major source for Bangladesh to clear its external payments, rose 20 percent to $26.20 billion in the July-March period compared to a year ago, according to Bangladesh Bank (BB) data released yesterday.

The surge comes against the backdrop of heightening concern over the possible impact of the war on remittances in the coming months as the conflict spreads across the Gulf -- key employment destinations for Bangladeshi migrant workers.

Nearly 800 Middle East-bound flights from Bangladesh have been cancelled since the war with Iran on February 28, mostly affecting migrant workers.

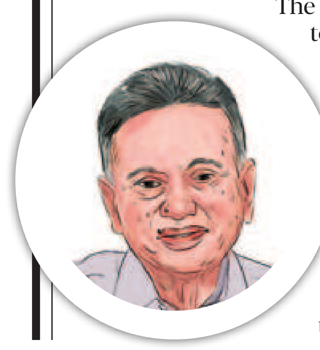
Last week, the Asian Development Bank (ADB), in a report, said Bangladesh and other South Asian countries could

READ MORE ON B3

Govt will not print money to fund budget

Says finance minister

STAR BUSINESS REPORT



The government will not resort to printing money to finance its budget, instead aiming to revive the economy through investment and stronger resource mobilisation, Finance Minister Amir Khosru Mahmud Chowdhury said yesterday.

"We do not want to print money," the minister told journalists after a meeting with officials of the National Board of Revenue (NBR).

He said the government's priority is to shift from a debt-dependent model to an investment-driven economy capable of generating sustainable growth and employment.

The minister described the situation as presenting "three types of challenges" -- reviving a struggling economy, fulfilling electoral pledges, and coping with the fallout from the Middle East conflict, which has pushed up fuel import costs.

His remarks come as Bangladesh faces increasing fiscal pressure, marked by lower-than-required revenue collection and rising government borrowing to manage expenditure.

"We have inherited an economy in a very difficult state. First, we have to salvage it. At the same time, we must deliver on the commitments we made to the people," he said.

He underscored resource mobilisation as "extremely important" for stabilisation and future growth, warning that policy promises would be difficult to uphold without it.

"One of our major problems has been the lack of continuity in policies. Investors come, and then policies change, which sends the wrong message," the minister said.

Efforts are underway to attract domestic and foreign capital, with Chowdhury noting strong interest following the elections.

"Investors had been waiting, and we are now receiving strong responses," he said, expressing optimism about a pickup in inflows if reforms are implemented swiftly.

The reform agenda includes "serious deregulation" and restoring discipline in the financial sector and capital market to improve the investment climate.

READ MORE ON B3

NBR chairman slams bourses, CDBL for not listing

STAR BUSINESS REPORT

National Board of Revenue (NBR) Chairman Md Abdur Rahman Khan yesterday slammed the country's two premium bourses and the sole securities depository for failing to go public, despite more than a decade having passed since demutualisation.

He expressed his frustration on the matter in a pre-budget meeting with stock market stakeholders held at NBR's auditorium in the capital.

Demutualisation happened in 2013, he said, and the Dhaka Stock Exchange (DSE) should have offloaded shares in the stock market right afterwards.

The Chittagong Stock Exchange (CSE) and Central Depository Bangladesh Ltd (CDBL) should have done it too, he said. However, all three remain unlisted.

"Why haven't you (DSE, CSE, and CDBL) been listed yet?" he posed the question at the meeting.

READ MORE ON B3

Startup investment firm set to launch with Tk 600cr from 39 banks

It eyes Uber, Instagram-style startups, chairman says

MD MEHEDI HASAN

Bangladesh's first large-scale venture capital firm, an investment management company supported by 39 banks, will begin operations next month to address the long-standing funding gap for local startups.

Named Bangladesh Startup Investment Company (BSIC), the firm has raised nearly Tk 600 crore in initial capital. It plans to begin operations on April 30 and invest in at least three startups by June 30.

Guided by the Bangladesh Bank (BB), the BSIC will provide equity financing, strategic support, and opportunities for international co-investment to help promising startups scale, officials said.

"BSIC will serve as a full-service institution for young entrepreneurs," BSIC Chairman Mashrur Arefin, and managing director of City Bank Plc, told The Daily Star.

"It will provide not only funding but also ongoing monitoring and strategic guidance to help businesses grow. We know 90-95 percent of startups fail, but if even a few succeed and one or two reach global markets, that will be a significant achievement. Such successful firms will also generate many new jobs," he added.

The country's startup growth, strong a decade ago, has slowed over the past two to three years due to tighter global venture capital flows and cautious investors.

Early successes like Pathao and Chaldal attracted foreign funding, but limited profitable exits, regulatory hurdles, low internet penetration, shifting capital to AI, weak local AI startups, macroeconomic pressures, and political uncertainty have all dampened investor confidence.

BSIC secures Tk 600cr to back emerging startups	Operations start April 30; first investments likely by June	Fund formed under BB using 1% of banks' profits
Investments will be equity-based, not loans	Initial focus on health, agriculture & education	Long-term aim: build global-scale startups

BSIC will invest only after a startup demonstrates market demand, has a basic operational setup, and shows growth potential, rather than funding ideas at the concept stage.

Officials said the company will initially focus on ventures in health, agriculture, education, transport, retail, and logistics, offering funding in exchange for equity stakes.

If the selected startups perform well, BSIC will also bring in foreign venture capital to co-invest, helping local entrepreneurs scale and access global technology and expertise.

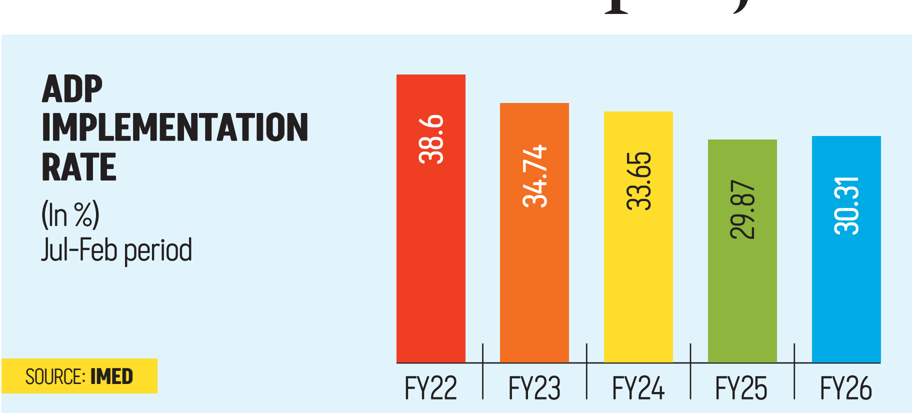
Between 2027 and 2028, BSIC plans to invest in 8 to 12 startups, and from 2029 onward, it aims to exit successful ventures through stock market listings or direct stake sales.

Arefin, also chairman of the Association of Bankers, Bangladesh, said that although the process began under the interim government, new BB Governor Md Mostaqur Rahman has actively overseen its progress. "The governor asked us to focus on developing the rural economy. We will give that high priority," he added.

The long-term goal, Arefin said, is to build globally competitive startups in Bangladesh that could one day rival Uber, Instagram, Facebook, Spotify, or Airbnb, creating large-scale employment.

READ MORE ON B2

Development spending trails at 30% as govt transition slows projects



MD ASADUZ ZAMAN

Even eight months into the current fiscal year, government agencies have spent barely a third of the annual development budget thanks to administrative inactivity as the interim administration ended its term and a new government assumed office.

In the July-February period of FY2025-26, ministries and divisions used 30.31 percent of their total allocation, according to the Implementation Monitoring and Evaluation Division (IMED).

This is a slight increase from 29.87 percent recorded during the same period last year. In FY24, the implementation rate was higher, at 33.65 percent over the same timeframe.

Despite the marginal rise in implementation rate compared to FY25, actual spending fell.

ADP expenditure in the first eight months of FY26 stood at Tk 63,327 crore, down from Tk 67,553 crore in the corresponding period of FY25.

Development spending hit a historic low in FY25, with only 68 percent of the revised ADP implemented, the weakest performance since FY1976-77.

Planning ministry officials said last year's disruption followed the fall of the Awami League government in a mass uprising, which prompted many project directors to abandon their posts.

READ MORE ON B3

Plastics sector at risk as supply chains falter

JAGARAN CHAKMA

Bangladesh's plastics industry is facing a severe disruption, as the ongoing US-Israel war on Iran rattles global energy and petrochemical markets, industry insiders say.

With oil flows and key shipping routes like the Strait of Hormuz under strain, raw material supply has tightened sharply.

Manufacturers in the country warn stocks may last only weeks, raising fears of production cuts, higher prices, and pressure on exports.

Resin, the key raw material for plastics, which used to cost around $900-$950 per tonne, is now selling at $1,500-$1,600, as crude oil prices have surged from about $60-$70 per barrel to $115-$120, sharply increasing production costs.

The pressure is already visible across factories.

"Some factories are facing shutdown within 10 to 16 days if supplies are not restored," said Anisur Rahman, deputy executive director of Premiaflex Plastics Limited under ACI PLC.

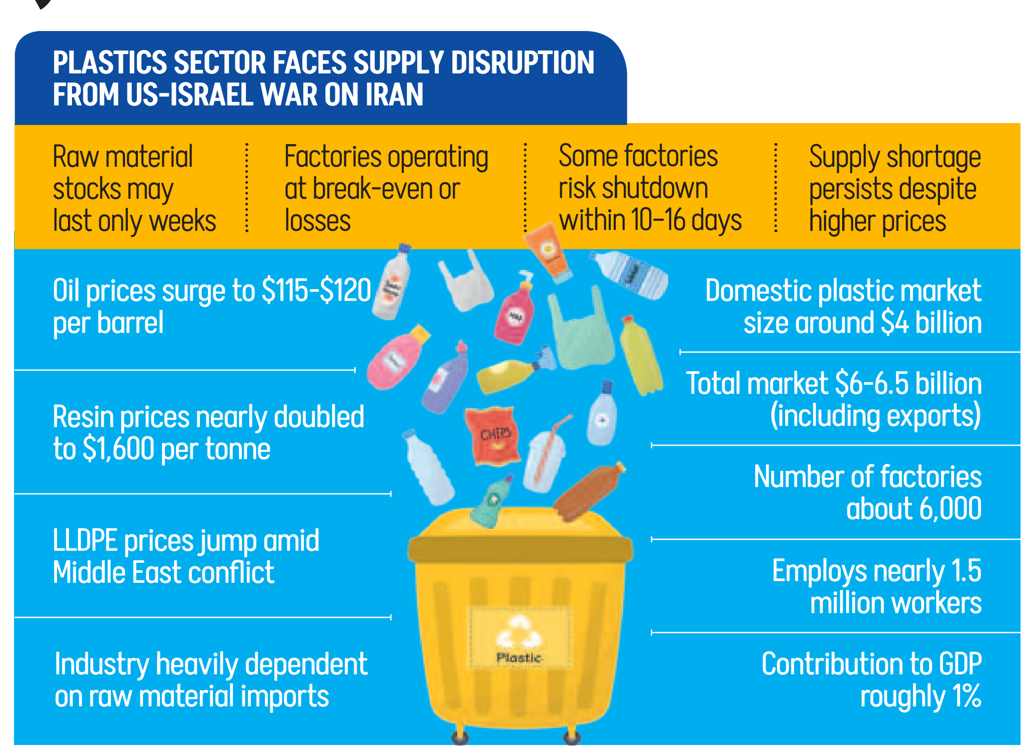
"Some companies have stock for a week, others for a month or two. But beyond that, uncertainty is overwhelming," he said.

Industry insiders noted that the core issue is a supply shortage rather than cost.

"Even if we offer Tk 100 to purchase something that used to cost Tk 10, suppliers cannot deliver," Rahman said.

To cope, manufacturers are funnelling raw materials towards producing some selected products, aimed at a specific section of customers who are willing to accept higher prices, he said.

The situation has been further complicated by difficulties in opening and adjusting letters of credit (LCs), with many suppliers unable to fulfil orders or demanding revised terms.



Prices of LLDPE, a key packaging material, have risen from around $1,900 to $2,100-$2,200 per tonne following the Middle East conflict, while some LLDPE grades are now unavailable.

Rahman said his factory may continue operations for the next one to two months, but warned that prolonged instability could trigger widespread shutdowns.

The strain is not limited to a segment of the market, but has spread throughout.

RN Paul, managing director of RFL, said the company can continue operations for only about two more weeks using existing inventory amid ongoing supply constraints.

READ MORE ON B2

Premmit Singh, president and managing director of Toyota Bangladesh Limited, and Mamur Ahmed, senior executive vice-president and head of distribution network of Prime Bank PLC, pose for a photograph during the signing ceremony at the former's office in the Tejgaon Industrial Area of Dhaka recently.

PHOTO: PRIME BANK

Prime Bank customers to get benefits on Toyota car purchases

STAR BUSINESS DESK

Prime Bank PLC has signed a strategic partnership agreement with Toyota Bangladesh Limited, the brand's official subsidiary and distributor in the country, to offer benefits to its customers and employees on vehicle purchases.

Mamur Ahmed, senior executive vice-president and head of distribution network of the bank, and Premmit Singh, president and managing director of the automotive company, signed the agreement at the latter's office in the Tejgaon Industrial Area of Dhaka recently, according to a press release.

Under the agreement, Prime Bank customers will enjoy special discounts on selected Toyota vehicles.

The partnership reflects the bank's ongoing commitment to delivering enhanced value and lifestyle benefits to its customers through strategic collaborations, the release added.

Joarder Tanvir Faisal, executive vice-president and head of consumer assets and cards of the bank; Yusuke Ogino and Syed Asifur Rahman, vice-presidents of the automotive company, along with other senior officials from both organisations, were also present at the ceremony.

Green Delta declares 27% cash dividend

STAR BUSINESS DESK

Green Delta Insurance PLC has declared a 27 percent cash dividend for its shareholders for the year that ended on December 31, 2025.

The announcement was made at the 40th annual general meeting (AGM) of the insurance company, which was held virtually on Tuesday, according to a press release. Shamsun Nahar Begum Chowdhury, chairperson of the non-life insurance company, presided over the programme as the chief guest.

The chairman expressed her appreciation to the company's shareholders for their continuous support and cooperation in its growth. She also congratulated and thanked members of the Green Delta family for their sincere efforts in ensuring uninterrupted and seamless customer service and business operations during the economic turmoil.

Md Oliullah Khan, company secretary of the non-life insurer, moderated the event.

Farzanah Chowdhury, managing director and CEO of the insurer, thanked the shareholders for helping Green Delta Insurance maintain its leading position in the industry. She also expressed her gratitude to her team for relentlessly pursuing excellence during the challenging economic conditions of 2025.

Expressing optimism about the company's future, Farzanah highlighted its diverse service portfolio, featuring comprehensive digitalised solutions, automated customer service, agriculture insurance, and microinsurance. She also pledged to drive continuous innovation and best-in-class service to ensure financial stability and sustainable growth.

Nasir A Choudhury, founding managing director of the insurer, also joined the AGM, along with a large number of shareholders.

Shamsun Nahar Begum Chowdhury, chairperson of Green Delta Insurance PLC, presides over the non-life insurer's 40th annual general meeting on Tuesday. The meeting declared a 27 percent cash dividend for 2025.

PHOTO: GREEN DELTA INSURANCE

NCC Bank customers to enjoy discounts at Ramada by Wyndham

STAR BUSINESS DESK

NCC Bank PLC has signed a memorandum of understanding (MoU) with Ramada by Wyndham Cox's Bazar Kolatola Beach, a beachfront hotel known for its modern amenities.

Md Zakir Anam, deputy managing director of the bank, and Khaled Bin Ahmad, chief operating officer of the hotel, signed the MoU at the bank's head office in Dhaka recently, according to a press release.

Under the agreement, NCC Bank cardholders and employees will enjoy a range of privileges and discounts at the hotel, enhancing their travel experience.

The partnership marks another step in NCC Bank's efforts to build meaningful collaborations that offer convenience, comfort and exclusive benefits to its stakeholders.

M Khurshed Alam, additional managing director of the bank, was present at the signing ceremony.

The bank said the initiative reflects its continued commitment to providing enhanced lifestyle privileges and value-added services to its cardholders.

By partnering with leading hospitality destinations in Cox's Bazar, NCC Bank aims to enrich customer experiences beyond traditional banking services and strengthen its customer-centric value proposition.

Khaled Bin Ahmad, chief operating officer of Ramada by Wyndham Cox's Bazar Kolatola Beach, and Md Zakir Anam, deputy managing director of NCC Bank PLC, pose for a photograph after signing the memorandum of understanding at the bank's head office in Dhaka recently.

PHOTO: NCC BANK

Plastics sector at risk

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"We may be able to run for another 15 days with our old stock," he said.

He added that raw material prices have risen by around 40 percent on average, with even steeper increases in some cases.

RFL requires about 10,000 tonnes of raw materials monthly, including PET, polypropylene (PP) and PVC, all of which have seen sharp price hikes.

PVC, used in pipe manufacturing, has surged from about $800 to around $1,600 per tonne.

The company now sources 60-70 percent of materials from the Middle East and 30 percent from China, reflecting a shift in global supply dynamics.

Paul warned that despite opening LCs, companies are receiving only partial volumes. "If we need 10,000 tonnes, we may get only a fraction," he said, adding that the situation could shrink market activity by 30-40 percent.

ASM Kamal Uddin, managing director of Luna Polymer, has blamed tax complexities, banking irregularities and global supply disruptions for pushing the plastic manufacturing sector into a deep crisis.

He said that although the nominal import duty on raw materials is around 32 percent, customs assessments often inflate values, increasing the effective burden by an additional 30-40 percent.

Global factors have worsened the situation. Rising crude oil prices and supply disruptions have driven sharp increases in raw material costs.

Meanwhile, many Middle Eastern raw material suppliers have halted shipments, while others have raised prices due to higher freight costs.

Uddin said most manufacturers hold only one to one-and-a-half months of raw material inventory, making them highly vulnerable. His company requires about 500 tonnes monthly. He warned that prolonged instability will raise production costs, force price hikes and increase pressure on consumers.

Shamim Ahmed, president of the Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA), said prices of key raw materials, particularly resin, have nearly doubled in recent months, driven by global oil price volatility and geopolitical tensions.

He emphasised that the plastic sector is a critical linkage industry, supporting around 30,000 businesses, including food processing, pharmaceuticals, garments and consumer goods. "Without plastic packaging, many essential products cannot reach the market efficiently," he added.

Despite some growth in domestic production, Bangladesh remains heavily reliant on imports. Annual demand for plastic resin is about 1.7 million tonnes, of which roughly 1.2-1.3 million tonnes are imported, while the rest comes from local production and recycling.

Ahmed warned that many factories are operating at break-even or shutting down, urging urgent policy support to stabilise the sector.

One of the key demands is a reduction or waiver of import duties on raw materials, which can go up to 32 percent when taxes and VAT are included.

"If the government reduces duties -- even by 50 percent -- it could significantly ease the pressure," Ahmed said.

Gold ticks up

REUTERS

Gold prices rose on Wednesday to their highest in nearly two weeks, supported by a weaker dollar following US President Donald Trump's statement that the war with Iran could wind down in weeks.

Spot gold rose 1 percent to $4,717.82 per ounce by 0712 GMT, its highest level since March 20. US gold futures for April delivery gained 1.4 percent to $4,744.30. The US dollar fell 0.4 percent, making bullion more affordable for holders of other currencies.

Trump said Tehran did not have to make a deal as a prerequisite for the conflict to wind down and that he would provide an update on Iran in an address at 9 pm EDT on Wednesday (0100 GMT on Thursday).

"Talks that the US might wrap up the war in two to three weeks even if the Strait (of Hormuz) is not reopened reinvigorated the US equity markets (overnight) and pulled gold higher along with it," said Marex analyst Edward Meir.

Gold fell more than 11 percent in March in its steepest monthly decline since October 2008 as elevated oil prices fuelled inflation concerns and bets of a hawkish monetary policy response. Oil prices gained on Wednesday despite hopes of a de-escalation in the Iran conflict, as infrastructure damage is likely to keep supplies tight.

Startup investment firm

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Local startups such as 10 Minute School and Shikho have already demonstrated how technology can expand access to education, while digital health ventures could similarly benefit rural communities, he added.

EQUITY-BASED SUPPORT AND BANK CONTRIBUTIONS

Arefin highlighted that the fund will grow each year as participating banks contribute from annual profits. "Unlike loans, the support will be equity-based, meaning BSIC will take ownership stakes in startups instead of charging interest," he said.

Under a BB directive, participating banks are contributing 1 percent of their profits earned between 2020 and 2024 to build the fund.

Bankers said this reflects an understanding that startups need risk capital rather than traditional loans, which commercial banks are not designed to provide.

According to BSIC sources, BRAC Bank holds the largest share at 7.71 percent, followed by City Bank at 6.74 percent, Dutch-Bangla Bank at 6.67 percent, Pubali Bank at 6.5 percent, Sonali Bank at 5.73 percent, Eastern Bank at 5.58 percent, and Prime Bank at 4.98 percent.

Going forward, banks will contribute around Tk 200 crore annually from new profits, allowing the fund to expand and support more startups.

BSIC's nine-member board includes managing directors from City Bank, Prime Bank, Mutual Trust Bank, Sonali Bank, and Pubali Bank, along with four independent directors, with Light Castle Partners as strategic consultant.

Nazeem A Choudhury, additional managing director of Prime Bank, is interim chief executive officer (CEO) while BSIC searches for a professional with multinational startup investment experience to appoint a permanent CEO and head of investment by May.

BSIC was registered with the Registrar of Joint Stock Companies and Firms on December 7 last year.

Bangladesh, Saudi Arabia discuss boosting manpower cooperation

BSS, *Dhaka*

Bangladesh and Saudi Arabia have discussed expanding manpower export and recognising Bangladeshi skills to strengthen bilateral labour cooperation during a meeting held in Geneva.

Expatriates' Welfare and Overseas Employment Minister Ariful Haque Chowdhury held the talks with Saudi Vice-Minister for International Affairs Tariq bin Abdul Aziz on the sidelines of the 356th Governing Body session of the International Labour Organization (ILO), said an official handout yesterday.

During the meeting, the Bangladesh minister urged Saudi Arabia to increase the recruitment of workers from Bangladesh and recognise skills acquired locally.

Prime Minister's Adviser on Labour, Employment and Education Mahdi Amin, Labour Secretary Md Abdur Rahman Tarafder, and Bangladesh's Permanent Representative to Geneva Ambassador Nahida Sobhan were present at the meeting.

The minister conveyed greetings from Prime Minister Tarique Rahman to the Saudi leadership and thanked the Kingdom for ensuring the safety of Bangladeshi workers amid the recent Middle East situation.

The Saudi side expressed willingness to recruit more skilled workers from Bangladesh, recognising their contribution to the country's development.

Both sides emphasised strengthening cooperation in skills development, including upgrading technical training centres and expanding Arabic language training for prospective migrant workers.

The Saudi vice-minister invited the Bangladeshi minister to visit Saudi Arabia and reaffirmed commitment to deepening bilateral labour cooperation.

War could wipe out all 2025 Arab country growth, UN says

AFP, *United Nations*

A month of war in the Middle East could wipe out all the economic growth that Arab countries achieved last year, and will likely spark a "sharp economic contraction" in Iran, the United Nations said Tuesday.

A series of reports by the UN Development Programme (UNDP) came in the war's fifth week as all sides continue to exchange threats despite US claims that negotiations are ongoing.

"The recent military escalation in the Middle East is exposing the structural vulnerabilities of the Arab States region," the agency said, adding that "GDP is estimated to decline by approximately 3.7 to 6.0 percent" across the region.

That would represent a total GDP loss of $120 billion to $194 billion -- or more than "exceeds the cumulative regional GDP growth achieved in 2025."

For Iran, the agency said the conflict was likely "to trigger a sharp economic contraction," with economic simulations suggesting that "real GDP growth could decline by between 8.8 and 10.4 percentage points, relative to a no-war baseline scenario."

Depositors safe, SBAC Bank not facing liquidity stress: chairman

STAR BUSINESS REPORT

SBAC Bank PLC Chairman Md Moklesur Rahman yesterday said depositors remain safe with the bank and the board and management are taking necessary measures to ensure uninterrupted customer service.

Speaking at a press conference marking the bank's 13th anniversary, he said the institution remains fully committed to the country and its customers.

"Banking is fundamentally built on trust," he said, adding that confidence takes years to establish through ethical practices and high standards.

"We have competent people on both the board and in management, and we are doing our utmost to strengthen that confidence."

He said the bank's objective is not only institutional success but also to contribute to national development, with an emphasis on agriculture and food production. The bank also plans to expand value-added services for overseas job seekers and encourage young people to become entrepreneurs.

Referring to loan challenges in the banking sector, Moklesur said the diversion of borrowed funds into non-productive areas has become a major concern.

He noted that if a young entrepreneur uses a loan for its intended purpose, such as poultry farming, the bank can support recovery even if losses occur.

"The real problem begins when loan funds are diverted to land purchases or other unauthorised uses," he said.

Replying to a question on dividends, he said pressure on asset quality remains severe, adding that regulators restrict dividend payments when asset quality falls below required thresholds.

Managing Director SM Mainul Kabir said the bank is operating on customer confidence and is not facing any liquidity crisis. "Our liquidity position is satisfactory. We do not believe in aggressive investment; we are cautiously financing quality clients," he said.

He added that legal action is being intensified against wilful defaulters.

Remittances all-time high of $3.75b

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face lower remittances from the Middle East as the ongoing conflict in the region weakens labour demand and squeezes migrant worker incomes.

Nearly half of Bangladesh's more than $30 billion in annual remittances comes from the Middle East. Saudi Arabia, Oman, Qatar, the UAE, and Kuwait together accounted for 86 percent of Bangladeshi migrant workers who secured jobs abroad in FY25, according to the Bangladesh Economic Review 2025.

Bankers and analysts said the spike in the inflow was largely because of the Eid festival, political stability and an increased rate of the US dollar following a slight depreciation of the taka.

Md Shaheen Iqbal, additional managing director & head of wholesale banking at BRAC Bank, said another factor is that migrants try to send home more during any crisis period. "We have seen this trend during the initial days of the Russia-Ukraine war. A similar thing may happen this time."

He said the inflow may fall this month but recover in the next month ahead of Eid-ul-Azha. However, the remittance inflows in the later months will depend on the war, he said.

Deen Islam, professor of economics at Dhaka University, said the recent surge in remittance inflows provides meaningful short-term relief to Bangladesh's external sector, but its sustainability remains uncertain in the current global context.

"Much of Bangladesh's remittance originates from migrant workers in Gulf Cooperation Council (GCC) economies, making flows sensitive to oil price cycles, fiscal conditions in host countries, and evolving labour nationalisation policies," he said.

"Additionally, tighter immigration regimes in advanced economies and global economic slowdown risks could constrain future migration and earnings growth."

During the July-February period of the fiscal year 2025-26, over 10 lakh migrant workers left for jobs abroad, up 15 percent YoY, according to official data.

Birupaksha Paul, a professor of economics at the State University of New York, USA, said imports may increase following the return of political stability in the country after the election.

"There is a concern that pressure is likely to build on Bangladesh's foreign exchange reserves to pay higher import bills," he said. "Foreign exchange reserves will not increase in that case."

In this context, he said, the foreign exchange rate should be re-evaluated. "Some people doubt that it is not yet fully market-based and not reflecting the market price," he said, adding that any depreciation will fuel import-induced inflation.

"But reserve management is a crucial thing," said Paul, former chief economist at the BB.

Prof Islam said while the increase in remittance strengthens the balance of payments, supports exchange rate stability, and boosts domestic consumption, it also reinforces a structural dependence on external labour income rather than productivity-driven export growth.

"Therefore, although remittances will likely remain a vital pillar of macroeconomic stability in the near term, their long-run sustainability and developmental impact depend on diversification of migration destinations, skill upgrading of workers, and complementary policies to channel inflows into productive investment rather than predominantly consumption."

NBR chairman

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The government has made significant efforts to encourage firms to increase share offloading, but many firms could not even secure a 5 percent stake, he said.

"In Bangladesh, companies have even been listed by offloading as little as 1 percent of shares. As a citizen, I feel ashamed of this." Such listings, he warned, create room for price manipulation rather than genuine capital formation.

In the event, DSE proposed allowing a five-year tax-free provision on interest of asset-backed bonds, Sukuk and green bonds for investors except banks, insurance and non-bank financial institutions.

For these investors, the 10 percent source tax should be the final tax, the prime bourse proposed. Non-resident investors' tax on capital gains should be exempted for five years, it added.

The CSE proposed a five-year tax exemption benefit for its commodity exchange segment to facilitate its launch and promotion. The DSE Brokers' Association of Bangladesh proposed announcing source tax on cash dividends as the final tax.

They also suggested the NBR propose a tax structure where a company would be deemed listed if its paid-up capital crosses Tk 500 crore, or yearly turnover crosses Tk 1000 crore, or the company's bank loan is above Tk 500 crore.

A stronger tax differential between listed and non-listed companies is necessary to motivate corporations to enter the capital market, said the Bangladesh Merchant Bankers Association.

Govt will not

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The upcoming budget will also focus on marginalised groups.

"These deprived people cannot be excluded indefinitely by citing budget constraints. We have to start with them," he said, signalling continued support for social protection programmes.

The government is looking to diversify exports, offering incentives to new sectors similar to those for apparel exporters. Meanwhile, Bangladesh's LDC graduation process is progressing through the UN, though the minister refrained from definitive comments pending decisions at the UN Economic and Social Council and General Assembly levels.

The government is also engaging development partners as part of efforts to navigate the ongoing economic strain.

Development

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The revised ADP for the current fiscal year totals Tk 208,935 crore.

On foreign loans, government agencies spent Tk 24,915 crore, or 34.6 percent of the total allocation, slightly up from 33.92 percent a year earlier.

In absolute terms, however, spending fell from Tk 27,471 crore in the same period last year.

Economists say the slow implementation reflects both administrative inertia and broader political uncertainty throughout much of the fiscal year.

"The eight-month data reflects the period under the interim government, when public engagement was relatively low," said Prof Lutfor Rahman, an economics teacher at Jahangirnagar University. "As a result, there was less inclination to spend on development projects."

He added that uncertainty within the bureaucracy further slowed decision-making and execution.

"At the policy level, particularly within the Secretariat, there was a sense of hesitation. Top administrative officials were not as active as usual in driving these projects," he said.

According to Rahman, the weak implementation has wider economic and social consequences, as ADP spending is closely linked to employment.

"ADP projects are essentially development initiatives beyond routine government work, aimed at public welfare. When implementation slows, it directly affects daily wage earners who depend on such work," he said.

While the return of a political government may boost momentum, Rahman said the remaining months offer limited scope for recovery. "With only four months left, and the monsoon season approaching, it is difficult to be optimistic," he said.

He also pointed to the visible deterioration of rural infrastructure due to delays. "Rural roads and other infrastructure have suffered significantly, as regular maintenance has not taken place," he said.

Rahman expects a slight improvement by the fiscal year's end. "At best, overall implementation may reach around 75 percent, but full execution of the ADP is unlikely," he said.

Last week, Monzur Hossain, member (secretary) of the General Economics Division (GED) of the Planning Commission, said foreign loan disbursement is directly tied to project progress. "When implementation slows, disbursement inevitably falls," he said.

Hossain pointed to structural bottlenecks, particularly in investment projects.

"Many projects involve complex conditions, and meeting those requirements takes time. Land acquisition remains a major challenge in many cases," he said.

"Now, with a political government in place, monitoring has increased, projects are being prioritised, and delays are being scrutinised more closely," he added.

Oil slides

REUTERS, *Singapore*

Oil tumbled more than 3 percent on Wednesday, reversing earlier gains as persistent Middle East volatility unnerved markets even amid reports the US-Israeli war with Iran could be winding down.

The front-month Brent contract for June fell $3.33, or 3.2 percent, to $100.64 per barrel at 0641 GMT. US West Texas Intermediate (WTI) crude futures for May slipped $3.34, or 3.3 percent, to $98.04 per barrel.

Prices rose earlier on Wednesday but turned lower as uncertainty over the Middle East conflict prompted investors to lock in gains.

OpenAI raises $122b in boosted funding round

AFP, *San Francisco*

OpenAI on Tuesday said that the startup was valued at $852 billion in a freshly closed funding round that raised $122 billion.

The eye-watering level of funding came in higher than originally projected, reflecting the surging costs of computing power and arriving amid lingering questions about whether OpenAI and other AI companies can generate sufficient revenue to cover expenses.

"The capital being deployed today is helping build the infrastructure layer for intelligence itself," OpenAI said in a blog post.

"Over time, that value will flow back into the economy, to companies, to communities, and increasingly to individuals."

The ChatGPT-maker said that its revenue rate of $2 billion monthly is quickly growing.

The funding round included a diverse set of partners, including Amazon, Microsoft, Nvidia, and Softbank, according to OpenAI.

In an unusual move, some $3 billion was reportedly raised from individual investors.

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ChatGPT claims the top position in consumer AI, with more than 900 million weekly active users and some 50 million subscribers.

Use of ChatGPT's online search engine has tripled over the course of a year, according to OpenAI.

The company in February began rolling out advertising for its non-premium users in a bid to bring in more revenue.

OpenAI also announced that it is building a "superapp" that will combine ChatGPT, internet browsing, a Codex coding tool, and agentic capabilities that allow digital assistants to independently tend to tasks.

The massive funding round comes with anticipation that OpenAI is planning to become a publicly traded company this year as competition intesifies in the AI sector.

Nurjahan Begum sits in her storm-damaged maize field at Char Gobardhan of Lalmonirhat, wiping away tears. She said storms and heavy rain in March destroyed 60 percent of her crop. The photo was taken on March 27 at Aditmari upazila. PHOTO: S DILIP ROY

Even a switch to maize fails to save many farmers

Storm and rains in March damaged potato, maize, vegetables and Boro across the country

SUKANTA HALDER *and* **S DILIP ROY**

Storms and heavy rain last month damaged a range of crops, including maize. For maize farmers, it was a cruel blow, as many had turned to the cereal after repeated losses from low potato prices.

In northern districts, maize acreage has expanded gradually in recent years.

Farmers were encouraged by demand from the poultry and livestock feed industry, where prices are usually stable. For many, maize seemed a safer option.

This season, the cereal has been cultivated on about 1.27 lakh hectares across five districts of Rangpur region: Lalmonirhat, Kurigram, Rangpur, Nilphamari and Gaibandha, according to the Department of Agricultural Extension (DAE).

The department says the rains in March damaged 520 hectares. The hit was particularly severe in the char areas.

For Nurjahan Begum, the damage was devastating. She cultivated maize on 1.5 bighas of land in Char Gobardhan on Teesta river. The 60-year-old from Aditmari upazila in Lalmonirhat said around 60 percent of her crop was destroyed by the storm.

Having lost much of her investment, Begum fears she may have to take out loans to continue farming.

In its assessment covering 18 districts, the DAE ranks maize as the second-worst-affected crop after potato. Banana and vegetable growers, as well as a number of Boro farmers, have also reported losses.

Potato growers were already under pressure from throwaway prices before the storms hit.

Rafiqul Islam, 45, from Barunagaon at Thakurgaon Sadar upazila, cultivated potatoes on 12 bighas at a production cost of about Tk 11 per kilogramme. Since the harvest began, prices have hovered between Tk 8 and Tk 9 per kilogramme.

After the rains, the rates rose slightly to Tk 13 per kilogramme. But Islam could not benefit. Heavy rain and waterlogging in mid-March left about 40 percent of the crop on four bighas rotting in the soil. The fields became too muddy to harvest.

Md Jamal Uddin, additional director for monitoring and implementation at the DAE field service wing, said they are currently compiling a list of affected farmers. Once the listing is complete, the government will decide on the support measures.

The DAE estimates production costs for potato varieties such as Asterix, Diamond and Granola at Tk 16.64 per kilogramme this season. Over the past month, field prices were somewhat stuck at Tk 8 to Tk 9 per kilogramme, well below the production costs.

In a statement yesterday, Bangladesh Khetmajur and Krishok Songothon, a platform representing landless labourers and small farmers, urged the government to act swiftly.

"Every year, crops are damaged due to various natural disasters. But there is no permanent system for crop compensation. We have been demanding the introduction of crop insurance for a long time," it said.

"We expect the government to take steps to introduce crop insurance for farmers affected by natural disasters. In addition, we strongly demand the immediate listing of farmers affected by the storm and their compensation."

Earlier, the Bangladesh Cold Storage Association called on the government to include storm-hit potato farmers in an agricultural rehabilitation programme.

In a letter to the Ministry of Agriculture on March 25, the association said early storms and heavy rain in the first half of the month had severely affected major potato-growing districts.

Waterlogging during the harvest period caused extensive damage to potatoes left in the fields, as well as crops yet to be harvested, the letter said.

Even those who managed to harvest face losses. Poor quality has made much of the crop unsuitable for storage, forcing farmers to sell at Tk 5 to Tk 6 per kilogramme, well below prevailing market rates, according to the association.

Securing Bangladesh's energy future

SHAHID SHAMSU

In recent weeks, energy has dominated headlines, seminars and market discussions, not only in Bangladesh but across the world. Securing reliable energy resources is critical, as it will determine how economies prosper in the years ahead.

Over the past six fiscal years, domestic gas production in Bangladesh has declined by about 30 percent. This sharp fall has increased dependence on imported liquefied natural gas. According to Petrobangla's daily production data, available on the Energy and Mineral Resources Division's website, the downward trend continues in 2026, with domestic output hovering between 1,700 and 1,750 million cubic feet per day. The Hydrocarbon Unit annual report for 2024-25 shows that gas consumption was led by the power sector at 41 percent, followed by industry at 19 percent, captive power at 17 percent, domestic users at 11 percent and fertiliser at 6 percent. The remainder is consumed by CNG and commercial users.

To strengthen onshore energy security, Bangladesh needs a comprehensive asset plan to unlock the full potential of each gas field. Robust planning and better use of technology can improve turnaround efficiency. Each asset should also undertake a systematic review to identify additional resources that could be converted into reserves and ultimately into production. This exercise should initially be carried out without constraints such as gas pricing, costs or budget limits. The opportunities identified can then be prioritised and escalated so that any barriers are addressed swiftly. LNG spot prices are currently several times higher than domestic gas. Given this wide gap, accelerating onshore opportunities must be a central part of the country's broader energy security strategy.

Offshore exploration presents a different challenge. International oil companies must be offered competitive fiscal incentives; otherwise, each bid round risks falling behind schedule. The past few years have seen significant technological advances, including modern ocean bottom node seismic surveys, the use of artificial intelligence for faster prospect maturation and improved imaging, and the drilling of high-pressure 20,000 PSI wells in projects such as Anchor in the United States. There are also more cost-effective tieback solutions for smaller discoveries and greater use of advanced remote operations. Bangladesh must align itself with these global shifts.

It is equally important to understand how global LNG trade flows are evolving. Asia accounts for most of the world's demand. Europe, once heavily dependent on Russia, has shifted rapidly since the Russia-Ukraine war and now relies increasingly on LNG from the United States. According to the American Petroleum Institute, between January and April 2025, a record 67 percent of US LNG exports went to the European Union and the United Kingdom. This trend is likely to continue in the near term.

The International Energy Agency reports that in 2025, Bangladesh, India and Pakistan imported almost two-thirds of their LNG through the Strait of Hormuz. With contracted LNG volumes now affected, Bangladesh has become more exposed to the volatile spot market. Recent media reports suggest the country has secured several LNG cargoes for April, but this remains a short-term fix. As Bangladesh competes with other Asian buyers for LNG, limiting exposure to spot prices should be a strategic priority. Alongside Qatar, the country needs backup term contracts with suppliers outside the Middle East to diversify risk.

Securing Bangladesh's energy future will require a hybrid approach. Onshore production must be sustained and extended through both national companies and international partners. Power sector reforms should include incentives for solar and faster progress in other renewables. Storage capacity for crude oil and refined products needs expansion. Offshore blocks must attract credible investors. Above all, gas demand and supply must be balanced through longer-term LNG contracts sourced from multiple regions.

The writer is an energy professional. He can be reached at sshamsu@alumni.harvard.edu

In tight market, China resells record LNG volumes

REUTERS, *Singapore/Beijing*

Chinese firms are reselling record volumes of LNG, cashing in on soaring spot prices as China has enough domestic and pipeline gas to meet its own weakened demand, in stark contrast to other Asian buyers scrambling to replace supplies cut off by the Iran war.

The world's top importer of liquefied natural gas, China reloaded 8 to 10 cargoes in March, its highest monthly total on record, according to analytics firms ICIS, Kpler and Vortexa.

So far this year, China has reloaded a record 1.31 million metric tons of LNG, or 19 cargoes, with 10 delivered to South Korea, five to Thailand and the remainder to Japan, India and the Philippines, Kpler data showed.

By comparison, China resold 0.82 million tons in 2025 and 0.98 million tons in 2023, the second-highest annual total on record.

The country has been able to resell bigger volumes as its own need for LNG has plateaued, with weaker economic activity sapping industrial demand while domestic gas production and pipelined Russian supply is growing.

The LNG reloads contrast with China's move last month to ban exports of refined fuels in order to preserve supply for domestic use amid war-driven crude oil supply constraints.

"Against a backdrop of weak domestic demand, it made more sense for buyers to resell LNG cargoes overseas," said Wang Yuanda, an analyst at ICIS, adding that the Iran crisis has also pushed up spot LNG prices.

"There has been no pressure from demand because the heating season is over, and spot prices are good so China can reload cargoes."

How Middle East war is driving up shipping costs

AFP, *London*

Iran's closure of the Strait of Hormuz trade route in the Middle East war is driving up the costs of shipping fuel and goods around the world, industry data shows.

Prices have risen because of falling capacity, with ships staying put in the Gulf for fear of attack if they set sail. Other ships are taking long, costly alternative routes to avoid the strait -- while the reduction of oil flows has raised the price of boats' fuel.

"We've had to stop bookings... from and to the upper Gulf region because we can't get the ships in nor out," said Rolf Habben Jansen, chief executive of major container shipping line Hapag-Lloyd last week, estimating the war had driven up costs by "$40, 50 million per week".

"A big chunk of that is bunker fuel prices but also in categories like insurance or container storage and inland transportation we have seen costs go up, and we have six ships that we cannot use today, which reduces the available capacity," he told a news conference.

Here are five data indicators of how the crisis is driving up shipping costs.

TANKER CHARTERS

The cost of chartering an oil tanker multiplied after US and Israeli forces started striking Iran on February 28, prompting retaliatory strikes across the region.

For a big Suezmax-class crude carrier, the average "earnings" -- a standard indirect indicator of charter costs -- has more than tripled since February 26 to over $330,000 a day, according to maritime research group Clarksons.

For liquefied natural gas carriers on a reference US to Japan route, the measure also tripled in that period to $90,000 a day.

OIL SHIPPING

The overall cost of shipping oil shot up after the war broke out, said freight pricing specialist Peter Norfolk at Platts, part of S&P Global Energy.

Indian vessel 'Nanda Devi' carrying liquefied petroleum gas arrives at Vadinar Port in the Jamnagar district of Gujarat state on March 17, after Iran allowed it to pass through the Strait of Hormuz. PHOTO: AFP

From $46 per metric tonne at the end of February, the cost of shipping crude from the Gulf to China on a giant VLCC-class tanker nearly tripled in a few days, then eased to stand at around $64 at the end of March, he told AFP on Monday.

"Of course, in reality there is hardly any loading happening at the moment," he noted.

Around a fifth of global crude oil and liquefied natural gas passes through the strait in peacetime.

CONTAINER COSTS

The spot reference price to ship a 40-foot container has risen by 20 to 25 percent on the main routes from the Far East to Europe and the US West Coast, according to consultancy Maritime Services International.

The price has reached between $2,200 and $2,700 for a 40-foot container on that Europe route, it said.

"War surcharges have caused rates from the Far East to the Middle East Gulf and Red Sea to spike by nearly 200 percent" from February 20 to March 20, it said in a report.

"Traffic through the SoH (Strait of Hormuz) has been severely constrained, with carriers suspending bookings, rerouting vessels, and discharging cargo at alternative safe regional hubs."