

Star BUSINESS



Export earnings fall for eighth straight month

REFAYET ULLAH MIRDAHA

Bangladesh's merchandise export earnings fell for the eighth consecutive month in March, dropping 18 percent year-on-year (YoY) to \$3.48 billion, largely owing to long Eid holidays and a turbulent global economy that continued to weigh on trade performance.

The decline was driven by garment exports, which account for more than 80 percent of national export earnings. Earnings from the sector fell 19.35 percent YoY to \$2.78 billion in March, according to data from the Export Promotion Bureau (EPB) released yesterday.

For the first nine months of the current fiscal year, July–March, overall export earnings contracted 4.85 percent to \$35.38 billion compared to \$37.19 billion in the same period of the previous fiscal year.

EPB data shows that garment exports during the period declined 5.51 percent to \$28.57 billion compared to a year ago. Knitwear was down 6.42 percent to \$15.11 billion and woven 4.48 percent to \$13.46 billion.

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On a month-on-month basis, however, overall export earnings in March were only 0.42 percent below February's \$3.5 billion.

Mahmud Hasan Khan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), attributed the sustained downturn to US reciprocal tariffs, headwinds caused by the US-Israel war on Iran, and February's general election.

He said factory output was also hit by extended public holidays during Eid.

Khan said, "Buyers had begun regaining confidence after the February election and started placing fresh orders, but the US-Israel war on Iran had since disrupted that recovery, seriously affecting export prospects."

"A rebound in global apparel markets would depend largely on how that conflict develops," he added.

Some domestic issues also impacted the export and production of garments at the factory level. "For instance, in February, the production at the factories was affected due to long public holidays because of the election."

According to EPB, among major export categories, most recorded negative growth year-on-year. Exceptions were frozen and live fish, leather and leather goods, and engineering products, all of which posted gains.

Despite the decline, the export volume remains substantial, underscoring the sector's underlying strength amid ongoing global economic adjustments, the EPB said.



Govt rushes to buy three more LNG cargoes

STAR BUSINESS REPORT

Bangladesh has moved to buy three additional liquefied natural gas (LNG) cargoes from the spot market for May delivery in its rush to secure supply amid fears of supply cuts from the Gulf region, especially Qatar, one of the world's largest exporters of gas.

With the initiative, the government has floated tenders to buy 12 LNG cargoes from the spot market since the start of the US-Israel war on Iran on February 28.

The delivery of nine cargoes for April has been confirmed, though at much higher prices, said a senior official of Rupantarita Prakritik Gas Company Ltd (RPGCL), a state-run entity.

Bangladesh has to pay around \$20 per million British thermal units (mmbtu) to buy LNG as prices have surged amid strained supply after the war on Iran began, and the conflict has inflicted damage on production sites and export hubs in the Gulf countries, including the Ras Laffan Industrial City complex in Qatar, which is home to processing units for LNG, according to reports.

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War pain spreading fast across industries

From pharma, chemicals and FMCG to steel, plastics, cement and aviation - all face soaring costs and supply disruptions from Middle East conflict

FUEL

Govt buying LNG cargoes at elevated prices

Jet fuel prices rise from Tk 95 to Tk 202 per litre

Domestic airfares up by about Tk 1,000

LP gas prices raised



RAW MATERIAL COST SURGE

Paint inputs up 30% to 40%

PVC: from \$800 to \$1,600 per tonne

Cement raw materials, including gypsum and clinker, rising

Pharma packaging resin: from \$700 to \$1,800 per tonne

SHIPPING AND EXPORTS

Processed food shipments to Gulf markets slowing

Shipping charge rises from \$1,500 to \$6,500

Shipping delays extended by nearly three weeks

WIDER RISKS

Global fertiliser prices rising

Manufacturing costs increasing across sectors

Inflationary pressure building

SOHEL PARVEZ and JAGARAN CHAKMA

When the United States and Israel launched attacks on Iran on February 28, the first signs of trouble in Bangladesh were felt at airports. Flights to several Middle Eastern destinations were suspended, leaving migrant workers stranded and creating chaos at Dhaka airport.

Within days, the strain began to show elsewhere. Long queues formed at refuelling stations as fuel supplies tightened.

By April, a month into the Middle East war, the fallout had begun to seep into everyday life. Kitchen items such as green chillies and tomatoes now arrive in the same polythene bag, as the cost of producing single-use bags has risen.

Yesterday, authorities increased the price of cooking gas cylinders, a move that will filter through to food prices, from biscuits to biryani in fine dining restaurants.

The Middle East is the country's key source of fuel oil, liquefied natural gas, fertilisers and petrochemicals. Amid the war, oil and gas suppliers in the Gulf have either raised prices or suspended deliveries altogether.

For a country heavily reliant on imported energy and chemical inputs, the disruption is biting hard. Freight rates have climbed, shipping schedules have become erratic, and manufacturers say that rising

raw material costs could slow production across sectors.

Export-oriented industries were among the first to feel the shock.

Shipments of processed food and agricultural products to Gulf markets have suffered as freight charges surged fourfold and new orders slowed.

Before the war, sending a container of processed food from Chattogram port to the Middle East market cost about \$1,500. Manufacturers say rerouting has pushed that figure to roughly \$6,500.

The aviation sector is also under pressure.

Jet fuel prices in the international market have surged from around \$0.62 to \$1.32 per litre amid supply uncertainties. In Bangladesh, prices have jumped from Tk 95 to about Tk 202 within a short period.

To offset the increase, airlines have raised domestic airfares by about Tk 1,000 on several routes, said Kamrul Islam, general manager of US Bangla Airlines.

Paint manufacturers are grappling with similar challenges.

Mohsin Habib Chowdhury, director and chief operating officer (COO) of Berger Paints, said about 25 percent of the industry's raw materials come directly from the Middle East, with another 30 percent indirectly linked to the region.

Supplies are "drying up fast", he said. Chowdhury said freight costs have risen by \$1,000 to \$2,000 per shipment,

and lead times have stretched by nearly three weeks. At the same time, prices of key ingredients have increased by 30 to 40 percent, leaving companies little room but to adjust prices.

Even then, he said, there is a risk of supply shortage.

Steel producers face a different but equally serious squeeze.

Sumon Chowdhury, secretary general of Bangladesh Steel Mill Association, said disruption to shipping routes through the Strait of Hormuz has led to container shortages and delays.

Freight costs have almost doubled from about \$1,200 to \$2,200 per shipment. Scrap prices in global markets have increased by \$70-\$90 per tonne.

"Although raw materials for steel are not directly sourced from the Middle East, the sector is being hit by cascading global supply chain disruptions," he said, adding, "Manufacturers are still supplying products at older rates using existing inventory, but domestic prices have already started to rise."

The plastic industry, which supports nearly 30,000 businesses, is also under a severe strain.

Shamim Ahmed, president of the Bangladesh Plastic Goods Manufacturers and Exporters Association, said prices of key inputs such as PET, polypropylene and PVC have soared in line with oil market

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Transparency, labour rights major investment obstacles

Says USTR in its report about Bangladesh

STAR BUSINESS REPORT

The US government has identified a lack of transparency in Bangladesh as a major obstacle to investment and raised concerns about labour rights.

The US Trade Representative (USTR) made this statement in its 2026 National Trade Estimate Report on Foreign Trade Barriers, published on Tuesday, which reviews trade issues in various countries.

The report said Bangladesh allows the repatriation of profits, revenue, dividends, and other external payments. However, US and other foreign investors have raised concerns that the procedures for transferring investment-related funds out of Bangladesh are complicated, lack transparency, and often cause long delays, with some companies waiting over a year for approval.

While Bangladesh generally permits 100 percent foreign ownership in most sectors, certain areas, such as petroleum marketing, gas distribution, and telecommunications, have limits on foreign equity.

Investors also need a No Objection Certificate (NOC) from relevant ministries to invest in 22 sectors, including banking, finance, insurance, power generation and distribution, large infrastructure projects, chemicals, and oil and gas.

LABOUR RIGHTS CONCERNS

The USTR expressed concern over labour rights in Bangladesh, particularly regarding the protection of internationally recognised rights, such as freedom of association and the effective

KEY OBSERVATIONS

- Investment blocked by transparency issues
- Restricted sectors require government approval
- Weak enforcement of labour rights
- Corruption slows business and licensing
- Burdensome regulations affect trade
- Limited intellectual property protection

recognition of collective bargaining.

Last year, during the interim government, Bangladesh amended its labour law to liberalise rules on freedom of association, following recommendations from the international community to meet global standards. Bangladesh also ratified all the required ILO conventions to modernise its labour laws.

Despite these changes, the US remains concerned about enforcement. Since suspending Bangladesh's tariff benefits under the Generalised System of Preferences (GSP) programme in 2013, the US has repeatedly raised issues with freedom of association and acceptable

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Banks regain forex strength as market liquidity recovers: BB

STAR BUSINESS REPORT

The banking sector has shown notable improvement in foreign exchange management and market liquidity, with both net open position (NOP) and net foreign exchange holding posting positive trends despite recent import-related pressure, according to the Bangladesh bank (BB).

As of yesterday, banks' overall NOP, a key indicator of foreign currency exposure, rose sharply to \$1.08 billion, reflecting stronger foreign currency management by lenders, the central bank stated in a press statement.

The figure has risen sharply from \$107.03 million recorded in June 2023 and \$272.70 million in June 2024. It touched \$1.12 billion in June 2025 before dipping to \$602.71 million in February due to Ramadan import pressure.

The latest rebound indicates that banks have regained strength in managing their foreign exchange positions after seasonal pressure eased, the BB said.

Market liquidity, measured through net foreign currency holding, also recovered strongly, reaching \$3.39 billion on April 2, compared with \$2.30 billion in February.

The banking sector's net FX holding stood at \$3.40 billion in June 2023, improved to \$3.89 billion in June 2024, and slightly eased to \$3.50 billion in June 2025, according to the press release.

The BB attributed the improvement to policy support and effective risk management by banks.

High Court order puts CCCI election on hold again

Election first set for Nov 1, 2025

New date: Apr 4, 2026 (announced Mar 3)

Court order effectively suspended election

HC stayed it on Oct 30, 2025



Process delayed by nearly 5 months

SC heard the matter on Mar 12, 2026

Last contested CCCI election was on 2013

STAR BUSINESS REPORT, Ctg

Chattogram's premier trade body, the Chittagong Chamber of Commerce and Industry (CCCI), is once again facing uncertainty as its long-awaited election has been suspended following a directive from the High Court.

Although a new date of April 4 had been announced for the second time, Election Commissioner Monwara Begum declared it postponed due to "unavoidable circumstances."

The development was confirmed in a press release issued to the media yesterday.

Business sources said a four-member full bench of the Supreme Court heard the matter of a dispute regarding the CCCI election on March 12.

The court directed that the dispute must be resolved by the Alternative Dispute Resolution Tribunal of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) by April 26, effectively suspending the April 4 election.

Previously, when the election date was first announced for November 1, 2025, the High Court had stayed the election on October 30, 2025, delaying the process by nearly five months.

On March 3, 2026, the CCCI declared April 4 as the new date for its biennial election, to be held at the World Trade Center in Agrabad. However, the High Court's latest order blocked the process once again.

Lawyer Ashfaqur Rahman, representing petitioner businessman Mohammad Belal, told The Daily Star, "The court has directed the FBCCI tribunal to deliver a decision on the dispute by April 26. It also instructed that the High Court's latest order

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