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Star BUSINESS

Cooking oil, sugar prices rise on war shocks

Rising import costs and freight disruptions push domestic prices higher after Ramadan stock stability

SUKANTA HALDER *and* MOHAMMAD SUMAN

Prices of edible oil, sugar and spices have risen across major wholesale markets in Bangladesh over the past several weeks.

Traders attribute the increases to rising international commodity prices, higher freight costs and supply disruptions caused by the war in the Middle East.

According to them, these pressures have pushed up import expenses and, in turn, domestic prices.

At Khatunganj in Chattogram, one of the country's largest wholesale hubs, traders said the market remained relatively stable during the last Ramadan thanks to adequate stockpiles.

However, conditions began to change after Eid as supply tightened.

Abdur Razzaq, a businessman at the market, said prices are becoming unpredictable, although there are no major shortages. "Prices of some products have risen abruptly as imports are being affected and costs have gone up."

EDIBLE OIL

Among the edible oil category, soybean oil prices have recorded the most notable increases in recent weeks, according to traders.

At Khatunganj, according to Razzaq, a maund of soybean oil now sells for Tk 7,400, up from Tk 6,600 a week ago. Palm oil climbed to Tk 6,450 from Tk 6,000.

In Dhaka's Karwan Bazar, bottled oil prices have remained largely unchanged, but loose soybean oil has risen by approximately Tk 1,200 per maund since Eid, reaching Tk 6,600-Tk 6,700, said Abu Bakar Siddique, a trader at the market

Loose soybean oil is reportedly selling at Tk 7–8 per litre above the government-set price, he added.

Bangladesh sources the bulk of its edible oil from outside the Middle East, according to the data from the National Board of Revenue (NBR) and traders.

Soybean oil and raw oilseeds are primarily imported from Brazil, Argentina and the United States. Palm oil, the country's most consumed cooking oil, comes largely from Indonesia and Malaysia, according to data from the National Board of Revenue and traders.

A senior official at a leading commodity importing and processing company confirmed that none of these shipments transits through the Strait of Hormuz.

The price movements nonetheless reflect a broader surge in international commodity markets since the war started in late February.

According to the World Bank's latest Pink Sheet, detailing commodity prices, published this month, palm oil averaged $1,103 per tonne in March, up from $1,039 in February and $1,005 in January.

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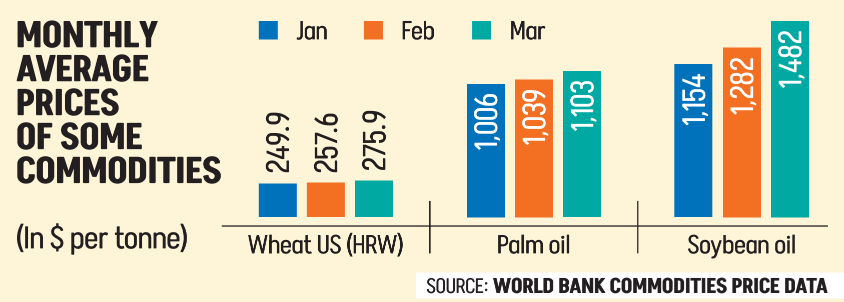

PRICE HIKES

- Soybean oil up **12%** to Tk **7,400**/maund
- Palm oil up by Tk **450**/maund
- Spices from Middle Eastern countries see highest hike
- Sugar prices up by Tk **130**/maund
- Loose soybean oil selling above govt set rates

MAIN DRIVERS

Higher freight costs, global hikes, supply disruption

War is exposing Bangladesh's economic vulnerabilities

ZAHID HUSSAIN

The queues appeared before the statistics did. Lines at fuel stations have lengthened, transport schedules are thinning, and industries are adjusting output as energy uncertainty spreads. The Iran war is reaching Bangladesh not through geopolitics but through something more immediate: the availability and price of fuel, fertiliser, freight, and foreign exchange.

This is how distant conflicts reach globally integrated economies like Bangladesh. Geography offers little protection when trade, migration, and financial flows are tightly connected to the global system.

The most important transmission channel is the Strait of Hormuz, through which roughly one-fifth of the world's oil and LNG supplies normally move.

The corridor also carries significant volumes of petrochemicals and fertiliser critical to agriculture.

Disruptions therefore affect not only energy markets but food production costs -- an especially dangerous combination for developing economies already facing inflation pressures. For Bangladesh, this exposure is immediate and largely unavoidable.

A GLOBAL SHOCK HITTING ENERGY, FOOD AND TRADE AT ONCE

Global markets already reflect the shock. Oil prices have moved above $100 per barrel amid fears of prolonged disruption.

READ MORE ON B2

Govt to buy 200,000 tonnes of urea amid Hormuz crisis

STAR BUSINESS REPORT

The government seeks to procure another 200,000 tonnes of urea amid supply concerns centring on the unrest in the Middle East. US-Israel's war on Iran has significantly disrupted the shipment of the major crop nutrient through the Strait of Hormuz, which handles nearly one-third of global fertiliser trade.

State-run Bangladesh Chemical Industries Corporation (BCIC) floated two separate tenders on April 2, seeking quotations from international suppliers on or before April 16 to supply the input through Chittagong and Mongla ports.

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Bangladesh overtakes China in RMG export to US

REFAYET ULLAH MIRDHA

Bangladesh overtook China in garment exports to the United States during the January-February period of 2026, as China lost its top position amid the impact of American reciprocal tariffs, according to data from the Office of Textiles and Apparel (OTEXA) released yesterday.

China is now the third-largest garment exporter to the US, while Vietnam has become the top apparel exporter, with Bangladesh ranking second, the data showed.

In January-February, Bangladesh exported garments worth $1.37 billion, down 8.53 percent compared with the same period last year.

Vietnam exported garments worth $2.7 billion, up 2.88 percent year-on-year.

Two-thirds of registered taxpayers skip return filing

TAX COMPLIANCE CRISIS

KEY STATS

Over 64% of registered taxpayers failed to file returns (despite mandatory filing & 4 deadline extensions)

Total TIN holders: 1.28 crore

Returns filed: 46 lakh (up from 42.5 lakh last year)

Online: 42.97 lakh

Paper: 3.04 lakh

GOVT RESPONSE

NBR plans year-round quarterly filing system from FY27:

Q1: incentives for early filing

Q2: standard rates

Q3-Q4: higher costs or surcharges

ROOT CAUSES

- Weak enforcement & minimal penalties
- A lack of willingness to pay amid eroding public trust
- Large informal economy & poor accounting
- Complex, frequently changing tax rules
- Low digital literacy & technical barriers
- Weak enforcement due to repeated extensions

MD ASADUZ ZAMAN

More than 64 percent of registered taxpayers, including individuals and companies, did not file income tax returns for the fiscal year 2025-26, even after authorities extended the deadline four times.

Of nearly 1.28 crore Taxpayer Identification Number (TIN) holders, only around 46 lakh, including nearly 20,000 companies, submitted returns by March, up from 42.5 lakh last year, according to the National Board of Revenue (NBR).

Most filings for FY26, which is around 42.97 lakh, were made online, while 3.04 lakh were paper-based.

The weak response comes at a moment when the government urgently needs revenue to ease mounting fiscal pressure. Tax compliance continues to pose a major challenge for Bangladesh, affecting revenue, administrative efficiency, and the broader tax system.

Despite reforms and efforts to widen the tax net, only about one-third of TIN holders submitted returns -- a key document detailing income, expenses, and other financial information. The low filing rate contributes to one of the world's lowest tax-to-GDP ratios, even as the economy has grown over the past decade.

This shortfall comes as the government faces tighter fiscal space due to an increase in borrowing, higher social safety net spending, and surging energy costs caused by external shocks linked to the US-Israel war on Iran.

Low tax compliance restricts the government's investment in infrastructure, education, and healthcare. In the first eight months of the current fiscal year, total tax revenue, including VAT and customs duties, fell nearly 28 percent short of the Tk 554,000 crore target, though collections rose 12 percent year-on-year.

Meanwhile, external debt repayments rose, with $2.9 billion paid in principal and interest in the July-February period of FY26, up from $2.63 billion a year earlier.

STRUCTURAL ISSUES DRIVE NON-COMPLIANCE

Prof Deen Islam, an economics teacher at Dhaka University, said low compliance reflects deeper structural problems rather than procedural gaps.

READ MORE ON B2

PM forms private sector business council

STAR BUSINESS REPORT

The government has formed the first nine-member Private Sector Advisory Council (PSAC) aimed at resolving challenges in business by removing bottlenecks.

The Bangladesh Investment Development Authority (Bida) initiated the council, which held its first meeting at the Prime Minister's Office in Dhaka, chaired by Prime Minister Tarique Rahman yesterday.

READ MORE ON B3

Eastern Bank partners with Shanta Life to roll out bancassurance services

STAR BUSINESS DESK

Eastern Bank PLC (EBL) and Shanta Life Insurance PLC have jointly launched bancassurance products and services, enabling customers to access life insurance solutions directly through banking channels.

Ali Reza Iftekhar, managing director of the bank, inaugurated the service at a ceremony held at EBL's head office in Dhaka recently.

The initiative is expected to support broader financial inclusion by making insurance products more accessible to bank customers, according to a press release.

The bancassurance offering aims to provide convenient access to financial protection and long-term security while strengthening the delivery of integrated financial services.

By combining EBL's robust banking platform with Shanta Life Insurance's expertise in life insurance, the partnership seeks to enhance financial planning options for individuals and families.

As one of the leading private commercial banks in Bangladesh, EBL continues to diversify its financial services to better serve its growing customer base. Shanta Life Insurance, a concern of the renowned Shanta Group, focuses on delivering reliable and innovative life insurance solutions tailored to evolving customer needs.

Ali Reza Iftekhar, managing director of Eastern Bank PLC, attends the launch of bancassurance products and services, offered by the bank and Shanta Life Insurance PLC, at EBL's head office in Dhaka recently.
PHOTO: EASTERN BANK

NRBC Bank celebrates 13th anniversary

PHOTO: NRBC BANK
Md Ali Hossain Prodhania, chairman of NRBC Bank PLC, inaugurates the bank's 13th founding anniversary celebration at its head office in Dhaka recently.

STAR BUSINESS DESK

NRBC Bank PLC has completed 13 years of operations and stepped into its 14th year, reaffirming its commitment to good governance and inclusive banking.

The bank marked the milestone with a ceremony at its head office in Dhaka recently, highlighting its progress and future plans, according to a press release.

Md Ali Hossain Prodhania, chairman of the bank, inaugurated the programme as the chief guest.

He said that since its inception on April 2, 2013, NRBC Bank has achieved strong performance among fourth-generation banks.

He emphasised that ensuring good governance, expanding service coverage, and enhancing the bank's reputation remain key priorities. Increasing loan recovery and reducing non-performing loans will help boost profitability and protect the interests of depositors and investors, he added.

The chairman also reiterated the bank's goal of becoming a "people's bank" by increasing lending to cottage, micro, and small sectors, with a target of raising the share of such loans to 40 percent. He stressed the need to expand technology-driven services.

Md Touhidul Alam Khan, managing director and CEO, said the bank remains committed to maintaining growth momentum while strengthening compliance. Over the past 13 years, deposits have reached Tk 19,590 crore and loans Tk 14,962 crore.

NRBC Bank now operates nearly 500 branches and sub-branches and more than 600 agent banking outlets, serving over 21.5 lakh accounts nationwide.

Mohammad Abdul Qaium Khan, deputy managing director, along with divisional heads and officials from various zones, branches, and sub-branches, also joined the programme virtually.

Meghna Bank celebrates Tk 10,000cr deposit milestone in Q1 of 2026

STAR BUSINESS DESK

Meghna Bank PLC has recently celebrated reaching a deposit milestone of Tk 10,000 crore in the first quarter of 2026.

The bank organised a programme at its head office in Dhaka to mark the achievement, according to a press release.

Syed Mizanur Rahman, managing director of the bank, inaugurated the event as the chief guest.

Rahman thanked all stakeholders, especially depositors, for their continued trust in Meghna Bank.

Other senior officials and members of the bank's senior management team were also present.

Syed Mizanur Rahman, managing director of Meghna Bank PLC, inaugurates a programme marking the bank's achievement of a Tk 10,000 crore deposit milestone in the first quarter of 2026, at its head office in Dhaka recently.
PHOTO: MEGHNA BANK

Shafiquzzaman elected president of CAB

STAR BUSINESS DESK

AHM Shafiquzzaman

AHM Shafiquzzaman, former labour and employment secretary, has been elected president of the Consumers Association of Bangladesh (CAB) for a two-year term (2026-28).

The election took place during the association's annual general meeting and central executive council election at its head office in Segunbagicha, Dhaka, yesterday, according to a press release.

Humayun Kabir Bhuiyan was elected general secretary of the association.

Professor Anwarul Islam served as the chief election commissioner, while Akbar Hossain and Mostaque Ahmed assisted him as election commissioners.

Jamil Chowdhury (senior vice-president), SM Najer Hossain (vice-president), Masudur Rahman Rony (joint secretary), Mohammad Shawkat Ali Khan (treasurer), Md Abul Kalam Azad (organising secretary), and Anwar Hossain Chowdhury (publicity secretary) have been included in the new central executive council.

Anwar Hossain, MA Kader Mandol and Bahadur Sajeda Akhter were also included in the 11-member committee.

Nagad administrator Billah made exec director of BB

STAR BUSINESS DESK

Md Motasem Billah

Md Motasem Billah, the serving administrator of Nagad Limited, has been promoted to the post of executive director at Bangladesh Bank.

Prior to his appointment as the administrator of Nagad in February 2025, Billah was serving as a director of the Banking Inspection Department at the Bangladesh Bank's Chattogram office, according to a press release.

He began his career at the central bank in 1999 as an assistant director. Over a span of 27 years, he has held key positions in several important departments, including the Banking Inspection Department, and the Payment Systems Department.

He played a leading role in modernising the country's payment ecosystem, including initiatives such as the introduction of the national card scheme TakaPay, NPSB migration, the Cashless Bangladesh programme, and Bangla QR.

Since taking charge as the administrator of Nagad, he has led a series of positive transformations within the organisation.

Within a year, the platform's transaction volume nearly doubled, while significant progress was also made in technological advancement.

Billah obtained his BBA and MBA degrees from the University of Chattogram and later earned a master's degree in development studies from the University of Dhaka.

War is exposing

FROM PAGE B1

Asian LNG markets have tightened as cargoes are delayed or diverted, while rising war-risk insurance premia are pushing up freight costs across multiple commodities.

Fertiliser markets have also reacted quickly. The Gulf is a major supplier of urea and other critical inputs, and even temporary disruptions can translate into higher food production costs months later -- an important risk for fertiliser-importing countries like Bangladesh.

These developments do not arrive separately -- they arrive together. Higher LNG prices raise power generation costs. Higher fertiliser prices increase agricultural costs. Higher freight rates push up import prices. But the deeper risk is not price alone -- it is access. When disruptions affect fuel, fertiliser, and shipping simultaneously, the constraint becomes one of physical availability as much as affordability.

Availability risks matter more than price movements: prices strain budgets, but shortages strain the economy's ability to function. The adjustments will have to occur not only through higher inflation but through rationing of energy, transport, and industrial activity -- a far more difficult shock to manage.

HOW THE SHOCK SPREADS THROUGH THE ECONOMY

The first major pressure point will be the balance of payments. Import costs will rise as energy, fertiliser, and freight prices increase, while the main sources of foreign exchange face uncertainty. Exports are likely to be hit hard, migration flows may slow, and even strong remittances -- such as the recent $3.75 billion monthly record -- cannot be assumed to persist if GCC labour markets weaken. Usable reserves of roughly $30 billion provide a cushion, but not a large one relative to Bangladesh's import needs and external debt obligations. They can smooth adjustment, but not shield the economy from prolonged pressure.

The shock is also propagating through the fiscal channel. By limiting the domestic pass-through of global fuel price increases, the government is effectively absorbing part of the external price shock through higher subsidy costs, even as revenue mobilisation remains weak.

Price pressures are likely to intensify. Higher energy costs are pushing up transport and industrial prices, while fertiliser shocks will eventually feed into food inflation. This is classic cost-push inflation -- precisely the type monetary policy alone cannot easily control. This creates a familiar emerging-market dilemma: tightening policy risks slowing growth, while insufficient adjustment risks allowing inflation to become entrenched.

The financial sector may become another channel through which the shock spreads. Officially reported non-performing loans stand at around 31 percent and even this likely understates underlying stress. With balance sheets already weakened, any slowdown in economic activity could quickly translate into further borrower distress. In stronger financial systems, banks cushion such shocks through continued lending, but in weaker ones, fragility can amplify stress—a vulnerability Bangladesh faces if conditions deteriorate.

LIMITED BUFFERS AGAINST THE SHOCK

Bangladesh retains some buffers, but they are modest relative to the scale of the shock. Foreign exchange reserves provide time, not immunity. Multilateral financing may help smooth adjustment, but such support is gradual and conditional rather than immediate crisis relief.

Beyond these buffers, policy space is narrow. Fiscal options are limited, and with one of the lowest tax-to-GDP ratios in the world, the government has little room for tax relief or additional spending. Weak financial intermediation limits the scope for credit adjustment.

Administrative controls may restrain demand temporarily, but they cannot alter the global price shock.

These constraints explain the government's initial focus on conservation: shorter commercial hours, tighter load-shedding schedules, restrictions on energy use, and administrative demand controls.

Such measures may slow fuel consumption, but they do not reduce the underlying cost of energy imports. Nor do they fully address enforcement risks, as shortages often create incentives for diversion, preferential allocation, and other irregularities in distribution systems. When supply tightens, governance weaknesses can quickly become economic vulnerabilities.

WHAT THIS CRISIS REQUIRES

In shocks like this, the priority is not ambitious reform or rapid expansion. It is keeping the system functioning -- ensuring energy and food security, protecting reserves, maintaining financial stability, and avoiding disorderly adjustment until external conditions improve.

This requires difficult but unavoidable policy choices. The exchange rate must be allowed enough flexibility to prevent excessive reserve losses. Reserves should be used to prevent disorderly movements, not to defend symbolic levels.

Energy subsidies cannot expand indefinitely. Where support is necessary, it should be more tightly targeted to protect vulnerable households rather than suppress prices across the board. At the same time, public investment may need temporary reprioritisation toward areas that sustain economic functioning -- energy supply, logistics, and food security -- while lower-return projects are deferred.

Banking sector weaknesses cannot remain indefinitely masked through regulatory flexibility. Temporary forbearance may be warranted to prevent liquidity pressures from becoming systemic stress, but prolonged accommodation risks deepening solvency problems. Targeted restructuring of the weakest institutions may therefore become unavoidable to safeguard financial stability.

These are not abstract reform agendas but standard crisis-management tools. Their effectiveness depends less on technical design than on how shortages are managed in practice. When fuel, credit, and foreign exchange become scarce, competition for access inevitably sharpens. Without credible discipline, adjustment can quickly become uneven and inefficient.

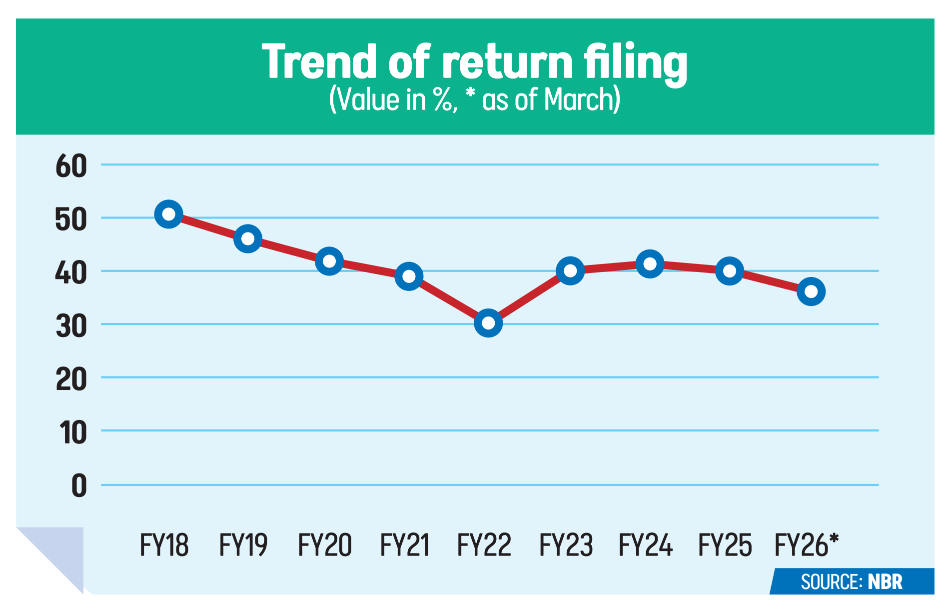
THE REAL CONSTRAINT IS POLITICAL, NOT TECHNICAL

The challenge is not identifying what needs to be done but implementing it. Exchange-rate flexibility affects those accustomed to privileged access to foreign exchange. Subsidy reform affects groups that benefit from generalised price support. Project rationalisation affects networks linked to public spending. Banking reform affects borrowers long accustomed to weak repayment discipline.

Adjustment is rarely delayed by a lack of economic understanding. It is delayed by the political costs of acting early. Yet crises rarely wait for political convenience. The Iran war is not creating Bangladesh's vulnerabilities -- it is exposing them. Adjustment is a compulsion, not a choice. The only question is whether it happens early and gradually, or later under greater stress.

In shocks of this scale, economic strategy becomes clearer, even if implementation does not. When external shocks exceed domestic buffers, the first priority of economic policy is not growth. It is endurance.

The writer is a former lead economist of the World Bank's Dhaka office



Two-thirds

FROM PAGE B1

"Weak enforcement is a major issue. When many non-filers face little or no consequences, the cost of non-compliance becomes very low," he said. "Many treat tax payment as optional in this situation."

Islam highlighted the growing gap between registration and actual compliance.

"Many people obtain TINs for administrative reasons but lack the ability or incentive to file returns. This problem is made worse by the large informal economy, where many businesses operate without proper accounts or reliable records," he further said.

Prof Islam also said the tax system itself can be a barrier. "Frequent legal changes, multiple requirements, and complex procedures make it harder to comply, especially for small businesses and individual taxpayers."

While making online filing mandatory for individuals was a positive step, Islam said digitalisation alone cannot solve the problem. "Limited digital literacy and technical barriers can discourage timely filing. Repeated deadline extensions may weaken enforcement."

"Tax compliance depends on trust and fairness. When people believe public funds are not used properly, they are less willing to pay taxes. At the same time, widespread non-compliance becomes the norm," he said.

He said the economic impact could be serious. Low compliance leads to a low tax-to-GDP ratio, greater reliance on borrowing, and mounting fiscal pressure.

"A small group of compliant taxpayers ends up carrying most of the burden, which is unfair and distorts the business environment. In the long run, this weakens the state's capacity," he said.

"To fix the problem, Bangladesh needs stronger enforcement, a simpler tax system, better services, and greater trust between the government and taxpayers," he added.

PROPOSED QUARTERLY FILING SYSTEM

Amid low submissions, the NBR is considering a year-round, quarterly tax filing system from the next fiscal year 2026-27.

Speaking at a pre-budget meeting on Wednesday, NBR Chairman Md Abdur Rahman Khan said the plan aims to improve compliance.

Under the proposal, the filing period would be divided into four quarters. Taxpayers would receive incentives for filing in the first quarter, pay standard rates in the second, and face higher costs or surcharges in the third and fourth quarters.

Dollar rises against peers

REUTERS, *New York*

The dollar rose sharply from two straight sessions of losses on Thursday after US President Donald Trump's speech on Iran undermined market expectations of a swift end to the conflict, renewing a bid for safe-haven assets.

Trump vowed more aggressive strikes on Iran in the next two to three weeks during his televised speech on Wednesday, offering no concrete timeline to open the Strait of Hormuz or end a war that has rattled investors and roiled markets.

Iran's military responded with a warning for the US and Israel of "more crushing, broader and more destructive" attacks in store.

The US dollar rose, even against other safe-haven currencies including the Swiss franc and the Japanese yen.

The dollar strengthened 0.6 percent to 0.799 against the Swiss franc .

Against the Japanese yen , the dollar was up 0.5 percent at 159.57, nearing the psychologically important 160 level that sparks investor worries of intervention by Japanese authorities.

"In the last couple of days there was a bit of optimism that the war was going to end soon and President Trump's address to the nation yesterday sort of undermined that hope," said Marc Chandler, chief market strategist at Bannockburn Global Forex in New York.

"There's nothing new that he said; it's just that he didn't provide any kind of morsels to feed the hope. I think this is the only fundamental right now that matters. If you think the war is going to end soon, you buy risk. If you think that it's not going to end soon, you sell risk."

The euro fell 0.45 percent to $1.1536 while sterling slid 0.63 percent to $1.3222 , with both giving up some recent gains.

The dollar index , which measures the greenback against a basket of currencies, climbed 0.46 percent to 100.02.

Abdul Awal Mintoo, minister for environment, forest and climate change, *third from right*, attends a press conference organised by ICC Bangladesh to launch the book "Made in Nepal: Lessons in Business Building from the Land of Everest" by Binod K Chaudhary, in Dhaka yesterday. ICCB President Mahbubur Rahman was also present.

PHOTO: ICCB

India's role vital for increased Bangladesh-Nepal trade ties

Says Binod K Chaudhary, Nepal's first billionaire

STAR BUSINESS REPORT

Nepal's first billionaire, Binod K Chaudhary, yesterday said Bangladesh and Nepal could significantly deepen economic ties, particularly in energy and cross-border trade, which can be largely facilitated by stronger regional cooperation involving India.

"We would like to enter into a much bigger economic engagement with Bangladesh, but without India playing a positive role, that's not going to happen," Chaudhary said at a press conference organised by the International Chamber of Commerce Bangladesh (ICCB) in Dhaka.

The event, held at Platinum Grand in Banani, marked the launch of his book "Made in Nepal: Lessons in Business Building from the Land of Everest."

Chaudhary pointed to Nepal's growing hydropower capacity as a concrete opportunity, saying Nepal could develop projects specifically targeting the Bangladeshi market, with India facilitating transmission.

India's evolving stance on cross-border energy cooperation, he added, offers a window for such initiatives.

This becomes necessary due to geography. As Nepal is a landlocked country, trade of this nature depends largely on India's cooperation.

Binod Chaudhary controls Nepal's CG Corp Global. The businessman made it to the Forbes billionaire list in 2013. As of yesterday, Forbes estimated his net worth to be $2.1 billion.

Also speaking at the event, Abdul Awal Mintoo, minister of environment, forest and climate change, referred to classical economic theory to stress the value of neighbouring markets.

Drawing on the ideas mentioned in The Wealth of Nations, a classic work of economist Adam Smith, he argued that a country's prosperity depends significantly on its ability to trade with its neighbours.

Nepal and Bangladesh have the opportunity to define their own economic trajectory through closer regional cooperation, with trade acting as the central pillar of that engagement

He cautioned that reliance on natural resources alone can not be a sustainable path to growth, noting that many resource-rich countries had struggled while trade-driven economies had fared better.

The minister also said strengthening economic ties with adjacent countries should take precedence over distant partnerships when it comes to boosting trade and long-term growth.

Political considerations, he added, should not be allowed to override the economic logic of regional integration.

He said enhanced connectivity, energy collaboration, and trade integration among South Asian nations could unlock substantial economic opportunities, provided countries prioritise pragmatic partnerships over political constraints.

Nepalese Ambassador to Bangladesh Ghanshyam Bhandari said the two countries share similar economic challenges and aspirations, making cooperation in trade and investment both natural and necessary.

The longstanding bilateral relationship, he said, is rooted in geographic and economic interdependence, symbolically linked by rivers flowing from the Himalayas to the Bay of Bengal. He identified stronger engagement between the business communities of the two countries as the practical vehicle for expanding bilateral trade.

The ambassador said Nepal and Bangladesh have the opportunity to define their own economic trajectory through closer regional cooperation, with trade acting as the central pillar of that engagement.

Moderating the event, ICCB President Mahbubur Rahman said businesses in the South Asia region had the potential to compete globally if backed by innovation, long-term vision and sound policy.

Entrepreneurship remains a critical driver of economic growth, particularly for emerging economies like Bangladesh and Nepal, he said. He added that cross-border collaboration and private sector engagement will be crucial in building a more competitive, resilient and globally connected economy in South Asia.

Oil-shortage fallout will ooze slowly but surely

REUTERS, *New York*

Just as when oil spills, a shortage seeps slowly. Fallout from a blocked Strait of Hormuz, which typically carries 20 percent of the world's supply, will spread steadily across the planet.

The directional part is simple. Because days in transit cost money, ships prioritize geographically closer markets. Some 80 percent of oil flowing through the Strait goes to Asia, according to the International Energy Agency. About 95 percent of Japan's oil imports come from the Middle East. Tankers that left the Gulf on February 27, the day before the United States and Israel attacked Iran, reached those ports.

Pain radiates from there. Exports to Europe are smaller, with even less destined to the Americas. Once these shipments stop, however, price signals will brighten. A gallon of US diesel retails for $5.49, the American Automobile Association says. Although it's 46 percent higher than a month ago, it pales next to places like Singapore, where it's now more than $15 a gallon. Coastal US producers are already exporting higher quantities, causing local prices to rise.

This file photo shows British-flagged oil tanker Stena Impero as it leaves Bandar Abbas port in southern Iran.

PHOTO: REUTERS/FILE

Jet fuel is getting hit hard and other refined products are next in line. Gulf countries have been adding facilities to convert crude into feedstocks, lubricants and more. Many can no longer ship overseas. The Middle East, for example, exported more than $10 billion of kerosene tailored for aircraft engines last year. Much of it is now inaccessible, leaving big importers like Europe critically short of supplies. Prices have more than doubled, even faster than Brent crude. For unhedged airlines, their expenses will rise 25 percent, based on IEA figures and current prices.

Furthermore, Mideast crude tends to be denser and contains more impurities, making it cheaper. Asian plants are generally equipped to refine it. They must now pay up for pricier light, sweet oil, and probably generate less output.

The goods that can be made also will vary. While refineries have some wiggle room, a barrel of WTI, the US oil benchmark, generates significantly more heavy naphtha, the main precursor to gasoline, than Arabian Heavy. And heavy oil can be turned into more asphalt and ship fuel. US producers are being signaled to drill more, which will translate into proportionally extra gasoline, leaving other customers wanting.

US truckers are bound to feel the pinch more severely than car drivers. Removing so much crude from the system, however, will push up prices far and wide. Whether it's transportation, manufacturing or farming, big users of oil and its byproducts will all suffer. The impact is just a matter of how much and when.

Govt to buy

FROM PAGE B1

The latest move comes less than a week after the corporation, which runs six urea factories and two non-urea fertiliser factories, issued revised tenders to buy 200,000 tonnes of urea from a wide range of suppliers to build stocks before the start of the major rice crop season, rain-fed Aman.

"We are opening all the windows so that we get the fertiliser wherever possible and in whatever quantity we get," said BCIC Chairman Md Fazlur Rahman. "But we are preferring government-to-government contracts to tenders to get supplies."

Except for the state-to-state contract, there is no plan to float any more tenders to procure urea now.

Bangladesh requires over 26 lakh tonnes of the nitrogen-based fertiliser, and three-fourths of urea demand is met through imports as local factories cannot operate fully amid gas diversion to other sectors.

The government, early last month, shut five out of six urea factories in the country after the closure of the Hormuz Strait fuelled price hikes due to supply fears from the Gulf, especially Qatar, one of the world's largest exporters of liquefied natural gas.

As of last week, the Bangladesh government had a stock of 373,100 tonnes of urea, according to the Ministry of Agriculture.

While there is no supply shortage until June, the country requires a reserve of around 600,000 tonnes of urea ahead of the July-September Aman sowing period, the BCIC chairman said.

Bangladesh imports urea mainly from Saudi Arabia, the United Arab Emirates (UAE), and Qatar, all of which ship fertiliser, gas, and oil through the Strait of Hormuz.

As supply through the shipping chokepoint has shrunk, fertiliser prices have gone up, raising concern over crop yield in the coming seasons. For example, urea surged to $725.6 per tonne in March, up by 54 percent from the pre-war period of $472 a tonne, according to World Bank Commodities Price Data (the Pink Sheet).

PM forms private sector business council

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In a statement, Bida said the prime minister has convened Bangladesh's first PSAC, creating a formal platform for the country's business representatives to provide timely, candid, and structured feedback to the highest level of government on the business climate, investment environment, and reform priorities.

The members of the council, selected by the prime minister, who is also its head, are: Arif Dowla, managing director of ACI; Syed Nasim Manzur, managing director of Apex Footwear Ltd.; Hafizur Rahman Khan, chairman of Runner Group; Ahsan Khan Chowdhury, chairman and CEO of PRAN-RFL Group; Ziaur Rahman, managing director of Bay Group; Abdul Muktadir, chairman and managing director of Incepta Group; Md Abdul Jabbar, managing director of DBL Group; Sohana Rouf Chowdhury, managing director of Rangs Group; and Syed Mohammad Tanvir, managing director of Pacific Jeans Group.

The first meeting was also attended by Finance Minister Amir Khosru Mahmud Chowdhury, Energy Minister Iqbal Hasan Mahmud, Commerce Minister Khandakar Abdul Muktadir, State Minister for Energy Anindya Islam Amit, PM's Adviser Mahdi Amin, and Bida Chairman Chowdhury Ashik Mahmud Bin Harun, according to the statement.

The prime minister delivered the opening remarks during the meeting, which was followed by an open discussion among the council members covering topics related to the regulatory environment, energy, human capital, taxation policies, logistics, export diversification, and foreign direct investment.

The council members appreciated the government's initiative in establishing this forum and its openness to engage with the private sector in fostering a more business-friendly environment, Bida said.

The council will now consolidate a summarised proposal from the private sector, accompanied by a targeted and actionable plan to address immediate challenges affecting the business climate.

The premier further advised the council to incorporate evidence-based legal, policy, and regulatory benchmarks from other countries to ensure Bangladesh remains globally competitive. Bida will act as the coordinating agency from the government side, providing necessary support and working with relevant ministries and agencies to effectively drive the implementation of the proposed action plan.

Bida Executive Chairman Ashik Chowdhury said, "The formation of the Private Sector Advisory Council is one of the key reforms proposed by Bida to create a structured mechanism for sustained private sector input at the highest level. We are grateful to the prime minister for taking ownership of this matter and for bringing together an accomplished group of business leaders to support Bangladesh's reform and investment agenda."

A council member said the PSAC has been selected as a sounding board for the prime minister as a way to hear about the ground-level realities of manufacturing in Bangladesh. The purpose is to help reduce the gap between business and government, he added. In their discussion, PSAC members focused on policy reform, simplification, delivering better quality policy, timely implementation, and improved governance.

At the same time, they identified ways to boost competitiveness, open up new sectors, create quality jobs, and strengthen human capital.

Cooking oil, sugar prices

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Soybean oil rose more sharply, reaching $1,482 per tonne in March from $1,282 in February – a month-on-month increase of about 16 percent.

Soybean meal prices increased to $473 in March from $425 in February.

Amirul Haque, managing director of Delta AgroFood Industries, a major soybean meal-oil importer, said the situation is largely driven by rising global import costs.

He noted that oilseed prices had climbed from $435–$450 to nearly $500 per tonne within a month and a half and could rise further to $550.

He fears that soybean oil prices in the international market may exceed $1,300 per tonne, in line with trends at the Chicago Board of Trade.

Luthful Kabir Shaheen, director of business development at City Group, which markets the Teer brand of edible oil, said, "The reason is surging freight costs, which have gone up by 2-2.5 times since the war."

Officials from Meghna Group, which markets Fresh-branded products and is among the country's leading commodity importers, declined to comment.

Meanwhile, Golam Mawla, president of the Bangladesh Wholesale Edible Oil Traders Association, said the increase reflects ongoing market pressure rather than a sudden crisis.

"Products are available, but they are sold quickly upon arrival, creating a perception of tight supply," he said.

Karwan Bazar's retailer Siddique echoed the sentiment, saying panic buying had added further pressure. "The government has little control, and wholesalers in Khatungonj and Dhaka's Moulvibazar are setting prices as they wish."

SPICES AND SUGAR

At Khatunganj, the sharpest price increases have been recorded in spices and dry fruits, many of which are directly sourced from the Middle East and Central Asia.

Pistachio prices surged by more than 30 percent to Tk 4,100 per kg, while sour dried plums saw an exceptional spike of over 160 percent to Tk 1,320 per kg. Both of the items are largely brought in from Iran and Afghanistan.

Prices of raisins, cumin, nutmeg and mace have also risen significantly. Traders say supply chain disruptions linked to the Middle East can have an immediate impact on Bangladesh's commodity market, given this concentration of sourcing.

Raisins arrive from Iran, Afghanistan, Turkey and Uzbekistan. Cumin is imported mainly from India, Syria and Turkey, while nutmeg and mace come predominantly from Indonesia.

Sugar prices have edged up modestly, with a maund now selling at Tk 3,550 compared to Tk 3,420 a week earlier. Bangladesh imports sugar mainly from Brazil, India and Thailand.

The World Bank data shows that sugar world prices increased slightly to $0.33 per kg in March from $0.31 in February. The global sugar prices have been on a downward trend since reaching $0.52 in 2023. Prices stood at $0.45 per kg in 2024 and 0.37 in 2025.

FREIGHT COSTS THE MAIN CULPRIT

While Bangladesh's key commodity imports do not pass through the Strait of Hormuz, the broader disruption to global shipping has driven up freight costs considerably.

A senior official from a major commodities importing company said freight charges have risen from $35 per tonne before the conflict to $55 per tonne at present, an increase of more than 57 percent.

Major global shipping lines have introduced a series of emergency surcharges since early March. Maersk announced on March 3 an emergency freight increase for cargo to and from Gulf destinations – including the UAE, Qatar, Saudi Arabia, Bahrain, Kuwait, Iraq and Oman.

It set rates at $1,800 per 20-foot container, $3,000 per 40-foot container, and $3,800 for refrigerated units, citing higher operating costs and the need for alternative routes.

CMA CGM introduced a similar emergency conflict premium on March 2, at $2,000, $3,000 and $4,000, respectively, for the same container types. The company also announced an emergency fuel surcharge of $75 to $180 starting March 16 due to rising bunker costs.

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MONTHLY BUSINESS REVIEW

WAR ON IRAN SPARKS ENERGY CRISIS

Dependence & impact

- » Bangladesh imports nearly all crude oil & 71% of LNG via Hormuz
- » Fuel shortages trigger public panic, surges in artificial demand
- » Govt temporarily rationed fuel; restrictions eased for Eid
- » Mobile courts seized 2.8 lakh litres of fuel; hoarders fined and jailed
- » Supply disruptions ➜ higher costs, inflation, energy insecurity

Rush to secure energy supply

- » Seeks US waiver to import 6 lakh tonnes of Russian refined fuel
- » Additional diesel from India, Indonesia; exploring Singapore, Malaysia, Nigeria, Azerbaijan, Kazakhstan, Angola, Australia, Iran
- » Floats int'l tenders to buy nine LNG cargoes on spot market
- » War-induced supply shock pushes up LNG prices
- » Exploring digital fuel passes to prevent hoarding

Financial & govt outlook

- » To seek $2b+ from multilateral lenders to sustain imports
- » No actual shortage; crisis driven by panic buying
- » Measures in place to regulate distribution, protect reserves, secure alternatives

REMITTANCE INFLOWS REACH RECORD HIGH

March 2026: **$3.75b** all-time high

YoY Growth: ↑14% (from $3.29b in Mar 2025)

Feb 2026: $3.02b

FY26 (First 9 months): **$26.20b** -- ↑20% YoY

Key drivers

- Eid-ul-Fitr spending by families of overseas workers
- Bangladeshis sending more amid Middle East tensions

MIDDLE EAST CONFLICT HITS FOOD EXPORTS & FERTILISER SUPPLY

Exports

- Gulf orders down around 40% since Feb 28
- Freight costs up 4×: $1,500 ➜ $6,500 per container
- Port disruption: only Jeddah operational; around 10-day transit delays
- "War costs" increase expenses by 15%; buyers delaying orders
- Production mostly stable, but risks if disruption persists

Fertiliser supply

- Govt shuts five fertiliser factories amid gas concerns
- Imports via Hormuz from Saudi Arabia, UAE, Qatar affected
- Urea stock sufficient until June, non-urea until Oct
- Govt rushes to buy fertilisers thru int'l tenders

FAMILY CARD LAUNCHED TO EMPOWER WOMEN, REDUCE POVERTY

Launched Mar 10 by PM Tarique Rahman at T&T Playground near Korail Slum

Implementation & fiscal notes

- Success depends on accurate targeting and transparent selection
- Political will strong; main hurdle is administrative capacity
- Full rollout cost: Tk 5,000cr/month (around 0.96% of GDP for 2cr families)
- Integration into national social protection system recommended

Key features

- Provides Tk 2,500/month per family via mobile wallet or bank
- Focused on women and vulnerable households
- Pilot: 40,000 families over 4 months; 37,000 women received cards at launch
- Goal: expand to 2cr families nationwide

TAKA WEAKENS, GOLD FALLS

Gold

- » Domestic prices fell about Tk 36,000/bhori in 23 days
- » Tk 2.77 lakh (Mar 3) ➜ Tk 2.41 lakh (Mar 25)
- » 12 price revisions, including 10 cuts
- » Global gold fell $757.43/oz in 30 days, driving local decline
- » Price may rise if conflict intensifies as investors seek safe havens

Currency

MAR 1: $122.30 INTERBANK DOLLAR RATE

MAR 31: $122.75 INTERBANK DOLLAR RATE

Taka weakened due to war on Iran, Middle East tensions

BB stopped supplying dollars, allowing slight depreciation

FUTURE OUTLOOK: PROLONGED CONFLICT MAY INCREASE IMPORT BILLS, DOLLAR PRESSURE

BANGLADESH ENGAGES WITH WTO & IMF

WTO MC14, Yaoundé

- Priorities: Bilateral trade deals, defer LDC graduation to 2029, join RCEP, boost exports & investment
- Key talks: EU FTA, New Zealand, South Korea, Singapore, others
- Advocated: TRIPS NVSCs, special & differential treatment, post-LDC support
- Joined Investment Facilitation for Development Agreement (129th member)
- Outcome: no major agreements; ongoing talks on fisheries subsidies, WTO reform, LDC packages

IMF delegation visit (Mar 24-25)

- Meetings: PM Tarique Rahman, Finance Minister Amir Khosru Mahmud Chowdhury, BB Governor Md Mostaqur Rahman
- IMF advice: Pursue ambitious policies & structural reforms for macro-financial stability, inclusive growth
- Loan programme: $5.5b stalled; talks resumed, $1.3b tranche likely by June with reforms
- IMF support continues; follow-up at April IMF-World Bank Spring Meetings