

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 Ghansyam 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

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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).

Private Sector Advisory Council (PSAC)

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|---|--|--|---|
| Arif Dowla Managing director ACI | Syed Nasim Manzur Managing director Apex Footwear Ltd | Hafizur Rahman Khan Chairman Runner Group | Ahsan Khan Chowdhury Chairman and CEO PRAN-RFL Group |
| Tarique Rahman Prime minister & head of the council | Ziaur Rahman Managing director Bay Group | Abdul Muktedir Chairman and managing director Incepta Group | Md Abdul Jabbar Managing director DBL Group |
| | | Sohana Rouf Chowdhury Managing director Rangs Group | Syed Mohammad Tanvir Managing director Pacific Jeans Group |

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 Muktedir, 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 Muktedir,

State Minister for Energy Anindya Islam Amit, PM's Adviser Mahdi Amin, and Bida Chairman Chowdhury Ashik Mahmud Bin Farun, 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 Khatungonj, 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.