South Korean firm to invest $24m at Bepza EZ

STAR BUSINESS DESK

PH Creative (BD) Limited, a South Korean company, will set up a manufacturing facility at the Bepza Economic Zone (Bepza EZ) in Mirsharai, Chattogram.

The company will produce a wide range of items, including steel, aluminium and iron frames; fibreglass poles; tents; sleeping bags; camping chairs; and various tent accessories such as PVC wear covers, caps, chair patches, hangers and hammers.

It will also manufacture trolley bags, handbags and garment accessories, including toggles and beads.

The investment will create employment opportunities for around 2,000 Bangladeshi nationals, according to a press release.

Md Tanvir Hossain, executive director for investment promotion at the Bangladesh Export Processing Zones Authority (Bepza), and Jin Ho Bae, chairman of PH Creative (BD) Limited, signed the agreement at the Bepza Complex in Dhaka yesterday.

Mohammad Moazzem Hossain, executive chairman of Bepza, attended the signing ceremony and thanked the South Korean company for choosing Bangladesh, particularly the Bepza Economic Zone, as its investment destination.

He also encouraged the firm and other South Korean investors to explore further opportunities in high-tech sectors, especially semiconductors and electronic products.

Sri Lanka hikes cooking gas prices by 23%

AFP, *Colombo*

Sri Lanka on Monday raised prices of liquefied petroleum gas (LPG) by nearly a quarter, blaming higher global prices triggered by the Iran war.

As well as gas, Sri Lanka also imports all of its oil and buys coal for electricity generation.

Colombo has warned that a prolonged war in the Middle East could seriously undermine efforts to emerge from its economic meltdown of 2022. The increase in cooking gas prices on Monday is on top of an eight percent hike last month.

A private company, which accounts for about a quarter of the domestic LPG market, raised its retail price by 23 percent to 5,700 rupees ($18.08), up from 4,630 rupees ($14.69).

Farmers and wholesalers trading onions at the Pushpopara wholesale market in Pabna Sadar upazila. Supply exceeding demand has brought onion prices down. The photo was taken on Thursday. PHOTO: AHMED HUMAYUN KABIR TOPU

Rain damage, oversupply cause sharp drop in onion prices

Farmers in key regions say lack of storage facility means the perishable produce has to be sold off quickly

SUZIT KUMAR DAS *and* AHMED HUMAYUN KABIR TOPU

Onion farmers are facing mounting losses this season as a sharp fall in prices, coupled with rain-induced damage, offsets a significant rise in production.

Farmers in key onion-producing districts -- Pabna, Faridpur and Rajbari -- said output has increased by around 30 percent compared to last year.

However, prices have dropped by at least Tk 300-500 per maund (one maund is equivalent to around 40 kg), leaving many unable to recover production costs.

According to the Department of Agricultural Extension (DAE), onion (seedling) cultivation covered 226,000 hectares (one hectare is equivalent to about 3.95 bigha) of land in the 2025-26 fiscal year, up from 201,000 hectares the previous year.

In Pabna, one of the largest onion-producing regions, farmers say prices have hit a low not seen in the last three to four years.

Md Kamruzzaman, a farmer from Durgapur village in Sujanagar upazila, said onions that sold for Tk 1,500 to Tk 1,700 per maund last year are now fetching only Tk 700 to Tk 800.

"At this rate, it is nearly impossible to recover production costs," he said.

Kamruzzaman cultivated over 50 bighas this year, including 15 bighas of leased land. While production costs on his own land ranged between Tk 45,000 and Tk 50,000 per bigha, costs on leased land exceeded Tk 80,000 due to high fees.

"I may earn a small profit from my own land, but I am incurring significant losses on leased plots," he added.

Md Montu Miah of Ulat village said favourable weather initially led to a bumper yield of around 80 maunds per bigha, but early rains damaged crops and reduced quality.

"Farmers could have managed if prices were at least Tk 1,000 per maund. But due to rain, onions are being harvested early and cannot be stored for long, forcing us to sell at low prices," he said.

At Pushpopara wholesale market in Pabna Sadar upazila, supply has far exceeded demand.

Farmers said large volumes of onions are arriving daily, but buyers remain scarce.

Md Samsul Alam, a farmer who brought 200 maunds to the market, said traders were unwilling to offer more than Tk 600 per maund.

According to the DAE, onion seedling cultivation covered 226,000 hectares of land in the 2025-26 fiscal year, up from 201,000 hectares the previous year

"There aren't enough buyers to create competition," he said.

Wholesaler Md Rabiul Islam said more than 100 tonnes of onions arrived at the market on Thursday, against a demand of only around 30 tonnes.

"Most of the supply is of lower quality due to rain damage. Since these onions cannot be stored, the oversupply is pushing prices down further," he said.

In Rajbari and Faridpur, farmers described a similar situation.

Rahad, 24, from Baliakandi upazila, said he cultivated onions on 1.5 bighas of land this year, spending around Tk 75,000. "Production has been good, but with current prices, I cannot make any profit," he said.

Rahmat Ali, another farmer from the same area, said he expects to harvest over 500 maunds from two acres this year, compared to 185 maunds last year when he made a profit of Tk 30,000.

"But due to rainfall, many onions are rotting before harvest. At current prices, I won't even recover my costs," he said.

Sanjit Kumar Das from Rajbari Sadar said he spent about Tk 2.5 lakh cultivating onions on 2.68 bighas.

"If there had been no rain, I could have sold onions worth at least Tk 7 lakh. Now most of the crop has been damaged. Labour costs are also high, and I don't have storage facilities. Traders are not offering more than Tk 500 per maund," he said.

Mafikul Islam from Faridpur's Saltha upazila said yields have increased by 35-40 maunds per bigha, but low prices remain a major concern.

Officials say the price fall is largely due to oversupply. Shahadat Hossain, senior market officer of the Department of Agricultural Marketing (DAM) in Faridpur, said onions are currently selling for Tk 800 to Tk 1,000 per maund, down from Tk 1,400 to Tk 1,600 during the same period last year.

"Farmers should market their produce as quickly as possible," he said, expressing hope that prices may rise soon.

Shahidul Islam, deputy director of DAE in Rajbari, said 50-60 hectares out of 138 hectares of onion fields have been partially damaged due to waterlogging.

"We have advised farmers to harvest and market their produce quickly," he said.

Shahaduzzaman, deputy director of DAE in Faridpur, said onion cultivation exceeded the target this year.

"Although production is good, prices usually remain low during the peak season. If farmers can store their onions, prices may rise within a month," he added.

Safeguarding our chemical-dependent industries

SAZZADUL HASSAN

The chemical industry, built on a foundation of oil, gas and petrochemical feedstocks, underpins modern manufacturing. It supplies essential materials for plastics, textiles, pharmaceuticals, fertilisers and many other sectors. Today, the industry faces severe strain due to the ongoing war in the Middle East. The chemicals sector is particularly exposed because it depends on gas both to power plants and as feedstock, the raw material for many products. Each price spike therefore affects it twice. The Middle East is a key source of petrochemicals such as polyethylene, polypropylene, methanol and ammonia, which are essential raw materials for industries including plastics, coatings, textiles and fertilisers. In addition, products such as urea and sulphur rely heavily on feedstocks from the region. Instability there is disrupting the global chemical supply chain.

For Bangladesh, the implications are immediate and serious. The fertiliser segment has been particularly hard hit. Prices have risen by as much as 40 percent within weeks. The Bangladesh Chemical Industries Corporation (BCIC) has cancelled international tenders for 200,000 tonnes of urea amid supplier uncertainty. Four of five state-owned fertiliser plants are offline because of domestic gas shortages. This carries far-reaching consequences for agriculture and the country's food security. The pharmaceutical industry, which imports nearly 90 percent of its active pharmaceutical ingredients (APIs) at an annual cost of more than $1.3 billion, is also facing rising production costs. Key pharmaceutical inputs such as paracetamol and metformin have jumped by between 50 and 90 percent. Moreover, any prolonged disruption would jeopardise the supply of essential, life-saving medicines and place additional strain on public health systems.

The country's economy is highly reliant on imported chemicals and petrochemical derivatives, particularly for its dominant ready-made garments sector. Synthetic fibres, dyes and finishing chemicals are becoming more expensive and less predictable in supply. The crisis is compounded by energy pressures. Qatar, a key LNG supplier to Bangladesh, has faced production disruptions, while shipments through the Strait of Hormuz are becoming increasingly risky. Without a reliable and continuous gas supply, domestic industries cannot operate at full capacity.

The economic fallout is already visible. Global chemical prices have spiked, feeding into higher production costs across multiple industries. Inflation in Bangladesh faces renewed pressure. Export competitiveness erodes when lead times lengthen and input costs surge. Remittances from the Middle East, a crucial pillar of foreign exchange earnings, are also at risk of uncertainty as the conflict intensifies and economic conditions in host countries become more volatile. Given the gravity of the situation, Bangladesh needs to respond quickly and decisively. First, diversifying supply is now imperative. Government and industry must proactively secure alternative sources beyond the Middle East, targeting suppliers in East Asia, Europe and emerging petrochemical hubs. At the same time, establishing strategic stockpiles of critical inputs, especially fertilisers and key chemicals, would create a vital buffer against short-term shocks and buy time to implement longer-term structural solutions.

Second, targeted investment in domestic chemical capacity should be accelerated, with a focus on basic chemicals, recycling initiatives and stronger textile supply chain linkages. Gradually building local capability would reduce dependence on imports and enhance resilience against external disruptions. Third, a comprehensive energy strategy is essential. Expanding LNG supply contracts, accelerating investment in renewable energy, building strategic reserves and boosting industrial energy efficiency would help ease cost pressures and strengthen long-term resilience. Concurrently, businesses must overhaul risk management models, favouring longer-term contracts, broader supplier diversification and more flexible inventory management to survive and adapt in a more volatile global landscape.

In an interconnected world, distant conflicts can have immediate domestic consequences. For Bangladesh, the challenge is not merely to weather the storm, but to use this period of turbulence as a catalyst for building a more resilient, diversified and self-reliant industrial future.

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

How one factory in China learned to live with Trump, tariffs and turmoil

REUTERS, *Dongguan*

US President Donald Trump's tariffs sought to hurt Chinese manufacturing, but for one electronics maker, a turbulent 2025 ended with a belief that China is a location that is difficult to replicate - as long as things don't change too drastically.

Agilian Technology, which makes products mostly for Western brands, saw its US orders - accounting for more than half its revenue - frozen for months and clients demanded it set up production outside China.

Tariffs brought chaos to many Chinese companies; the country's official purchasing managers' index contracted for much of last year, with April 2025 being its weakest reading since December 2023.

But Beijing's retaliation - export controls on minerals and metals that US firms need and are difficult to source - reduced the levies. In March, China's official PMI grew at its fastest pace in a year.

This allowed Agilian, a $30-million-a-year business, to recover and appreciate its foothold, which it sees as crucial for growth - though it has pursued offshoring.

A recovery in China's manufacturing sector might surprise Trump following the anniversary of his "Liberation Day" tariff rollout, given that he campaigned on using levies to reindustrialise the American economy and project US power.

"The data confirms that Trump's tariffs indeed haven't derailed the momentum that we've seen in China's manufacturing sector," said Nick Marro, principal economist for Asia and lead for global trade at the Economist Intelligence Unit. He added that levies "resulted in a restructuring of trade linkages and supply chains."

China's trade surplus for the first two months of 2026 rose to $213.6 billion, official data showed, from $169.21 billion a year earlier. And in 2025, China grew its trade surplus by a fifth to a record $1.2 trillion - equivalent to the GDP of the Netherlands.

But exports to the US slumped 20 percent in 2025, hurting manufacturers that rely on the market, said Agilian CEO Fabien Gaussorgues.

Gaussorgues, speaking at his factory in the southern city of Dongguan, wondered whether Trump would make a breakthrough when he visits China in May.

"The best we can hope for is probably a pledge for both sides to keep talking and maybe some type of framework to keep trade tensions from boiling over like they did last year," Marro said.

Economists and industry executives expect Trump's visit to extend a detente between the two rivals.

He Yadong, a spokesperson for China's Ministry of Commerce, said the two countries should implement what they agreed to in previous meetings and subsequent rounds of talks.

Employees work on a production line manufacturing electronics products at a factory of Agilian Technology in Dongguan, China. PHOTO: REUTERS/FILE

"China has shown the rare earths (are) a leverage of mass destruction," said Denis Depoux, the general manager of consultancy Roland Berger. "It's a nuclear weapon of trade."

PREPARING FOR THE WORST

Today, Agilian executives view Trump's tariff policies as guideposts for how to deal with future flare-ups.

In 2024, as Trump was rising in election polls, Agilian's clients wanted to get ahead of tariffs and asked the firm to ship products to North American warehouses. Other US importers had similar ideas and storage prices went "crazy," said Renaud Anjoran, the firm's vice-president.

Shortly after Trump was re-elected, post-midnight calls from "panicked" clients became frequent.

One customer with family in Penang, Malaysia, urged Agilian to set up a production base there.

Agilian had set up an entity in India, but most clients pushed back on operating there, worried about slow production and customs delays.

"India takes time," Gaussorgues said. "It took us one year to have the official company."

TRUMP TAKES OFFICE

After Trump was inaugurated, two tariff hikes on China totalling 20 percent concerned clients, but they stuck around. Then on April 2, tariffs on Chinese exports rose another 34 percentage points.

For Agilian customers, "this was a disaster" and many cancelled orders. Soon after, pallets of goods piled up inside the 12,000-square-metre (130,000-square-foot) Dongguan factory.

China retaliated. Escalations pushed the levies above 100 percent on both sides before the end of the month. "Things were frozen," said Anjoran.

The company decided to go with Penang and found a factory to partner with. It was preferred because it was removed from the South China Sea, where military conflicts can't be ruled out.

Agilian also scouted industrial rental space in Dharwad, India, and even looked at moving production to the US But it found supply chains there were incomplete, leaving it reliant on tariffed Chinese components and higher labour costs.