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Star BUSINESS

Middle East conflict disrupting garment production

Says BGMEA president

STAR BUSINESS REPORT

The ongoing Middle East conflict is severely disrupting production in the garment sector due to energy shortages, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Mahmud Hasan Khan said yesterday.

He made the statement at a meeting with Commerce Minister Khandakar Abdul Muktadir at the minister's office in Dhaka, where he led a BGMEA business delegation.

Khan said the sector is facing a crisis due to global economic instability, the impact of the Middle East conflict, and severe gas and electricity shortages in the country, according to a BGMEA statement after the meeting.

He also said rising raw material prices and higher production costs have further worsened the situation.

In such a difficult time, strong policy support from the government and a business-friendly environment are essential to stay competitive in the international market, he added.

Khan also spoke about the RMG Sustainability Council (RSC), saying it was formed mainly to address future industry challenges, including monitoring building, fire, and electrical safety standards.

However, he said that social compliance issues such as wages and trade unions are not within its core responsibility.

Khan added that expanding its role into these areas would create extra administrative and financial burdens on the industry, which is not desirable.

He also stressed that any decision in this regard must be made in line with stakeholders' views and national laws, the statement read.

During the meeting, the BGMEA chief called for an amendment to the current import policy to simplify the import of raw materials on a free of cost (FOC) basis.

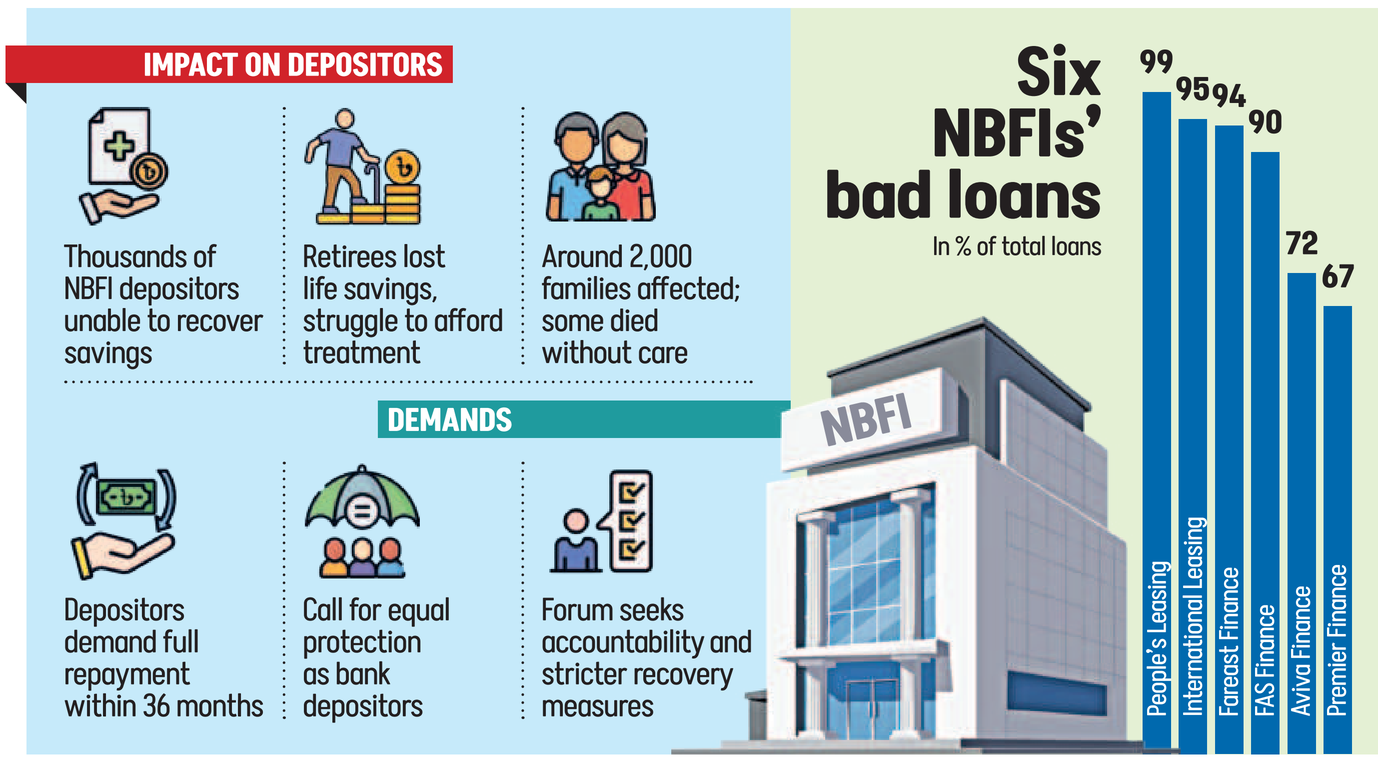
He also requested a revision of relevant clauses in the Import Policy Order to remove the requirement for bond licences when supplying goods from bonded exporters to non-bonded direct exporters.

BGMEA leaders urged the withdrawal

READ MORE ON B3

NBFI depositors cry for payback

Some investors of six liquidating non-banks have already died, while others struggle with medical bills, as families face uncertain future



STAR BUSINESS REPORT

AKM Ansar Uddin, a former official of Bangladesh Petroleum Exploration and Production Company Limited (Bapex), placed his retirement savings of Tk 16 lakh with People's Leasing and Financial Services Limited in the hope of earning a steady return.

He set aside the money for his three children, especially for the marriages of his two daughters. But when the deposit matured, the company did not return the principal, let alone any interest.

As his health deteriorated, the elderly depositor was unable to withdraw the funds for treatment. He died in November last year. Amid financial hardship, the family later arranged the daughters' weddings without ceremony.

Speaking at a press conference at the Jatiya Press Club yesterday, his wife, Akhtari Begum, broke down in tears as she described their ordeal. Their youngest son, Anaf Uddin, sat beside her.

The event was organised by the Alliance of 6 NBFIs Depositors Recovery Committee, which represents depositors of six non-bank financial institutions (NBFIs) now under liquidation. The institutions are FAS Finance, Premier Leasing, Fareast Finance, Aviva Finance, People's Leasing and International Leasing.

Over the years, several non-bank institutions collapsed amid widespread mismanagement, weak governance and heavy exposure to non-performing loans. Poor regulatory oversight and delayed action by the Bangladesh Bank (BB) deepened the crisis and ultimately led to liquidation.

At the press conference, Akhtari Begum said she had struggled to arrange her daughters' marriages with dignity. "We are now uncertain how to survive with my children and cannot even ask others for help. Now I feel completely lost."

She said her husband expected to receive Tk 7 lakh, which he planned to use for medical treatment instead of taking loans, fearing he would leave his family in debt. Now, she said, she does not know how she will live the rest of her life.

Nashid Kamal, a professor and Nazrul exponent, coordinated the press conference, where other depositors recounted similar hardship after their savings became trapped in the six institutions.

She said some depositors, including Mustafa Zaman Abbasi, a musicologist, reportedly died without proper medical treatment because he could not access his money.

Another depositor said her family invested funds primarily meant for medical treatment and savings in Aviva Finance. Since 2024, they have been unable to withdraw their money or receive regular returns.

"Even urgent medical requests

READ MORE ON B2

Govt drafts 5-year strategic plan

Designates ICT as special priority sector

STAR BUSINESS REPORT

The government has drafted a five-year strategic framework proposing to designate ICT as a special priority sector and send 20 lakh workers abroad annually.

The draft framework has been made in line with the government's aim of achieving a trillion-dollar economy by 2034, according to a presentation by the General Economics Division (GED) of the Bangladesh Planning Commission at an advisory council meeting yesterday.

It projects real GDP growth reaching 8 percent by fiscal year 2029-30 (FY30), nominal GDP at $749 billion, inflation falling to 5 percent, and gross investment rising to 37.6 percent of GDP.

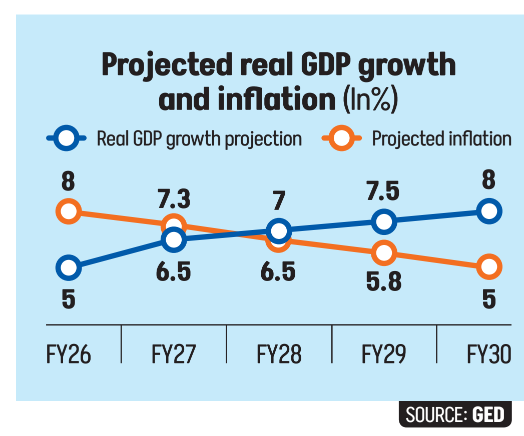
The outline will go through further consultations with relevant stakeholders before being finalised.

ICT AND JOBS

As per the draft, within the ICT sector alone, the government is targeting 10 lakh direct and indirect jobs.

Of the 10 lakh ICT jobs, 2 lakh are targeted in five areas -- cybersecurity, business process outsourcing (BPO), artificial intelligence (AI) and data, semiconductors, and Industry 4.0. The remaining 8 lakh are to be created indirectly through freelancing.

A national initiative will strengthen software, hardware, and BPO industries, backed by a commitment to universal high-speed internet, the GED said.



The draft also states plans to introduce a national e-wallet, including PayPal access, for freelancers and tech professionals.

Beyond ICT, the government aims to send 20 lakh people abroad annually through short-term language and skills training.

More than 5 lakh vacant government posts are to be filled through a transparent recruitment process.

EXPORT AND ENERGY

As per the draft plan, the garment sector will see stronger "Made in Bangladesh" branding through new product innovation.

The draft aims to broaden the export base by prioritising pharmaceuticals, leather, footwear, and agriculture and fisheries-based products.

READ MORE ON B3

BB resumes dollar purchase

STAR BUSINESS REPORT

Bangladesh Bank (BB) has resumed purchasing US dollars from the market after one and a half months, driven by higher inflows than outflows amid strong remittance earnings.

Yesterday, the central bank bought $70 million from Islami Bank Bangladesh at a cut-off rate of Tk 122.75 per US dollar.

Earlier, on March 2, BB purchased $25 million from two commercial banks through multiple auction methods.

During the 2025-26 fiscal year, total US dollar purchases stood at $5.56 billion, according to BB data.

Remittance inflows reached an all-time high of $3.75 billion in March, as Bangladeshis working abroad sent increased amounts to their families ahead of Eid-ul-Fitr.

In addition, remittance inflows stood at $1.60 billion between April 1 and April 14 this year, up 25.2 percent year-on-year, data showed.

The banking regulator began purchasing dollars at the start of the current fiscal year as supply increased, supported by higher export earnings and remittance inflows.

READ MORE ON B3

Govt doesn't want to dictate BB: Titumir

STAR BUSINESS REPORT

The government does not want to dictate the Bangladesh Bank's actions under any circumstances, said Rashed Al Mahmud Titumir, the prime minister's adviser on finance and planning.

"We do not want to dictate the central bank's actions in any way. Our approach is to ensure coordination between fiscal and monetary policy," he said.

"The central bank will listen to stakeholders, including you (businesses), and take appropriate actions independently."

Titumir made the remarks yesterday at a discussion on synergising the banking sector from the lender and borrower perspectives, organised by the Dhaka Chamber of Commerce and Industry (DCCI) in the capital.

He stressed that reviving closed industries and expanding existing ones would be key to restoring economic momentum.

"Reviving closed factories is fundamental. This is how we bring dynamism back into the economy and generate employment," he said.

Regarding efforts to tame inflation, Titumir said that the government is prioritising the people's interests.

During the Ukraine war, despite fluctuations in global gas prices, the previous (Awami League) government repeatedly raised fuel prices, he said, shifting the burden onto citizens amid what he described as economic mismanagement and capital flight.

However, with a strong public mandate, the present government is prioritising easing pressure on people's livelihoods, Titumir claimed, which is why fuel prices have not been increased despite external pressures.

Speaking on the upcoming national budget, he said the government is preparing a set of measures aimed at supporting micro, small, and medium enterprises (SMEs), which remain central to employment generation.

"These measures may include stimulus support, tax reforms, and the creation of joint financing funds," he said.

DCCI President Taskeen Ahmed said the country's industrial sector is going through a highly challenging period due to the prolonged absence of a business-friendly environment.

READ MORE ON B3

PPP guidelines rolled out to use public land for renewables

ASIFUR RAHMAN

The government has introduced a new policy framework to speed up renewable energy development by allowing unused or underutilised state-owned land to be used for clean energy projects under a public-private partnership (PPP) model.

The "Guidelines for Development of Renewable Energy Projects using Land Owned by Government Agencies under PPP Modality, 2026," unveiled on April 12, aim to ease one of the biggest bottlenecks in expanding renewable energy in Bangladesh -- the shortage of suitable land.

"One of the major pledges from this government is ensuring energy security by enhancing power production from renewable sources, which is why the guidelines are prepared," reads a letter sent to the PPP Authority from the Power Division in this regard.

PHOTO: STAR/FILE

Bangladesh currently has 1,059MW of installed renewable capacity -- just 3.7 percent of the total 28,504MW -- with solar at 757MW, hydro at 230MW, and wind at 62MW.

The move comes as the government seeks to implement its Renewable Energy Policy 2025, which targets at least 20 percent of electricity generation from renewable sources by 2030.

Bangladesh currently has 1,059 megawatts (MW) of installed renewable capacity -- just 3.7 percent of the total 28,504MW -- with solar at 757MW, hydro at 230MW, and wind at 62MW.

The new guidelines focus mainly on solar and wind projects, which require large areas of land.

Many government agencies -- ranging from ministries to statutory bodies -- own unused or underused land that the framework aims to bring into productive use for energy generation.

Under the framework, the Bangladesh Power Development Board (BPDB) has been designated as the main contracting authority, responsible for selecting private partners, signing contracts, and overseeing implementation.

The Power Division will sign a Government Facilitation Agreement to provide state support, while Power Grid Bangladesh PLC will handle transmission and grid connectivity.

The PPP Authority will act as the central coordinating body to resolve inter-agency issues and ensure compliance with PPP rules.

The guidelines set a minimum project size of 50MW for solar and wind, though smaller projects may be permitted for other technologies -- including tidal, wave, and

READ MORE ON B2

Trust Bank, SME Foundation to implement revolving credit fund

STAR BUSINESS DESK

Trust Bank PLC has signed an agreement with SME Foundation to disburse revolving loans under the Credit Wholesale Scheme, aiming to boost access to financing for cottage, micro, small and medium enterprises (CMSMEs) across Bangladesh.

Hasna Hena Chowdhury, acting managing director and chief executive officer of Trust Bank PLC, and Anwar Hossain Chowdhury, managing director of SME Foundation, signed the agreement at InterContinental Dhaka recently, according to a press release.

Khandakar Abdul Muktadir, minister for commerce, industry, and textiles and jute, attended the signing ceremony as the chief guest. Under the scheme, loans ranging from Tk 1 lakh to Tk 25 lakh will be offered at a concessional interest rate of 8 percent, targeting grassroots entrepreneurs and underserved segments.

Md Obaidur Rahman, secretary of the Ministry of Industries and chairperson of SME Foundation, presided over the event.

Nurun Nahar, deputy governor of Bangladesh Bank, and Nasrin Fatema Awal, president of the Women Entrepreneur Association of Bangladesh, among others, were also present.

Anwar Hossain Chowdhury, managing director of SME Foundation, and Hasna Hena Chowdhury, acting managing director and chief executive officer of Trust Bank PLC, pose for a photograph after signing the agreement at InterContinental Dhaka recently. PHOTO: TRUST BANK

EBL's profit rose 20% in 2025

STAR BUSINESS DESK

Eastern Bank PLC posted a 20 percent year-on-year growth in profit after tax in 2025, with earnings reaching Tk 901 crore, driven by strong growth in deposits, investments and steady asset quality.

The bank's performance was supported by prudent balance sheet management and disciplined risk practices, which helped sustain momentum across key financial indicators, according to a press release.

Deposits grew 21.6 percent to Tk 55,645 crore, while loans and advances increased 16.1 percent to Tk 47,704 crore. Investments recorded the highest growth, surging 47.8 percent to Tk 21,147 crore by the end of the year.

Earnings per share (EPS) rose to Tk 5.65 from Tk 4.70 (restated) in 2024. However, consolidated EPS increased to Tk 5.23 in 2025 from Tk 4.14 in the previous year. Net asset value (NAV) per share increased to Tk 31.86 from Tk 27.16 (restated).

Eastern Bank PLC.

Asset quality remained strong, with the non-performing loan (NPL) ratio declining to 2.24 percent in December 2025, significantly lower than the industry average of 30.60 percent.

The bank maintained full compliance with regulatory requirements and did not breach any Basel III-related liquidity thresholds during the year.

Profitability indicators also improved, as return on equity (ROE) rose to 19.13 percent from 18.57 percent a year earlier. The cost-to-income ratio stood at 40.36 percent, one of the lowest in the industry, reflecting operational efficiency.

To support future growth, the bank strengthened its capital base, with the capital to risk-weighted assets ratio (CRAR) increasing to 15.49 percent on a solo basis, up from 15.11 percent in the previous year.

Mohammad Ali, managing director and CEO of Pubali Bank PLC, receives an award from Zahir Uddin Swapon, minister for information and broadcasting, at the "Branding Bangladesh" ceremony at a hotel in Dhaka recently. PHOTO: PUBALI BANK

Pubali Bank honoured at NRB World Conference

STAR BUSINESS DESK

Pubali Bank PLC has been awarded the "Gold Award for Branding" by the Centre for Non-Resident Bangladeshis (NRB) World Conference 2026 for its outstanding contribution to remittance collection.

Zahir Uddin Swapon, minister for information and broadcasting, handed over the award to Mohammad Ali, managing director and CEO of Pubali Bank PLC, at the 'Branding Bangladesh' ceremony at a hotel in Dhaka recently, according to a press release.

Shama Obaed Islam, state minister for foreign affairs, and Md Nurul Hoque, state minister for expatriates' welfare and overseas employment, attended the programme as special guests.

MS Shekil Chowdhury, chairperson of the Centre for NRB, presided over the ceremony.

Maj Gen (retd) Fazle Elahi Akbar, chairman of the Foundation for Strategic and Development Studies, and Ishtiaq Ahmed Chowdhury, chairman of the award committee, among others, were also present at the event.

Krishi Bank wins award at NRB World Conference

STAR BUSINESS DESK

Bangladesh Krishi Bank recently won the Silver Award, ranking second among the top 10 banks for strong remittance inflows at the Centre for Non-Resident Bangladeshis (NRB) World Conference Series 2026.

Zahir Uddin Swapon, minister for information and broadcasting, handed over the award to Sanchia Binte Ali, managing director of the bank, at Pan Pacific Sonargaon Dhaka, according to a press release.

In her remarks, Sanchia said the bank collected $3.13 billion in remittances in 2025. She thanked officers and employees across all branches for their contribution and expressed gratitude to expatriate Bangladeshis for their continued trust in the bank's network.

MS Shekil Chowdhury, chairperson of the Centre for NRB, presided over the event. The theme of this year's award ceremony was "Branding Bangladesh Beyond Borders".

Sanchia Binte Ali, managing director of Bangladesh Krishi Bank, receives an award from Zahir Uddin Swapon, minister for information and broadcasting, at the Centre for Non-Resident Bangladeshis (NRB) World Conference Series 2026 at Pan Pacific Sonargaon Dhaka recently. PHOTO: BANGLADESH KRISHI BANK

Pragati Life Insurance holds annual conference in Cox's Bazar

STAR BUSINESS DESK

Pragati Life Insurance PLC recently held its "Annual Conference 2025" at Long Beach Hotel in Cox's Bazar.

The conference brought together senior management and development officials of the life insurer from across the country. Khalilur Rahman, chairman of the insurer, inaugurated the conference as the chief guest, according to a press release.

The conference reviewed the company's overall performance in 2025 and outlined strategic plans to achieve its business targets for 2026. In addition to business expansion, the company emphasised enhancing customer satisfaction as a key priority.

Md Jalalul Azim, chief executive officer of the life insurer, presided over the event.

The insurer recognised and awarded top-performing development officials for their outstanding performance throughout the year.

Chandra Shekhar Das, additional managing director (finance and account); Jahangir Hossain and Faruque Mahmud, additional managing directors; along with officials representing different districts, were also present.

PHOTO: PRAGATI LIFE INSURANCE

Khalilur Rahman, chairman of Pragati Life Insurance PLC, inaugurates the life insurer's "Annual Conference 2025" at Long Beach Hotel in Cox's Bazar recently.

NBFI depositors cry for payback

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submitted to the company were ignored, leaving us uncertain about our future," she said, urging collective action, including approaching the BB governor and the finance minister.

A representative of the Khaled Mansur Trust, a privately funded charitable organisation, said the trust invested donated assets in institutions such as People's Leasing, International Leasing and FAS Finance.

"The returns were used for education, healthcare, and welfare activities for underprivileged communities. However, with the funds now lost, our humanitarian work has been severely disrupted," the representative said.

The trust urged the government to recognise it as a charitable entity and ensure the return of its deposits, saying that without support, its work for orphans and disadvantaged children may collapse.

Speakers called on the authorities to take immediate steps to repay the depositors, saying many families are living in acute distress. They said about 2,000 families have been affected. Many have neither recovered their principal nor received interest.

At the beginning of the press conference, Nashid Kamal read out a written statement on behalf of the affected depositors. She demanded the return of their hard-earned savings.

"For nearly seven years, depositors of various non-bank financial institutions have been suffering severe financial hardship due to mismanagement, weak governance, and delayed regulatory actions," she said.

She said that while reforms, deposit protection and recovery mechanisms have been introduced in the banking sector, similar effective measures have not been properly implemented in the NBFI sector.

"We firmly state that any recovery or deposit protection framework applied to banks must also be extended to NBFIs, with necessary adjustments while safeguarding depositors' fundamental rights. A depositor is a depositor whether in a bank or an NBFI. Equal protection, fair compensation, and timely repayment must be ensured in both sectors."

The forum demanded a clear, transparent and time-bound roadmap to return deposits within 36 months, immediate recovery efforts for troubled institutions, regulatory protection equivalent to that in the banking sector, full transparency and accountability in liquidation and recovery processes, and strict legal action against those involved in financial irregularities.

In the statement, she said, "We call upon the government, the central bank, and all relevant authorities to take urgent and effective steps to restore confidence in the financial sector and ensure justice for affected depositors."

"Our demands are simple and fair," she said, adding that they would remain united in lawful protest until depositors' rightful money is fully returned.

In January this year, the central bank decided to liquidate six of the country's 35 non-bank financial institutions because of poor financial health.

The current BB governor, Md Mostaqur Rahman, appointed by the BNP-led government, has said reforms will continue, including the liquidation of the six institutions.

PPP guidelines rolled out

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geothermal -- subject to Power Division approval.

Before any project begins, the land-owning agency must confirm legal ownership and sign a memorandum of understanding (MoU) with the BPDB, which will be valid for three years.

Government agencies providing land will be compensated through lease payments, minority equity stakes, or a combination of both, depending on project feasibility, according to the guidelines.

Private developers will be selected through international competitive bidding or other PPP-compliant procurement methods. "Each project will be implemented through a special purpose vehicle (SPV), which will handle financing, construction, operation and maintenance, as well as related infrastructure such as transmission lines."

The guidelines make it clear that no renewable energy project using government land can proceed outside the PPP framework. "All projects must comply with the PPP Act 2015, and related energy sector regulations."

A joint working group, including representatives from the PPP Authority, Power Division, PDB, Power Grid and land-owning agencies, will monitor project progress and address implementation challenges.

After a project ends, the land cannot be repurposed for non-energy use without approval from both the land-owning agency and the Power Division.

The Renewable Energy Policy 2025, which was approved for the first time in 17 years during the interim government's tenure, introduced several incentives for clean energy development. These include a 10-year corporate tax exemption for renewable energy producers, followed by five years of partial tax relief.

Government agencies such as Bangladesh Railway, Roads and Highways Division, Bangladesh Bridge Authority, Bangladesh Water Development Board and others have been identified in the policy as potential contributors of unused land for renewable energy development.

It also allows households, businesses, and industries to install rooftop systems and sell surplus electricity under net metering rules, introduces a renewable purchase obligation requiring utilities and large consumers to source a portion of electricity from renewables, and establishes a renewable energy certificate system for tracking and trading green power.

In the new guidelines, the Sustainable and Renewable Energy Development Authority (Sreda) has been mandated as the nodal agency for renewable energy-related regulatory and facilitative functions in all relevant activities throughout the project lifecycle.

Sreda is entitled to promote local manufacturing of renewable energy equipment and ensure quality standards through certified testing laboratories in the 2025 policy.

iFarmer raises $1.5m in foreign funding

STAR BUSINESS REPORT

Bangladesh-based agri-tech startup iFarmer has secured $1.5 million in foreign funding as it seeks to strengthen the country's agricultural value chain.

The funding comes from Symbiotics, a Switzerland-based market access platform for impact investing, according to a statement.

The investment will support iFarmer's working capital requirements, enabling it to expand agricultural input distribution and strengthen market linkages for farmers across Bangladesh.

iFarmer said the investment marks another important milestone as international investors continue to back technology-driven agricultural platforms that improve efficiency, transparency and access to financing in emerging markets.

Bangladesh's agriculture sector employs nearly 40 percent of the workforce and contributes significantly to the national economy, supporting around 25 million farmers across 17 million farms and accounting for about 12 percent of the country's gross domestic product (GDP).

However, farmers continue to face challenges related to financing, input quality and market access.

Automotive trade show begins on April 23

STAR BUSINESS DESK

The 19th Dhaka Auto Series of Exhibitions 2026, the country's largest running automotive trade event, will be held from April 23 to 25 at the International Convention City Bashundhara (ICCB) in Purbachal, Dhaka.

The event will bring together multiple segments of the automotive industry under one roof, featuring the 19th Dhaka Motor Show 2026, 10th Dhaka Bike Show 2026, 3rd Electric Vehicle (EV) Expo 2026, 9th Dhaka Auto Parts Show 2026, and 8th Dhaka Commercial Automotive Show 2026.

Shaikh Rabiul Alam, minister for road transport and bridges, railways, and shipping, is expected to inaugurate the three-day fair as the chief guest, according to a press release.

Meherun N Islam, president and group managing director of CEMS Global USA and Asia Pacific, disclosed the details at a press conference held at Pan Pacific Sonargaon in the capital recently.

PHOTO: CEMS-GLOBAL USA

Meherun N Islam, president and group managing director of CEMS-Global USA and Asia Pacific, attends a press conference to share details of the 19th Dhaka Auto Series of Exhibitions 2026, at Pan Pacific Sonargaon Dhaka recently.

"The Dhaka Auto Series is not just an exhibition; it is the automotive marketplace of Bangladesh," she said.

"With growing demand and ongoing infrastructure development, this year's edition is expected to be bigger, bolder, and more impactful."

More than 70 companies from over 10 countries, including Japan, India, China, Malaysia, Germany, and the United Kingdom, will showcase their products and innovations through around 200 booths.

Leading automotive brands such as Mitsubishi, Toyota, Mercedes-Benz, Hyundai, MG, Proton, Changan, GAC Motor, and Dongfeng are set to display new models at the event.

In the two-wheeler segment, brands such as Zeeho Bangladesh, CFMOTO Bangladesh, Longjia, and Vmoto will participate, while commercial vehicle makers such as Foton and Forland will also be featured.

A wide range of auto parts, accessories, and electric vehicles will be showcased at the shows.

According to the organisers, the 2026 edition will feature new vehicle launches, a stronger focus on electric vehicles and sustainable mobility, and opportunities for business-to-business networking, dealership expansion, and direct engagement with consumers.

The expo will remain open from 10am to 7pm daily.

Govt doesn't want

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"There are several reasons for this, including declining production, rising outstanding loans in the industrial sector, a high rate of non-performing loans, reduced credit flow to the private sector despite no liquidity shortage, and increased government borrowing from the banking sector," he said.

To address the situation, he stressed the need for structural reforms in the banking sector to ensure stability and good governance, as well as strengthening coordination between the banking and private sectors.

Ahmed said that the public sector credit growth has surged to an unprecedented 26.15 percent. Meanwhile, government borrowing from the banking system reached Tk 73,035 crore during the July-January period, a 673 percent increase compared to the same period last year, indicating that banks are increasingly prioritising risk free lending.

"This trend has created a severe 'credit crowding out' effect, leaving the private sector deprived of adequate access to credit."

He noted that many businessmen and SMEs are suffering because of a small number of wilful defaulters.

Nawshad Mustafa, director of the SME and Special Programmes Department of Bangladesh Bank, said a key challenge in the financial sector is the shortage of authentic and accurate data, which hampers effective decision-making.

He stressed the need for stronger AI-based connectivity among financial institutions and government agencies to improve data flow and policy formulation.

Abdul Hai Sarker, chairman of Bangladesh Association of Banks (BAB), said there is no alternative to simplifying SME financing, noting that private banks are now increasingly stepping in to fund the sector.

He also pointed to a lack of coordination between policymakers and stakeholders, which he said needs to be addressed.

BB resumes

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However, between FY21 and FY25, Bangladesh Bank sold more than $25 billion from its foreign exchange reserves to meet import payments for fuel, fertiliser, and food.

Due to BB's recent dollar purchases, gross foreign exchange reserves rose to $34.87 billion yesterday, up from $34.60 billion two days earlier.

Middle East

FROM PAGE B1

of the existing 10 percent income tax deduction on cash incentives to boost garment exports.

They also called for normalising trade relations with India and removing barriers to yarn imports and product exports through land ports.

To further speed up garment exports, they proposed amending relevant sections of the Import Policy 2024-2027 and automating the process for determining CIP (Commercially Important Person) status for industry entrepreneurs.

The minister acknowledged the importance of the sector as the country's leading foreign currency earner in the current global context.

He assured that the government would provide necessary policy support to address challenges and maintain Bangladesh's competitiveness in the global market, the statement added.

Govt drafts 5-year strategic plan

FROM PAGE B1

Strategic free trade agreements at bilateral, multilateral, and minilateral levels are planned with key economic blocs across East and Far East Asia, Europe, Africa, and the Middle East.

On the energy front, the draft proposes ensuring supply of at least 20 percent of electricity from renewable sources -- solar, wind, hydropower, and waste-to-energy -- by 2030.

The power generation capacity is set at 35,000 megawatts, with transmission lines to be expanded to 25,000 circuit kilometres.

INVESTMENT AND BUSINESS

The outlined framework aims to increase foreign direct investment (FDI) from 0.45 percent to 2.5 percent of GDP within the next five years.

It proposes dedicated liaison officers and a formal complaint resolution system to build investor confidence, alongside a commitment to avoid sudden policy changes in tariffs, taxes, and export incentives.

To improve the business environment, it has set a target to complete digitalisation of approval processes to eliminate red tape and reduce physical contact in business transactions.

Company registrations are to be completed within 48 hours, and work permits within seven days.

A Bangladesh International Commercial Court will be established for fast-tracking commercial dispute resolution, and a Deposit Protection Ordinance is planned to ensure repayment from distressed banks as quickly as possible.

Besides, the tax-to-GDP ratio is targeted at 15 percent by 2035, to be achieved through expanded economic activity rather than a higher tax burden.

BLUE, CREATIVE ECONOMIES

The blue economy -- covering oil and gas exploration, renewable energy, fish harvesting, and shipbuilding -- will be developed as a national priority within Bangladesh's maritime area.

The proposed framework has also set a target for the government to raise the contribution of the creative economy -- spanning film, music, theatre, gaming, VFX, and content creation -- to 1.5 percent of GDP, and create 5 lakh new jobs by 2035.

TOURISM AND SMEs

A national tourism policy update has been proposed, alongside a programme to help each village produce and market its own traditional product through design support, order-based loans, and e-commerce connectivity.

The draft also recommends that government channels low-interest loans based on each district's heritage and renowned products, support for cottage industries, links to global e-commerce platforms.

Traders wary about Teknaf port 'reopening' as Myanmar conflict persists

MOKAMMEL SHUVO

Traders have expressed mixed reactions following the government's announcement to resume operations at Teknaf Land Port after about a year of disruption, citing ongoing security risks and uncertainties linked to the situation in Myanmar.

State Minister for Shipping Razib Ahsan made the announcement on April 6 during his first visit to the port since his appointment, saying the decision followed consultations with relevant stakeholders.

"We have decided to resume operations from today, ensuring security through coordination among the port authority, customs, Coast Guard, BGB, and other law enforcement agencies," he said.

However, the reality on the ground is more complex, with port officials saying trade activities have yet to resume in practice.

Traders said while the government's move has reopened the possibility of trade, its normalisation will depend on border security, navigability of the river route, and developments in the neighbouring country.

CONFLICT DETERS TRADE

Abu Morshed Chowdhury Khoka, former president of Cox's Bazar Chamber of Commerce and Industry (CBCCI), welcomed the government's decision to resume operations at the port.

"This is positive for traders. Essential items like onions, ginger, and garlic can be imported at lower costs, and government revenue will increase," he said.

However, the state minister's words could not entirely curb traders' concerns over safety along the Naf River route and the broader trade environment, as fighting in Myanmar -- particularly in Rakhine State -- continues to stall cross-border movement.

Ehteshamul Haque Bahadur, president of the Teknaf Port C&F Agent Association, said although a trade agreement exists between Bangladesh and Myanmar, normal import activities have yet to resume in practice.

"Trade activities have remained largely stagnant for a long time," he said.

However, recent initiatives and announcements from the government have given traders some encouragement, he noted.

Meanwhile, Home Minister Salahuddin Ahmed visited the port on Tuesday, further raising hopes for a trade revival.

Recalling State Minister Ahsan's words, Bahadur said, "We believe the state minister made such statements after discussions with relevant parties and seeing some positive prospects."

He said traders are not sitting idle and are preparing to restart import-export operations.

"Since trade has been halted for a long time, documentation, financial settlements, LCs, and dollar transactions all need to be reorganised. Even if operations resume, goods will not start arriving immediately -- it will take some time to get the whole process running."

Bahadur also clarified that there is no question of traders holding any direct or indirect talks with the Arakan Army regarding the normalisation of trade.

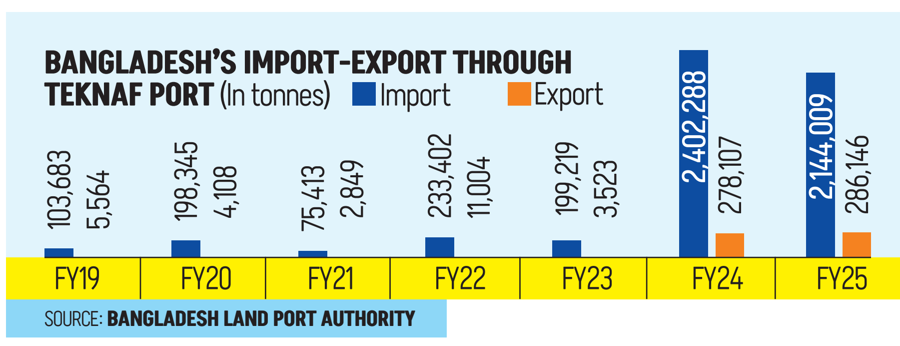
"This is a state-level matter, and only the government can make decisions on such issues. We believe the Myanmar government and relevant stakeholders will resolve the situation."

He expressed hope that if conditions improve, import and export activities through the port will return to normal in the future.

One of the government's steps to improve the port's operations is to introduce scanners.

Abed Ahsan Sagar, former director of CBCCI, said the state minister proposed installing scanners inside the port to monitor goods movement.

"With scanners in place, goods can be verified during loading and unloading, while BGB can carry out checks at designated points," he said.



A YEAR OF IDLING

Bangladesh-Myanmar border trade began in 1995, while the Teknaf Land Port was formally launched on November 5, 2003, on 27 acres of land.

Trade at this port remained suspended due to the hindrance of the Myanmar rebel group Arakan Army. Since December 2024, most of the Rakhine state and the whole 271 kilometres border area with Bangladesh have come under their control.

They have also established influence over the Naf River, stopping cargo vessels and extorting money, traders allege.

Import activities effectively came to a halt after April 13, 2025, when the last timber-laden trawler arrived. Prior to that, several cargo vessels were reportedly detained, and extortion demands were made by the rebels.

The port's General Manager Jasim Uddin last week said that trade activities have yet to resume in practice, and that the port was never technically closed.

"The port was technically open all along. We are ready, but operations will only begin once goods start arriving," he said. Former CBCCI director Sagar noted that just reopening the port will not solve the problem unless vessels can avoid Myanmar waters.

"If dredging is carried out on the Bangladesh side, an alternative route could be created to reduce these risks," he suggested.

Without this measure, he warned that the port could face disruption again in the near future.

He said a significant amount of money remains stuck with Myanmar traders. "About $9 million remains held in drafts. Once goods start moving, this can be adjusted."

Fertiliser supply key to food security

SAZZADUL HASSAN

Rice is the cornerstone of Bangladesh's food security, feeding the nation and sustaining rural livelihoods. It provides two-thirds of the country's caloric intake and half of its protein consumption. Fertilisers have played a pivotal role in the steady rise of rice production and have powered the transformation of agriculture over the past decades. Their impact on rice yield is profound. Research shows that applying fertilisers in balanced amounts can raise yields by about 40 percent compared with unfertilised fields. Nitrogen, mainly supplied through urea, is especially important as it supports plant growth, tillering and grain development. Studies suggest that cutting nitrogen use can reduce yields by roughly 100 kilogrammes per hectare. While this may appear modest at the field level, scaled up nationwide, it represents a serious setback.

Annual fertiliser demand in Bangladesh is nearly 7 million tonnes. Urea accounts for 2.6 million tonnes, followed by 1.5 million tonnes of DAP, 1.15 million tonnes of MOP and nearly 0.8 million tonnes of TSP. The country depends on imports for around 80 percent of total demand, with a significant share coming from the Middle East. The disruption of the Strait of Hormuz, through which one-third of global fertiliser trade passes, has triggered a supply shock that threatens not only prices but agricultural output itself. Around 44 percent of sulphur, 31 percent of urea, 18 percent of ammonia and 15 percent of phosphates move through the Hormuz region.

At home, the strain is twofold. Imports have been disrupted, and domestic production has faltered. A severe gas shortage has led to the shutdown of all state-owned fertiliser factories across the country. Disruptions in Qatar, which supplies two-thirds of Bangladesh's LNG, have deepened the crisis. Global urea prices have risen by about 25 percent, while DAP is up 10 percent. In Southeast Asia, urea now costs more than 40 percent higher than before. With existing stocks, the government says it can meet fertiliser demand for the ongoing Boro season, which is now in its final stage. Demand for urea during the Aman season is relatively low. However, adequate stocks must be ensured, as shortages or price spikes can delay application, reduce nutrient uptake and ultimately cut yields by up to 10 percent. When supply falls, prices rise. Experts warn that rice prices could increase by 15-20 percent, hitting the poorest households hardest. Amid continuing disruption in the Middle East, Bangladesh needs to secure fertiliser imports well ahead of the next Boro season.

The country can no longer afford to treat fertiliser as just another farm input. It must be managed as a strategic resource. This calls for action on three fronts: diversifying import sources to reduce supply risk, modernising domestic urea production to improve efficiency, and equipping farmers with tools and support for balanced and efficient use, including deep placement and integrated nutrient management.

The Bangladesh Agricultural Research Council (BARC) has long recommended balanced fertiliser use based on soil testing. Following these guidelines can raise crop yields by 8-14 percent and save up to Tk 20,000 crore each year. One practical guideline is that for every kilogramme of DAP applied, urea use should be reduced by 400 grammes.

Fertiliser has underpinned Bangladesh's rice success, yet that achievement remains vulnerable. In a time of geopolitical uncertainty, securing fertiliser supply must be treated as a national priority.

The writer is chairman and managing director of BASF Bangladesh Limited

IMF holds Bangladesh's GDP growth projection steady

REJAUL KARIM BYRON

While the World Bank and Asian Development Bank had lowered Bangladesh's GDP growth forecast due to the Persian Gulf crisis and domestic vulnerabilities, the International Monetary Fund has kept its earlier projection unchanged.

The IMF's World Economic Outlook released on Tuesday projects Bangladesh's GDP growth at 4.7 percent for FY2025-26, which was the same as its earlier projection from January.

However, IMF's growth projection is set to dip further to 4.3 percent in the next fiscal.

The World Bank revised its projection down to 3.9 percent growth from 4.6, while the ADB revised its forecast down to 4 percent from its previous projection of 4.7 percent.

Former World Bank lead economist Zahid Hussain told The Daily Star that the IMF's forecast "appears rather strange," adding that "it is the same as projected in their Article IV report released in January 2026."

The absence of any impact of the war in the current fiscal year is inconsistent with their own assumption that economies with vulnerabilities and limited buffers are likely to be hit hardest. Bangladesh is one such economy.

He also said individuals and firms in Bangladesh have been living with the growth and inflation impacts ever since the war started. There is no reason in fact or logic to believe Bangladesh will remain insulated from the impact of the war for four months.

Hussain noted that the IMF's 4.3 percent growth projection for FY27 is more realistic if its reference scenario, in which the war shock fades by June, materialises.

The government, however, remains confident, insisting that GDP growth will reach 5 percent in 2026.

Oil demand to plunge as Mideast uncertainty lingers: IEA

AFP, *Paris*

Demand for crude oil will likely decline this year for the first time since the Covid pandemic slammed the global economy six years ago, weighed down by Mideast war disruptions, the IEA warned Tuesday.

Surging prices caused by the Strait of Hormuz's closure and damage to production facilities will force countries and industries to curtail oil use, and "demand destruction will spread as scarcity and higher prices persist", the International Energy Agency said in its monthly report.

It noted that its forecasts assume a "base case" of oil shipments resuming in May through Hormuz, which Tehran has effectively closed since the US and Israel began bombing Iran on February 28.

This would lead to a decline in demand of 1.5 million barrels per day (bpd) in the second quarter, "the sharpest since Covid-19 slashed fuel consumption", the agency said.

Overall demand is forecast to have contracted by 800,000 bpd in March and is seen dropping by 2.3 million bpd in April.

Surging prices caused by the Strait of Hormuz's closure and damage to production facilities will force countries and industries to curtail oil use

But a "protracted case" if the Strait of Hormuz remains closed would lead to persistently high prices that crimp demand by an even higher average of five million bpd through the rest of this year.

"In this case, energy markets and economies around the world need to brace for significant disruptions in the months to come," the agency warned.

Global oil use is expected to fall over 2026 as a whole as a result of the Hormuz closure and the destruction of energy infrastructure across the Gulf from retaliatory Iranian attacks.

The IEA now sees a demand drop of 80,000 bpd this year, compared with its previous forecast of growth of 730,000 bpd.

It called it "the largest disruption in history" to the market and cautioned that with "the prospects for a lasting negotiated settlement to the conflict still unclear", the economic pain could be worse.

Already the supply cuts took more than 360 million barrels off the market in March, a figure expected to rise to 440 million barrels for April.

Oil supplies overall plunged to 97 million bpd in March, down by 10.1 million bpd as the Mideast fighting rocked the market.

Oil prices flat

REUTERS, *London*

Oil prices were little changed on Wednesday as investors assessed prospects for renewed US–Iran talks and the potential for supply to be released from the Middle East, where exports remain constrained by the closure of the Strait of Hormuz.

Brent crude futures were up 43 cents, or 0.5 percent, to $95.22 a barrel at 0821 GMT, after falling 4.6 percent in the previous session. US West Texas Intermediate crude was down 17 cents, or 0.2 percent, to $91.11. The contract dropped 7.9 percent the session before.

The war has mostly shut the Strait of Hormuz, a key waterway for crude and refined product flows out of the Gulf to global buyers, particularly in Asia and Europe.

US President Donald Trump said talks with Tehran on ending the war could resume this week after ending over the weekend without any agreement.

But the US has also enacted a blockade of shipping leaving Iranian ports that its military said on Wednesday has completely halted trade going in and out of the country by sea.

Despite a two-week ceasefire, transit through the strait remains uncertain, with traffic at only a fraction of the 130-plus daily crossings that moved through the waterway before the war, sources said on Tuesday.

US farmers strained as fertiliser costs surge amid war

AFP, *China Grove*

On Andy Corriher's farm in North Carolina, planting and preparations are underway for his corn and soybean crops -- but fertilizer costs have surged on war in the Middle East, and orders he placed weeks ago have yet to arrive.

The 47-year-old is among US farmers facing a double whammy of soaring fertilizer and diesel prices after US-Israeli strikes on Iran triggered Tehran's blockage of the Strait of Hormuz, a critical waterway for such shipments.

"This time of year is when the majority of fertilizer is put out in this country," Corriher told AFP. "We got hit at the worst possible time, because we're trying to buy fertilizer when it skyrockets and when the supply also gets cut."

The cost hikes strike at a major support base for President Donald Trump, who won 78 percent of the 2024 vote in farming-dependent counties, said news service Investigate Midwest.

Trump blamed "price gouging from the fertilizer monopoly" on Saturday, vowing: "American Farmers, we have your back!"

But spring planting is already ongoing, with Corriher loading bags of dry fertilizer onto a tractor, hauling them to his fields.

"I've ordered several loads of liquid nitrogen a few weeks ago, and they're still saying they're not sure when it'll be delivered," Corriher said.

Since the war, Corriher estimates that the nitrogen fertilizer he uses rose by at least 40 percent in price.

The cost of urea -- a common nitrogen-based fertilizer -- had jumped by around 50 percent at the port of New Orleans.

Corriher has reduced usage by a third, a decision he worries might hurt his yields.

'GUT SHOT'

Russell Hedrick, who farms up to 1,000 acres including corn and soybeans around Hickory, North Carolina, said around 75 percent of his fertilizer purchases were made after prices rocketed.

Co-owner of Soil Regen and a first generation farmer, Russell Hedrick, prepares a blend of minerals, biologicals, and fertilisers to be sprayed onto his fields in Hickory, North Carolina on April 10. PHOTO: AFP

Like himself, many US farmers lack storage to stock up far ahead of planting, the 40-year-old told AFP, after blending fertilizers and nutrients to be sprayed on his fields. He has cut fertilizer use to the "bare minimum," with an option to add more later.

Even before the war, rising costs meant "farmers have essentially become like Breaking Bad chemists with fertilizer, to get the most out of it," he said.

Agriculture Secretary Brooke Rollins said 80 percent of American farmers had bought fertilizer for the spring planting season before the conflict. But that's cold comfort to those who lacked funds and capacity to do so.

Those remarks were "a gut shot," said Marshville-based farmer Derrick Austin.

Austin, 55, called his supplier upon learning of the strait's blockage, knowing that costs would jump.

"Thankfully, he let me buy three loads of nitrogen at the old price per ton so I could at least fertilize my wheat crop," he said. "It was devastating." Fertilizer supply has diminished before, like in 2021 when China restricted phosphate exports to prioritize domestic needs.