

# Star BUSINESS



## Rural areas lag behind as digital divide persists

MAHMUDUL HASAN

A sharp digital divide continues to shape Bangladesh's connectivity landscape, with a 32.1 percentage points gap in internet use between rural and urban populations in the fiscal year 2024-25, according to the latest Bangladesh Bureau of Statistics (BBS) survey.

The survey shows that 43.6 percent of people in rural areas use the internet, compared to 75.7 percent in urban areas, highlighting persistent inequality in access to digital services. Overall, 53.4 percent of the population is connected to the internet, meaning nearly half of Bangladesh remains offline.

The findings were presented on Tuesday at the BBS headquarters in Agargaon in a report titled ICT Access and Use by Households and Individuals Survey 2024-25.

The divide is also visible across regions. Household internet access is highest in Dhaka, while the lowest is recorded in Panchagarh. Computer use follows a similar pattern, with Dhaka reporting the highest levels and Thakurgaon the lowest.

The survey is the first time the BBS has released ICT data at the district level, providing detailed information on smartphone and mobile phone access nationwide. It covered around 264,000 households across 64 district domains, with about 4,125 households in each district.

Feni ranks highest in household smartphone access, while Panchagarh is the lowest.

Other high-access districts include Cumilla, Chattogram, Noakhali, Brahmanbaria, Gazipur, Narayanganj, Dhaka, Chandpur and Shariatpur. The lowest-performing group includes Kurigram, Jhalokati, Sherpur, Nilphamari, Rangpur, Lalmonirhat, Thakurgaon, Dinajpur and Gaibandha.



These gaps highlight how differences in infrastructure and income continue to leave many rural communities behind in Bangladesh's digital economy.

Zulkarin Jahangir, assistant professor at North South University and a member of Unesco AI Ethics Experts Without Borders, said the latest figures showing a wide rural-urban digital usage gap are a warning sign in the age of AI.

"The digital divide is no longer only about access; it is about meaningful engagement and the ability to benefit from digital services," he said.

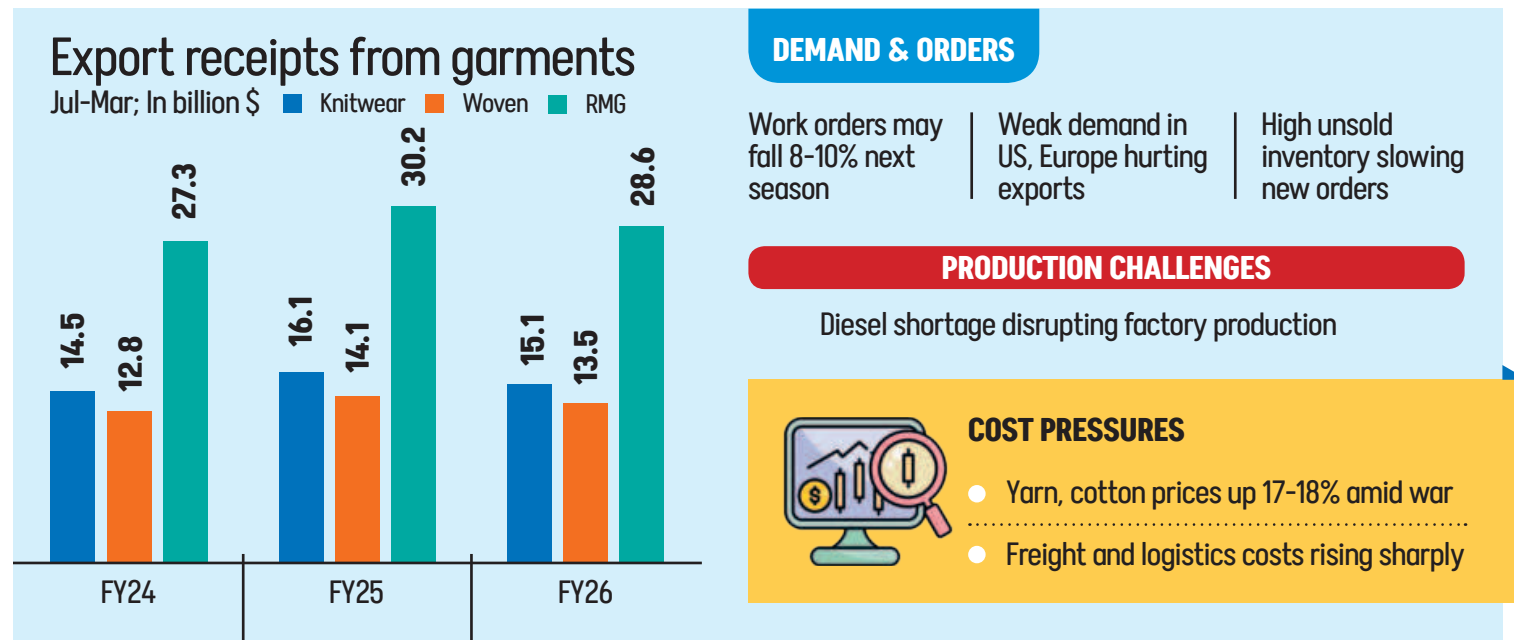
"If nearly half of rural Bangladesh remains excluded from effective digital participation, the rapid integration of AI into public services risks deepening existing inequalities, creating what I call a compounded divide."

He added that without targeted measures such as improving digital literacy, affordability and AI-ready public infrastructure, AI could widen rather than bridge the gap.

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## RMG exports brace for a gathering storm

Unsold inventories push Western buyers towards 10% order cuts while energy shortages disrupt apparel production



REFAYET ULLAH MIRDHA

Bangladesh's garment sector is going through a period of sustained pressure as the war in the Middle East disrupts production and international retailers scale back orders.

Western retailers are expected to cut apparel orders by up to 10 percent next season, as higher clothing prices dampen demand and unsold stock piles up in stores.

The latest setback is another blow for local manufacturers, who are already dealing with frequent load shedding, rising transport costs and a deepening fuel crunch following the US-Israel war on Iran.

Exporters say the war has already driven up raw material import bills and freight charges for shipments abroad.

The readymade garment sector, which accounts for more than 80 percent of national export earnings, had only just begun to steady itself after reciprocal tariff turbulence.

But now, conditions are combining to create a perfect storm for the readymade garment sector. Many fear the combined effect could lead to a decline in future orders.

Preferring anonymity, a senior official of a leading European buyer said that overall, 8 percent to 10 percent of garment work orders will be cut for the next season as buyers begin placing orders.

He said retailers and brands across the West are still burdened with unsold winter merchandise, while goods for the current season have already arrived. As a result, orders for the next cycle have slowed.

Amid the fuel crisis, the official said freight costs inside Bangladesh have also climbed. The fare of goods-laden trucks plying between Dhaka and Chattogram has risen, despite no official increase in petroleum prices.

Truck operators, citing fuel rationing, have raised per-truck charges to Tk 50,000 from Tk 38,000. On average, he said fares have increased by around 20 percent since the outbreak of the war.

Moreover, factories that depend on diesel generators are facing mounting disruption. Many report delays in getting adequate supplies, while cotton prices have risen, pushing yarn costs up by 17 percent to 18 percent.

"But buyers are reluctant to absorb higher prices," said the official. "The consumers will not pay higher prices during the bad times because of an increase in the cost of production. So, at the end of the year, the overall export growth in the garment sector may be much lower than last year."

Another European buyer, also requesting anonymity, said that the war has slowed down the business and the recovery is still very uncertain.

He added that demand for outerwear in Europe could rise next season as higher energy prices prompt consumers to buy warmer clothing. However, inventories are still elevated.

Ramzul Seraj, managing director of Elite Garments Ltd, which exports to the United States, said demand for garment items in the US has weakened, while factory output

in Bangladesh has been hit by diesel shortages.

Delays in production could force some exporters to use more expensive air shipments to meet delivery deadlines, he added.

Masud Kabir, managing director of Motex Fashion, a Gazipur-based sweater factory, said he receives diesel using a special card introduced by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). But the supply falls short of covering nearly eight hours of load shedding.

He can run the factory with the diesel collected from a nearby petrol pump for three and a half hours, he said. As a result, production has suffered.

Anwar Ul Alam Chowdhury, chairman of Evince Group, said the government is supplying diesel, but factories require larger volumes to operate generators smoothly.

Md Fazlul Hoque, managing director of Plumby Fashions, said inadequate diesel supplies have also disrupted his operations. At the same time, freight charges for sea shipments have increased, along with prices of cotton, yarn and polyester.

The combined effect, Hoque said, is a likely decline in future orders.

Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said some competing countries such as Turkey are expanding exports despite the war, helped by their proximity to Europe and the United States and more reliable energy supplies.

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## Wheat imports exceed FY25 total with 2.5 months to go

SUKANTA HALDER

Bangladesh has imported a large volume of wheat within nine and a half months of this fiscal year, exceeding the total amount imported in the previous year.

This hike was driven by lower global prices, shifting food consumption patterns, and efforts to narrow the trade gap with the United States, importers said.

According to data from the Directorate General of Food, a total of 62.35 lakh tonnes of wheat were imported in the fiscal year 2024-25 (FY25), combining both government and private sectors.

On the other hand, a total of 67.68 lakh tonnes of wheat was imported during just the July-April period of the current fiscal year 2025-26 (FY26).

Wheat imports in FY26 may reach 72 lakh tonnes, a recent assessment of the Ministry of Food said, reflecting good domestic demand and market conditions.

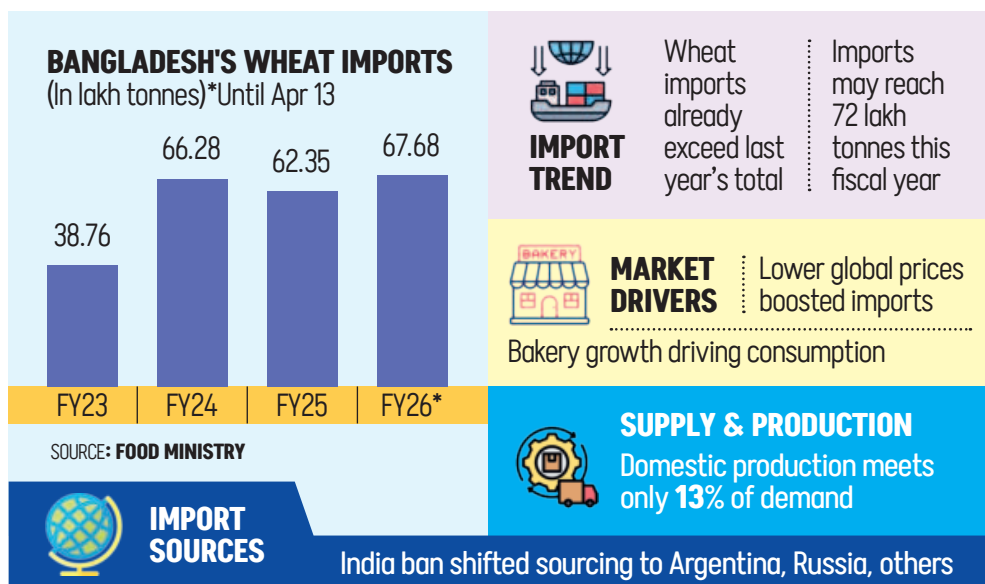
**LOWER PRICES, HIGHER DEMAND**  
Md Aminul Islam, managing director of Nabil Group, attributes this rise in imports to relatively lower prices in the international market a few months ago. As a result, imports arrived at significantly lower rates.

The fall in global wheat prices encouraged many importers to bring in shipments during the November-December period, said an official at a leading commodity importing and processing company.

Prior to November shipments, wheat was priced at around \$275-\$280 per tonne. However, during the November-December period, the price dropped to approximately \$255 per tonne, the official added.

In Bangladesh, wheat is the second most significant cereal after rice. Local production accounts for approximately 13 percent of the national demand, according to a recent report by the US Department of Agriculture (USDA).

The report forecasts marketing year (MY)



2026-27 wheat harvested area and production at 290,000 hectares and 10.5 lakh tonnes, the same as MY 2025-26 estimates.

A lack of improved varieties has led to a gradual decline in both wheat acreage and production over time. Wheat blast disease, which reduces yields significantly, is one reason for stagnant production, the USDA said.

Meanwhile, food, seed and industrial consumption of wheat in MY 2026-27 is forecast to be 80 lakh tonnes, USDA reports.

Anup Kumar Saha, executive director of Akij Insaf Group, one of the country's wheat importers, said population growth and improved living standards have contributed to higher food demand.

At the same time, he observed that rice consumption has remained largely stable or has slightly declined.

While current data shows imports have not reached unusually high levels, they may

eventually settle around 73 lakhs to 74 lakh tonnes, he suggested.

**IMPORT AND CONSUMPTION DIVERSIFICATION**

Traditionally, Bangladesh has sourced the majority of its wheat from India due to geographical proximity, the USDA said in the report.

Since India banned wheat exports in May 2022, Bangladeshi importers have sought alternative sources. In the MY 2025-26, Argentina emerged as one of the major wheat suppliers to Bangladesh, as it offers lower prices.

The other major wheat suppliers to Bangladesh include Canada, Ukraine, Russia, the United States, and Brazil, it said.

Bangladesh imports soft wheat primarily from Russia, Ukraine, and other European Union countries, which is mainly used for making cakes, cookies, pastries, and other baked goods.

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## BB buys another \$50m from banks

STAR BUSINESS REPORT

Bangladesh Bank yesterday purchased \$50 million from four commercial banks at a cut-off rate of Tk 122.75 per US dollar, as strong remittance earnings boosted inflows.

Remittance inflows reached an all-time high of \$3.75 billion in March. Inflows stood at \$1.60 billion between April 1 and April 14, up 25.2 percent year-on-year, Bangladesh Bank data shows.

The banking regulator on Wednesday resumed dollar purchases after one and a half months, buying \$70 million from Islami Bank Bangladesh.

With the latest transaction, the central bank's total dollar purchases for April rose to \$120 million, officials said.

Cumulatively, the central bank has bought \$5.61 billion from the market so far in the fiscal year 2025-26 (FY26). Bangladesh Bank began purchasing dollars at the start of the current fiscal year as supply increased, supported by higher export earnings and remittance inflows.

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.

Officials of the central bank said that the country's forex market is currently quite liquid due to high remittance inflows ahead of Eid-ul-Adha.

On the other hand, demand for imports, except for fuel, is set to increase, which is why the Bangladesh Bank is purchasing US dollars from the market, an official added.

Following the recent dollar purchases, gross foreign exchange reserves rose to \$35.03 billion on Thursday, up from \$34.87 billion a day earlier.

Industry insiders said that the central bank is planning to increase its foreign exchange reserves, as pressure on the forex market is likely to rise in the upcoming days due to higher global oil prices stemming from the Middle East crisis.

On Thursday, the interbank exchange rate of the US dollar stood at Tk 122.70 per dollar, down from Tk 122.75 just two days earlier, reflecting a liquid foreign exchange market.

## Govt to turn crises into opportunities

Titumir says

STAR BUSINESS REPORT

The government is navigating a critical situation amid a series of global crises, but remains committed to turning these challenges into opportunities, said Rashed AlMahmud Titumir, adviser to the prime minister on finance and planning.

"The country is passing through a critical phase due to external shocks," he said, referring to ongoing geopolitical tensions and their spillover effects on the economy.

The adviser made the remarks yesterday at an event organised by the Microcredit Regulatory Authority (MRA) in Dhaka.

Titumir said the previous Awami League government, along with the interim administration, had left behind a prolonged inflationary burden, which continues to weigh on households and businesses in the country.

Although there were expectations of some easing during Ramadan, inflationary pressures have persisted amid global uncertainties, including the ongoing US-Israel war with Iran.

Despite the challenges, Titumir expressed optimism that, as in the past, a BNP-led government would be able to convert the current crisis into an opportunity through appropriate policy measures and reforms.

"When the BNP first took charge of the state, Bangladesh was a war-ravaged, famine-stricken country. Then came the global oil crisis. Any textbook economist would have predicted that such an economy could not survive. But you will remember that Shaheed President Ziaur Rahman transformed that crisis into an opportunity," he said.