



Recipients of Independence Award-2026 pose for a photograph with Prime Minister Tarique Rahman at Osmani Memorial Auditorium in the capital yesterday.

PHOTO: PTD

Govt mulls hike in power price

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On February 26, Energy Minister Iqbal Hassan Mahmood Tuku pledged not to raise electricity prices for two years, aiming instead to ease fiscal pressure by reducing system losses. But the war, which began on February 28, has disrupted fuel supplies and driven up import costs of LNG, coal, and furnace oil, which are key inputs for power generation.

With efforts to maintain coal supply and continue LNG imports at high prices, the fiscal burden has escalated sharply. Current electricity prices do not reflect actual generation costs of the Power Development Board (PDB), resulting in a widening gap covered through government subsidies.

In FY 2024-25, the actual cost per unit was Tk 12.36 while the wholesale price was Tk 7.04. As a result, the PDB incurred a loss of Tk 10,600 crore, despite Tk 45,000 crore in government subsidies. For FY 2025-26, the budget had planned to cap subsidies at Tk 37,000 crore, but the fuel crisis made this impossible.

Latest projections show subsidies rising to around Tk 56,000 crore this fiscal year, as import costs of primary fuel surge.

According to multiple officials aware of the proceedings, the power division proposal was sent before the cabinet in early April, which was sent

back for further clarification, and officials are working on it now.

Before Pahela Baishakh, a committee led by the finance minister was formed to finalise the power tariff proposal.

The outlines suggest a Tk 0.50 hike in wholesale prices would cut subsidies by Tk 5,000 crore, a Tk 1 hike by Tk 10,000 crore, and a Tk 1.20 hike by Tk 12,500 crore.

Officials say they have proposed keeping retail tariffs unchanged for “lifeline consumers”, those using up to 75 units (kWh), while raising rates for higher-consuming users by Tk 0.70 to Tk 1.80 per unit.

“This would align with the conditions and recommendations of the International Monetary Fund, which has pressed for reducing subsidy burdens under economic reform measures while safeguarding marginal consumers,” a power division official told The Daily Star on condition of anonymity.

If the proposal is approved by the cabinet, it would be placed before the Bangladesh Energy Regulatory Commission for final nod, following public hearings.

The proposal also references trends in neighbouring countries, including Sri Lanka and Singapore, which have raised electricity tariffs across sectors.

Meanwhile, the PDB data shows

it produced 12,324MW of electricity during the day peak hours yesterday against a demand of 14,380MW, which is 1,900MW more.

However, in the evening hours, the gap was reduced to around 500MW, although the demand rose to 15,350MW. Of the 14,800MW production, 5,300MW was from gas, 4,200MW from coal, and 2,500MW from furnace oil. The electricity import from India was around 2,500MW.

Fuel shortages have left a significant portion of installed capacity underutilised. At least 66 of 143 power plants reported fuel shortages yesterday.

Earlier assessments had shown that around 60 percent of gas-based power plants would remain idle due to fuel constraints, a situation that appears to have worsened in recent days.

The PDB's summer plan expected 5200MW of electricity from gas, 5700MW from coal, and 3500MW from furnace oil.

Besides, three major coal-fired power plants, with a combined 4,200MW of capacity, have been running below half of their capacities due to shortages in coal supply – SS Power in Chattogram, Matarbari in Cox's Bazar and RNPL in Patuakhali.

[Our correspondents from the respective districts contributed to this report.]

Hope rises as Trump claims Lebanon truce

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The United States and Pakistan have been talking up the prospects for a deal in the more than six-week war, with US President Donald Trump saying that if a deal with Iran to conclude the war is reached and signed in Islamabad, he might go, and that Iran has agreed to almost everything.

Trump told reporters outside the White House that Iran had offered not to have nuclear weapons for more than 20 years.

“We’re going to see what happens. But I think we’re very close to making a deal with Iran,” he said.

Trump said he was not sure a ceasefire with Iran would need to be extended beyond next week. “We have a very good relationship with Iran right now, as hard as it is to believe”.

Closure of the strait has triggered the worst oil price shock in history and forced the International Monetary Fund to downgrade its outlook for the global economy, warning prolonged conflict could push the world to the brink of recession.

Pakistan’s army chief and a key figure in the mediation, Field Marshal Asim Munir, arrived in Tehran on Wednesday to try to prevent a renewal of the conflict after marathon talks held in Islamabad last weekend ended without a deal.

A senior Iranian official told Reuters yesterday that the trip had led to greater hopes for a second round of talks and an extension of the two-week ceasefire, but said fundamental differences remain over its nuclear programme.

Pakistan’s foreign ministry yesterday said that both sides are willing to resume talks, though no date had yet been set.

US Defense Secretary Pete Hegseth told a Pentagon briefing yesterday that troops were poised to restart combat operations if a deal was not reached.

Standing alongside two of the US military’s most senior officers, Hegseth said Iran needs to choose wisely as it prepares for negotiations with the United States.

“We are reloading with more power than ever before, and better intelligence,” Hegseth said at a Pentagon news

briefing. “We are locked and loaded on your critical dual-use infrastructure, on your remaining power generation, and on your energy industry. We’d rather not have to do it.”

Hegseth also said the US blockade on Iranian ports will continue “as long as it takes”.

The issue of a ceasefire in Lebanon, where Israel has been waging a parallel campaign against Iran-backed militant group Hezbollah, would also be an essential component of any peace talks, Pakistan said.

Trump yesterday said the truce followed “excellent” conversations with Israeli Prime Minister Benjamin Netanyahu and Lebanese President Joseph Aoun. Israel and Lebanon envoys in the US held peace talks in Washington two days ago.

“These two Leaders have agreed that in order to achieve PEACE between their Countries, they will formally begin a 10 Day CEASEFIRE at 5 P.M. EST,” Trump said on his Truth Social network.

Trump said he had directed US Vice President JD Vance, Secretary of State Marco Rubio, and top US military officer Dan Caine to work with the two countries “to achieve a Lasting PEACE.”

“It has been my Honor to solve 9 Wars across the World, and this will be my 10th, so let’s, GET IT DONE!” said Trump, who launched the war on Iran alongside Israel on February 28.

Trump also said he would invite the leaders of Israel and Lebanon to the White House.

In southern Lebanon, fighting continued to rage yesterday.

A senior Lebanese security official said an Israeli strike had severed the last bridge linking southern Lebanon to the rest of the country. One person was killed in an Israeli strike targeting a car on the road that links to Syria, the country’s state news agency said.

There was no immediate comment from the Israeli military on either strike.

Iran’s nuclear ambitions were a key sticking point at last weekend’s talks. The US proposed a 20-year suspension of all nuclear activity by Iran, an apparent concession from longstanding

demands for a permanent ban, while Tehran suggested a halt of three to five years, according to people familiar with the proposals.

Iran, which has faced crippling US sanctions for years, wants a memorandum to include Washington unfreezing some Iranian funds, in return for allowing more ships through the strait.

A source briefed by Tehran said on Wednesday that Iran could let ships sail freely through the Omani side of Hormuz without risk of attack under proposals it has offered in talks with the US, providing a durable deal is clinched.

If a memorandum to halt the conflict is reached, the two sides are expected to have 60 days to negotiate a final deal, which would require the involvement of experts and the International Atomic Energy Agency (IAEA), the Iranian sources said.

Iran has also in the past refused a US demand to ship out its entire stockpile of uranium, which has been enriched to 60 percent, a level that is far higher than levels needed for civilian uses.

However, Iranian sources said there were signs a compromise could emerge. One source said that, while Iran was not ready to send all its highly enriched uranium (HEU) abroad, part of it could be sent to a third country. Iran said some HEU was needed for medical purposes and for a research reactor in Tehran, which runs on relatively small amounts of uranium enriched to around 20 percent.

Meanwhile, the US yesterday widened its blockade on Iranian shipping to include what it called contraband, including weapons, weapons systems, ammunition, nuclear materials, crude and refined oil products, as well as iron, steel and aluminium.

Any vessel suspected of trying to reach Iranian territory will be subject to “visit, board, search and seizure”, the US Navy said in an advisory.

Chairman of the Joint Chiefs of Staff Dan Caine said as of Thursday morning, the U.S. military had not boarded any ships, and that 13 had turned around.

Members of the National and Provincial Assemblies who were in India also constituted a constituent assembly.

The Proclamation of Independence was also made on this day. It served as the Constitution of Bangladesh from March 26, 1971, to December 16, 1972.

World being ravaged by a ‘handful of tyrants’: pope

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him on social media.

Leo, the first US pope, also decried leaders who used religious language to justify wars and urged a “decisive change of course” in a meeting in the biggest city in Cameroon’s anglophone regions, where a simmering conflict going back nearly a decade has left thousands dead.

“The masters of war pretend not to know that it takes only a moment to destroy, yet often a lifetime is not enough to rebuild,” the pontiff said.

“They turn a blind eye to the fact that billions of dollars are spent on killing and devastation, yet the resources needed for healing, education and restoration are nowhere to be found.”

Trump’s attacks on Leo, first launched on the eve of the pope’s ambitious four-country tour of Africa and repeated late Tuesday, have caused dismay in Africa, where more than a fifth of the world’s

Catholics live.

Leo, who kept a relatively low profile for most of his first year as leader of the 1.4-billion-member Church, has emerged as an outspoken critic of the war that began with US-Israeli strikes on Iran.

The Archbishop of Canterbury, Sarah Mullally, spiritual leader of 85 million Anglicans worldwide, yesterday said that she stood with the pope in his “courageous call for a kingdom of peace”.

Speaking in the anglophone city of Bamenda, the pontiff also sharply criticised leaders who invoked religious themes to justify wars.

“Woe to those who manipulate religion and the very name of God for their own military, economic and political gain, dragging that which is sacred into darkness and filth,” he said.

“It is a world turned upside down, an exploitation of God’s creation that must be denounced and rejected by

every honest conscience.”

The pope made similar remarks last month, saying God rejected prayers from leaders with “hands full of blood”, in comments widely interpreted as aimed at US Defense Secretary Pete Hegseth, who has invoked Christian language to justify the Iran war.

Trump began his criticism of Leo on Sunday, when he called the pope “WEAK on Crime, and terrible for Foreign Policy” in a post on Truth Social.

The US president attacked Leo again on social media late on Tuesday. On Wednesday Trump posted an image of Jesus embracing Trump, after an earlier image he posted that portrayed him as a Jesus-like figure, prompting widespread criticism.

Leo told Reuters on Monday that he would not stop speaking out about the Iran war and has avoided responding to Trump directly since then.

PM urges austerity amid global crisis

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economy weakened by corruption and mismanagement, along with a weak governance structure and a deteriorating law and order situation.

Restoring peace and security in public life through improving law and order and strictly controlling corruption is one of the government’s key priorities, Tarique observed.

Stating that Bangladesh currently has a large working-age population, he said that creating employment opportunities for this group is one of the major challenges at present.

“Not only the economy, but the education system also suffered a major setback during the fascist rule. Unfortunately, even during the interim government period, order in the education system has not been restored.”

In today’s competitive world, the education system must be modernised and made job-oriented to ensure survival, he said, adding that work has already begun to make the education system more practical.

Tarique said more than half of the country’s population is women and no initiative can succeed easily unless a safe Bangladesh is ensured for them.

The premier said the government earlier presented its election manifesto to people and signed the July charter

with a commitment to state reform.

“People have supported all our commitments. Now it is time for implementation. We have already started working on fulfilling our promises.”

Tarique said his government will implement the party manifesto and every clause and word of the signed July charter.

“Personally, I believe that a change in mindset is more important than changes on paper. The BNP government has proved it repeatedly whenever it has had the opportunity to run the state.”

The PM said Bangladesh gained independence at the cost of many lives and has now completed 55 years as an independent nation. “We have both achievements and shortcomings. To build a self-reliant and prosperous Bangladesh, we must avoid revenge, retaliation, and unnecessary controversy.”

Quoting BNP founder and former president Ziaur Rahman, Tarique said, “National unity is our strength; division is our weakness.”

Tarique said differences of opinion are natural in a democracy but they should not turn into hostility. “We must remain alert about the country’s interest, as anti-Bangladesh forces are still waiting for opportunities.”

‘Time for ambitious reforms’

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Minister Tarique Rahman, Finance Minister Amir Khosru Mahmud Chowdhury, Bangladesh Bank Governor Mostaqur Rahman and other stakeholders.

“We had a good discussion in terms of the challenges the country faces. So they heard us and now we will wait to see how they react to that.”

Bangladesh particularly needs to get its act together in mobilising revenue, he said.

“They need to really work towards improving their revenue intake, which is among the lowest in the world. I would say that in terms of revenue intake, Bangladesh has not done well – it’s on the lower side. Actually, revenue intake has slipped over the last three years.”

The revenue-GDP ratio dropped to 7.81 percent in fiscal 2024-25 from 8.17 percent in fiscal 2022-23, when the three-and-a-half-year IMF programme began.

Srinivasan went on to compare Bangladesh’s progress under the programme with Sri Lanka’s.

“In the case of Sri Lanka, over the last three years, they made significant improvements in boosting their tax revenues as a share of GDP, so they have gradually built up fiscal buffers. So, in some sense, I would say they are better placed to provide support to people who are hurting from this energy shock.”

Bangladesh, on the other hand, is

much more hard-pressed to provide support to those affected by the energy shock brought on by the Middle East war, he said.

“People are hurting in Bangladesh, so it is even more important to use whatever resources you have to make it as targeted as possible. We are working with the authorities in terms of policy support and on the programmes,” Srinivasan added.

Bangladesh will need an additional \$2.61 billion in foreign exchange between March and June to cover the surging energy and fertiliser import costs because of the ongoing Middle East war.

Over the four-month period, the total import cost for oil, liquefied natural gas (LNG) and fertiliser is estimated to be about \$5.62 billion, up 86.7 percent from a year earlier, according to a finance ministry impact analysis.

In March, the diesel price surged by 250 percent, while the LNG price doubled and the fertiliser price rose by 50 percent.

Bangladesh will require an additional Tk 38,542 crore (about \$3.2 billion) in subsidies between March and June to cover energy and fertiliser imports.

Of this, around Tk 18,000 crore would be needed for fuel oil alone, an extraordinary requirement not seen in previous years. Gas subsidies are estimated at Tk 13,930 crore, electricity at Tk 4,612 crore and fertiliser at Tk

2,000 crore.

This will take the total subsidy bill for this fiscal year, originally budgeted at around Tk 59,000 crore, to Tk 97,542 crore, the report said.

Subsequently, the government is aiming to secure about \$3 billion in emergency assistance from development partners, including the IMF and the World Bank (WB).

Earlier this week, Khosru placed the request for more funds during a meeting with officials of the two multilateral lenders on the sidelines of the ongoing IMF-WB Spring Meetings in Washington DC.

The WB has assured Bangladesh of both policy guidance and financial support, Khosru told reporters after meetings in Washington.

“I hope we will receive the additional funds by June and in the next budget. Overall, the discussions have been successful,” he said.

Srinivasan though said the negotiations are ongoing.

“Discussions are ongoing, so we will have to just wait and see how those things pan out.”

The government also needs to work towards financial sector reforms.

“They also need to take into account the other impediments in the financial sector and so on, so that they can get growth going over the near term and over the longer term,” Srinivasan added.

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