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Star BUSINESS

Solar-powered factories weather energy disruption

AHSAN HABIB

As many factories scramble for diesel to keep generators running during load-shedding, production lines at Ha-Meem Group hum on without interruption.

The difference is overhead. Over the past few years, Ha-Meem, one of the country's largest garment exporters, has turned its rooftops into power plants, installing 12 megawatts of solar capacity at a cost of Tk 54 crore.

The investment was steep, but it is currently paying off.

"... now we are getting a good advantage. For example, during load-shedding, it works as a backup," said AK Azad, managing director of Ha-Meem Group.

Ha-Meem's solar system does more than keep sewing machines running. When output exceeds demand, surplus electricity flows back to the national grid under a net metering arrangement, trimming the company's electricity bill.

Azad said that without solar power, the group would have faced serious difficulties. Frequent load-shedding and a worsening fuel shortage, caused by the US-Israel war on Iran, have pushed up costs across the production sector.

The situation has become so acute that the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) recently urged the government to prioritise diesel supplies for factories through nearby filling stations.

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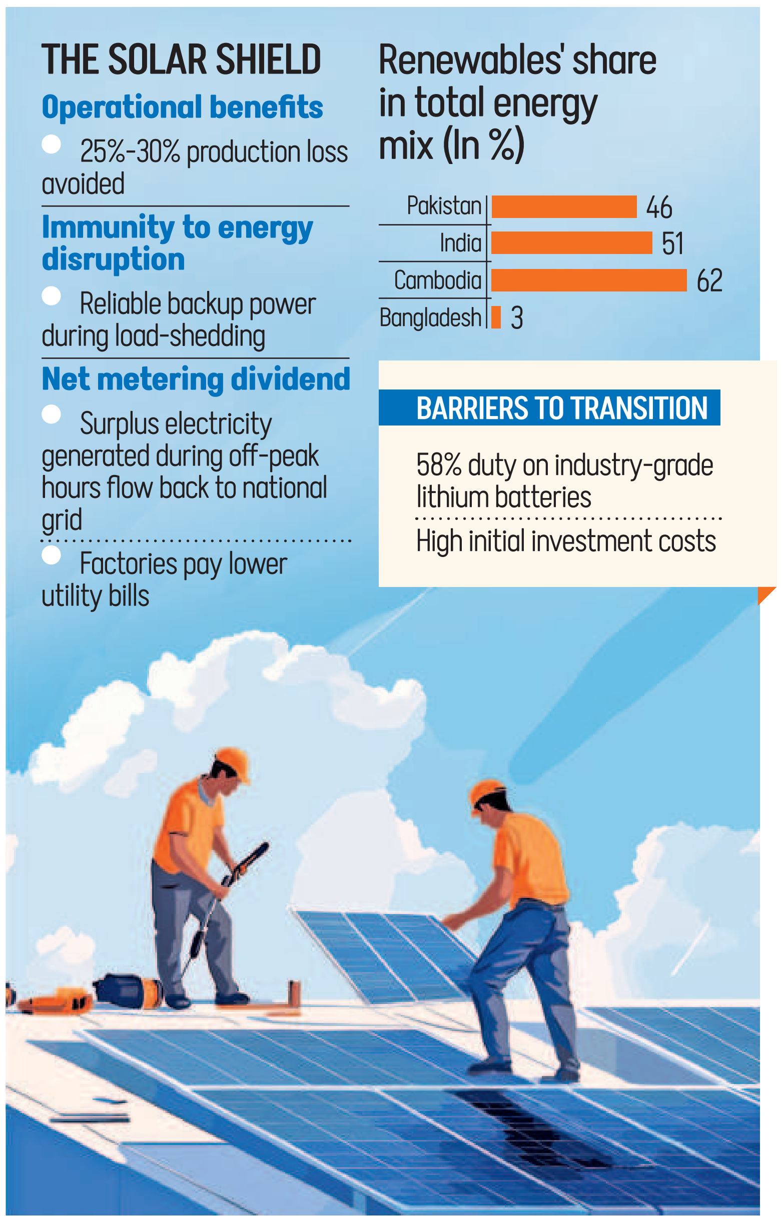
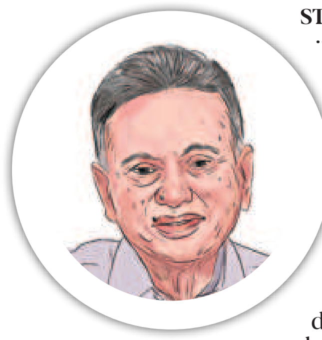


$2b out of pocket as energy costs surge

Says finance minister

STAR BUSINESS REPORT



Bangladesh has shouldered nearly $2 billion in extra costs as global disruption drives up energy imports, said Finance Minister Amir Khosru Mahmud Chowdhury.

"The major sources of procurement were not working anymore. Due to disruptions, we have had to rely heavily on spot market purchases, which are significantly more expensive," the minister said during a discussion at the Atlantic Council on the sidelines of the IMF-World Bank Spring Meetings in Washington.

Bangladesh imports about 95 percent of its energy. Following the US-Israel war on Iran and conflict across the Middle East, global supply chains took a severe hit. Oil and natural gas prices spiked as state-run agencies increasingly turned to the volatile spot market.

"And if this continues, I don't know what the eventual outcome will be," said Khosru, adding that prolonged disruption would deepen pressure on public finances.

To ease the pressure, he said the government is seeking new suppliers and more competitive deals abroad.

"We have also requested and received a waiver from the United States to import energy from Russia, which offers relatively lower prices. This will provide some relief," said the minister.

At the same time, Bangladesh is strengthening energy ties with the United States and other development partners to secure longer-term price and supply stability, he added.

READ MORE ON B3

AL kept people 'hostage' to IMF by taking loans: Titumir

STAR BUSINESS REPORT

The ousted Awami League-led government effectively held the people "hostage" by taking the bailout loan from the International Monetary Fund (IMF) with difficult conditions in 2022, said Rashed Al Mahmud Titumir, finance and planning adviser to the prime minister.

The AL took the loans after using public projects as tools of appeasement and plunder, he alleged yesterday while addressing a seminar on economic challenges and planning of the government for the next 180 days.

He, however, acknowledged that the agreements inked by previous governments, both with the IMF and the United States, must be honoured under international norms.

"What we can do is review the conditions of those agreements," he said at the event organised by the Economic Reporters' Forum at its own auditorium in the capital.

The IMF loan conditions mandate that Bangladesh significantly increase its tax-GDP ratio, which is one of the lowest globally at under 7 percent, through ambitious reforms under its loan programme.

Titumir, however, said there is no way to increase the GDP-to-revenue ratio overnight as the BNP-led government inherited a "troubled" economy.

Citing an example, he said if the government raised domestic fuel prices following outside prescriptions amid global price hikes caused by the US-Israeli war on Iran, inflation would have surged to an unbearable level. "We cannot do that because we are accountable to the people."

Referring to the BNP's election manifesto, he stated that the government aims to "realistically" increase the tax-GDP ratio to 10 percent by 2030 and 15 percent by 2035.

"The problems we face must be addressed through our own domestic solutions, and the government has already begun that process," he said.

Citing examples of such steps, he mentioned that the government waived loans of up to Tk 10,000 for farmers, initiated efforts to universalise social safety net

READ MORE ON B3

Heavy rain, upstream water damage crops in six districts

SUKANTA HALDER *and* DWOHA CHOWDHURY

Abdur Rahman, an elderly farmer from Bhukshimail union in Kulaura upazila of Moulvibazar, took loans to cultivate Boro paddy this season, hoping for a good harvest and some financial relief.

But back-to-back storms, heavy rain, and water flowing from upstream areas have destroyed that hope.

"I invested all my savings and even took loans to cultivate Boro on five acres of land. Now the entire crop field is under two to three feet of water. Not a single grain of paddy can be saved," he told The Daily Star on Friday.

"Now I don't know how I will repay my debts or support my family," he lamented.

Abdur Rahman is not the only one facing this predicament. Data from the Department of Agricultural Extension (DAE) shows that storms, rain, and the onrush of water from the upstream between March 31 and April 5 affected 1,724 hectares of farmland across six districts, harming 9,525 farmers.

The affected districts are Sunamganj, Habiganj, Moulvibazar, Nilphamari, Kishoreganj, and Netrokona.

Boro rice bore the brunt of the damage, covering 1,723 hectares. Total losses are estimated at over Tk 36.36 crore, affecting 9,390 farmers.

Maize was also damaged on one hectare of land, causing losses of about Tk 4 lakh and affecting 135 farmers.

Sultan Miah, a farmer from Dekhar Haor in Sunamganj Sadar upazila, said, "A government-built dyke on the western side of the haor has increased water pressure and broken part of the dyke we built to protect our crops."

He added that hundreds of acres of Boro crops are now at risk of total failure.

Tara Miah, a farmer from Tanguar Haor in Madhyanagar upazila of Sunamganj, said the situation this year was unexpected.

"In 2017 and 2022, flash floods destroyed our crops. That was understandable as those were natural disasters. But this year, just a few days of rain caused waterlogging and damaged most of my crops," he said.

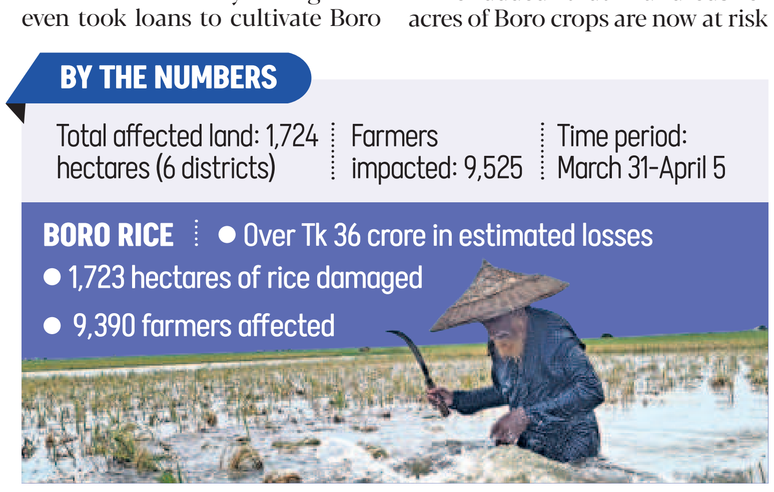
GOVT RESPONSE AND REHABILITATION PLANS

Md Mosharraf Hossain, additional director of the DAE in Sylhet, said authorities are assessing the situation.

"We are preparing a list of farmers who lost crops due to recent waterlogging. We will send the list to the ministry for further instructions," he said.

"Right now, our main focus is

READ MORE ON B3



Rancon launches Sharp premium products at Rangs eMART

STAR BUSINESS DESK

Rancon Group recently signed an agreement with Sharp, a globally renowned Japanese electronics brand, under which premium electronic products from the brand will now be available at Rangs eMART.

Through the partnership, customers in Bangladesh will be able to access Sharp's portfolio of technology products, bringing innovation, quality, and reliability under one roof.

Romo Rouf Chowdhury, group managing director of Rancon Group, and Tamura Tomoki, BU vice president of global business and general manager at Sharp Corporation, jointly inaugurated the products at a Rangs showroom in Dhaka, according to a press release.

Speaking at the event, Tomoki expressed optimism about the potential of the Bangladeshi market for Sharp's technology-driven, sustainable, and user-friendly products.

He reaffirmed the company's commitment to delivering innovative solutions that enhance everyday life.

In his remarks, Chowdhury said the collaboration would allow customers in Bangladesh to conveniently access Sharp's wide range of products directly from Rangs eMART.

He added that the inclusion of Sharp reinforces Rancon Group's commitment to offering authentic, high-quality products supported by strong service and customer experience.

He also noted that Rancon Group has long played a pioneering role in introducing globally reputed brands to the local market, adding that the partnership with Sharp would further strengthen that legacy by offering world-class technology on a trusted platform.

Woo Keat Chew, managing director of Sharp Singapore Electronics Corporation Pte Ltd; Kubo Hirotaka, division manager of the Product Quality Assurance Division at Sharp Corporation; Farhana Karim, managing director of Rancon Electronics; and Yeamin Sharif Chowdhury, divisional director, among others, were also present.

Tamura Tomoki, BU vice president of global business and general manager at Sharp Corporation, and Romo Rouf Chowdhury, group managing director of Rancon Group, inaugurate Sharp's premium electronic products at Rangs eMART in Dhaka recently. PHOTO: RANCON GROUP

Gold extends gains

REUTERS

Gold prices extended gains on Friday, supported by a weaker dollar and comments from Iran's foreign minister that passage through the Strait of Hormuz remains open during the ceasefire, which pushed oil prices lower and eased some inflation concerns.

Spot gold was up 1.5 percent at $4,861.32 per ounce at 1:58 p.m. ET (1758 GMT), rising more than 2 percent so far this week.

US gold futures settled 1.5 percent higher at $4,879.60.

The passage of vessels through the strait will be on the coordinated route as already announced by the Ports and Maritime Organisation of Iran, Iran's foreign minister said in a post on X. US President Donald Trump said talks could take place this weekend and he believed a deal to end the Iran war would come "soon".

"Reopening the strait was a key event, and with oil prices under pressure, it is expected to ease inflation concerns and revive expectations of interest rate cuts - all good news for gold," said Peter Grant, vice president and senior metals strategist at Zaner Metals.

Gold prices could see short-term gains back above the $5,000 per ounce level, he added.

The US dollar and oil prices extended their fall after the comments on Hormuz opening. A weaker US currency makes bullion more attractive to holders of other currencies.

Sohail RK Hussain, director of Bank Asia Securities Limited, poses for a group photograph at the company's 15th annual general meeting at Rangs Bhaban on Bijoy Sarani in Dhaka recently. PHOTO: BANK ASIA

Bank Asia Securities holds 15th AGM

STAR BUSINESS DESK

Bank Asia Securities Limited, a subsidiary of Bank Asia Limited, recently held its 15th annual general meeting (AGM) at Rangs Bhaban on Bijoy Sarani in Dhaka.

Romana Rouf Chowdhury, chairman of Bank Asia Securities Limited, presided over the meeting as the chief guest, according to a press release.

Prof M Shahjahan Mina, Sohail RK Hussain, ANM Mahfuz, and Mohammad Ibrahim Khalil, directors of the company, attended the event.

Sumon Das, chief executive officer of the company; Md Anisul Alam Sarker, company secretary; and Md Nahid Raza, head of finance, were also present at the meeting.

SME Foundation, Prime Bank sign deal to boost CMSME growth

STAR BUSINESS DESK

Prime Bank PLC has signed a refinancing agreement with SME Foundation aimed at enhancing credit access for cottage, micro, small, and medium enterprises (CMSMEs).

This collaboration operates under the government's Tk 300 crore revolving fund and follows credit wholesaling guidelines designed to stimulate economic growth at the grassroots level.

M Nazeem A Choudhury, additional managing director of Prime Bank PLC, and Anwar Hossain Chowdhury, managing director of SME Foundation, signed the agreement in Dhaka recently, according to a press release.

They emphasised that this strategic alignment will not only create jobs but also strengthen the overall resilience of the CMSME sector in Bangladesh.

Khandakar Abdul Muktadir, minister for industries, commerce, textiles, and jute, attended the programme as the chief guest and highlighted the government's commitment to fostering a business-friendly environment for small-scale entrepreneurs.

Under the agreement, Prime Bank will facilitate low-cost loans to eligible entrepreneurs, with the maximum interest rate capped at 8 percent per annum. The financing facility is designed to be highly accessible, offering loan amounts ranging from Tk 1 lakh to Tk 25 lakh, depending on the nature of the enterprise.

To further ease the burden on small business owners, the programme provides a flexible repayment period of up to four years, including a six-month grace period to allow businesses sufficient time to generate returns before beginning their monthly instalments.

A core focus of this initiative is the promotion of financial inclusion and social equity. The agreement mandates that a significant portion of the funds be allocated to women entrepreneurs and those operating within specific industrial clusters.

Additionally, the programme prioritises young innovators in the ICT sector, manufacturers of import-substituting goods, and entrepreneurs located in climate-vulnerable or underprivileged regions.

By removing the requirement for formal collateral for loans up to Tk 10 lakh, the partnership ensures that even those without substantial assets can secure the capital necessary to grow their ventures.

The leadership of both SME Foundation and Prime Bank expressed optimism about the impact of this fund on the national economy. Beyond lending, the programme aims to support sustainable industrialisation by encouraging green technologies and helping returning migrants reintegrate into the productive workforce.

Anwar Hossain Chowdhury, managing director of SME Foundation, and M Nazeem A Choudhury, additional managing director of Prime Bank PLC, pose for a photograph after signing the agreement in Dhaka recently. PHOTO: PRIME BANK

Prime Bank, Shahrukh Amin partner to offer discounts for Neera customers

Shahrukh Amin, owner of Shahrukh Amin, and Shaila Abedin, senior executive vice-president and head of liability and wealth management of Prime Bank PLC, pose for a photograph after signing the agreement at Prime Aspire on Gulshan Avenue in Dhaka recently. PHOTO: PRIME BANK

STAR BUSINESS DESK

Prime Bank PLC has entered into a strategic partnership agreement with Shahrukh Amin, a renowned fashion and lifestyle brand, to provide benefits to its Neera customers.

Shaila Abedin, senior executive vice-president and head of liability and wealth management of the bank, and Shahrukh Amin, owner of the brand, signed the agreement at Prime Aspire on Gulshan Avenue in Dhaka recently, according to a press release.

Under this partnership, Neera customers of Prime Bank PLC will enjoy up to a 15 percent discount on purchases from Shahrukh Amin, enhancing their lifestyle experience with premium offerings.

This collaboration reflects Prime Bank PLC's ongoing commitment to delivering lifestyle privileges and value-added services to its customers through strategic partnerships, the release added.

Maj Gen Mohammad Ashrafuzzaman Siddiqui, chairman of Shimanto Bank PLC and director general of Border Guard Bangladesh, poses for a group photograph with participants of the bank's "Business Summit 2026" in Dhaka recently. PHOTO: SHIMANTO BANK

Shimanto Bank holds business summit

STAR BUSINESS DESK

Shimanto Bank PLC has organised its "Business Summit 2026" in Dhaka recently.

Maj Gen Mohammad Ashrafuzzaman Siddiqui, chairman of the bank and director general of Border Guard Bangladesh, inaugurated the event as chief guest, according to a press release.

Md Nurul Azim, managing director and chief executive officer, presided over the summit. The daylong event focused on reviewing last year's business performance and setting future goals and strategies.

Md Sahidul Islam, head of business of the bank, and Mohammad Azizul Hoque, head of operations, along with directors, divisional heads, and managers from branches and sub-branches, attended the summit.

KY Two Tone opens branch in Purbachal

STAR BUSINESS DESK

KY Two Tone, a Chattogram-based real estate developer and a concern of the KDS Group, yesterday launched its branch office in Purbachal, Dhaka.

Jabir Hossain, chief operating officer of KY Steel, inaugurated the branch as the chief guest, according to a press release.

In his speech, Hossain said, "This new branch office of KY Two Tone will bring our services closer to our valued customers."

"With a commitment to modern technology, superior quality, and customer satisfaction, we are moving forward with confidence."

"This initiative in Purbachal will open new horizons in the construction sector," he added.

During the programme, speakers highlighted KY Two Tone's development plans, modern architectural solutions, and dedication to ensuring customer satisfaction.

They expressed optimism that the new branch will play a significant role in delivering quality construction services in Purbachal and its surrounding areas.

Following the inauguration, the guests toured the new branch office and expressed their gratitude for the continued success of the organisation.

Jabir Hossain, chief operating officer of KY Steel, poses for a group photograph with guests and officials of the company after inaugurating the new branch office in Purbachal, Dhaka yesterday. PHOTO: KDS GROUP

UCB Investment inks panel brokerage deal with Prime Bank Securities

STAR BUSINESS DESK

UCB Investment Limited has signed a panel brokerage agreement with Prime Bank Securities Ltd (PBSL), a subsidiary of Prime Bank PLC.

Tanzim Alamgir, managing director and CEO of UCB Investment Limited, and Md Moniruzzaman, managing director and CEO of Prime Bank Securities Limited, signed the agreement at United Commercial Bank's (UCB) head office in Dhaka recently, according to a press release.

Under this strategic partnership, clients of UCB Investment Limited will benefit from seamless and efficient trade execution on both the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE) through Prime Bank Securities Ltd, a leading brokerage house in Bangladesh.

Clients will also enjoy enhanced convenience through Prime TradeX, which offers real-time market access, easy order placement, portfolio monitoring, and management.

Complementing this capability, UCB Investment Limited will continue to provide market-adjusted margin loans to its clients, enabling them to optimise leverage while maintaining disciplined risk management aligned with prevailing market conditions.

This collaboration underscores UCB Investment Limited's ongoing commitment to delivering better value, operational efficiency, best-in-class brokerage execution, and prudent financing solutions to its clients in Bangladesh's capital markets.

Md Moniruzzaman, managing director and CEO of Prime Bank Securities Limited, and Tanzim Alamgir, managing director and CEO of UCB Investment Limited, pose for a photograph after signing the agreement at United Commercial Bank's head office in Dhaka recently. PHOTO: UCB

South Asia's trade policies stifle job creation, exports

Economists warn at ninth Sanem Annual Economists' Conference

STAR BUSINESS REPORT

Trade policies in South Asia are shielding less productive sectors while constraining job creation and export competitiveness, economists said at a session of the ninth Sanem Annual Economists' Conference held at BRAC Centre Inn in Dhaka yesterday.

"South Asia's trade policies are protecting the least dynamic parts of its economy while holding back job creation," said Franziska Ohnsorge, chief economist for South Asia region at the World Bank, in her presentation at a session on "Development challenges and policy responses in a changing world".

Around 40 percent of workers in the region are employed in sectors -- mainly agriculture -- protected by tariffs exceeding 30 percent, she noted. These sectors have contributed little, or even negatively, to employment growth over the past decade.

Ohnsorge said that, in contrast, low-tariff sectors account for nearly three-quarters of new jobs, underscoring the role of more open, competitive industries in driving employment.

High tariffs also raise input costs, particularly for manufacturing, weakening export competitiveness.

"Workers in protected sectors are typically older and less skilled, suggesting that tariff protection is shielding a stagnant segment of the labour market," she said.

Ohnsorge suggested that reducing tariffs, alongside measures to ease worker mobility, could boost growth, create better jobs, and increase overall government revenue.

Mustafizur Rahman, distinguished fellow at the Centre for Policy Dialogue (CPD), highlighted a key gap in trade liberalisation debates, arguing that domestic reforms cannot be assessed without considering partner-country policies.

He stressed that trade is inherently reciprocal. "It takes two to tango," he said, warning that ignoring partners' policies oversimplifies real outcomes.

Referring to Ohnsorge's keynote, Rahman acknowledged that tariff reduction can improve resource allocation and support employment in efficient sectors, reflecting the widely accepted theory of comparative advantage.

He also noted that while Bangladesh is expected to lower tariffs on US imports, its exports could face duties of nearly 35 percent, raising annual payments to around $3 billion.

Bringing up the garments sector, he said a mix of liberalisation and incentives enabled strong backward linkages and over 50 percent domestic value addition.

Meaningful trade reforms remain essential to drive growth, create jobs, and ensure sustainable economic stability, said an expert. PHOTO: STAR/FILE

As Bangladesh approaches LDC graduation in November 2026 -- though the government has requested a deferment -- he urged calibrated reforms, noting that global rules allow policy flexibility amid an uneven playing field.

Anirudh Shingal of SP Jain Institute of Management and Research in India highlighted practical strategies for countries facing rising trade policy uncertainty, drawing on recent research.

He said informal networks such as the Commonwealth can play a stabilising role during crises, as countries tend to trade more within culturally and linguistically connected groups when uncertainty rises.

Shingal also noted that "aid for trade" remains effective. Across multiple manufacturing sectors, such support has been found to boost exports from recipient countries to donor markets, offering a viable cushion for low-income economies.

Srimal Abeyratne, professor of Economics at the University of Colombo, said Sri Lanka's weak export performance remains puzzling despite decades of export-oriented reforms.

He noted that the country has endured multiple shocks in recent years, including the pandemic and the 2022 debt crisis.

While macroeconomic stability has improved and recovery is visible on the surface, poverty has deepened, businesses have collapsed, and structural vulnerabilities persist.

Abeyratne stressed that trade is central to sustaining recovery, reducing poverty, and meeting debt obligations from 2028. However, Sri Lanka faces ongoing challenges in external financing and reserve adequacy, which remain below IMF targets.

Despite this, rising foreign exchange earnings from these sources have reduced urgency for reforms. Abeyratne argued that meaningful trade reforms remain essential to drive growth, create jobs, and ensure sustainable economic stability.

DSE brokers team up with Japanese peers

STAR BUSINESS REPORT

The DSE Brokers Association of Bangladesh (DBA) has teamed up with the Japan Securities Dealers Association (JSDA) to foster sustainable development, enhance efficiency, and strengthen international cooperation in Bangladesh's capital market.

Takashi Hibino, chairman and CEO of JSDA, and Saiful Islam, president of DBA, signed a memorandum of understanding (MoU) on April 9, said a press release issued by the DBA yesterday.

Under the agreement, the two organisations will collaborate in several key areas to support the development of the securities market, including the exchange of laws and regulations related to financial investment businesses and capital markets.

They will also work on developing governance frameworks, policy-making processes, and operational practices of self-regulatory organisations; strengthening supervision and compliance mechanisms; enhancing efficient financial transaction systems, fostering innovation in investment instruments and services, and expanding investor education programmes.

Heavy rain, upstream water

KEY POINTS

- Storms, heavy rain, water from upstream caused waterlogging
- Multiple haor and low-lying areas affected
- Rehabilitation to begin after Boro harvest or next cropping cycle

- Farmers warn repeated waterlogging may threaten haor farming
- Damage assessment ongoing, affected farmers' lists being prepared
- FY26 Boro covers 50.50 lakh hectares, 2.24 crore tonnes target

FROM PAGE B1

harvesting paddy. We will start a rehabilitation programme for affected farmers after the Boro season ends, or before the next season begins," he added.

According to provisional DAE data, Boro paddy cultivation reached 50.50 lakh hectares in the fiscal year 2025-2026 (FY26), a 3.29 percent increase from the previous year.

Production has also risen in recent years, increasing from 2.01 crore tonnes in FY22 to 2.13 crore tonnes in FY25, with a target of 2.24 crore tonnes set for the current season.

Obaidur Rahman Mondol, director of the Field Service Wing at the DAE, said incentive distribution for jute farmers -- who sow seeds from March to May -- in affected areas has already been completed after identifying eligible beneficiaries.

He added that while government policy focuses on supporting the next cropping cycle, areas such as Kishoreganj are facing difficulties due to the absence of a follow-up crop.

Mondol also said the worst damage was reported in Itna, Nikli, and Mithamain upazilas of Kishoreganj, adding that a report has been submitted and any further action will follow ministry approval.

A recent US Department of Agriculture (USDA) report on Bangladesh forecasts that for marketing year 2026-27 (MY27), the total rice harvested area will be 11.8 million hectares, with production estimated at 37.4 million tonnes.

It said the harvested area is expected to rise by 0.4 percent compared to MY26, but production may fall by 0.7 percent due to lower yields from the ongoing Boro season.

The USDA report added that lower Boro rice yields are due to disrupted irrigation and fertiliser use, caused by fuel and fertiliser shortages linked to the Middle East conflict.

As of the third week of March 2026, limited rainfall has helped crop growth to some extent, but farmers remain concerned about shortages of diesel needed to operate shallow and low-lift irrigation pumps.

Solar-powered factories

FROM PAGE B1

Exporters say production capacity in major industrial hubs has already fallen by 25 percent to 30 percent as energy shortages continue to bite.

The country's largest industrial rooftop solar system was installed at the Korean Export Processing Zone (KEPZ) in Chattogram in 2020.

This plant, operated by Youngone Corporation, currently generates 44 megawatts of solar power. It meets peak demand for factories inside the zone and sells surplus electricity to the Bangladesh Power Development Board (BPDB) through net metering.

"We are not facing problems due to diesel shortages caused by war or due to load-shedding," said Md Shahjahan, managing director of KEPZ.

He said many factories in the zone operate little at night, leaving excess power to sell. "In that sense, renewable energy is giving us a good dividend."

He added that greater reliance on renewable energy would shield industrial units from power cuts and diesel shortages. It could also help secure more export orders in markets such as the United States and Europe, where buyers increasingly favour greener supply chains.

Amid the energy shortage, however, not all factories enjoy full coverage of solar power.

Syed M Tanvir, managing director of Pacific Jeans Ltd, which has production units in Chattogram, said solar panels meet about 20 percent of his factory's daytime demand.

During load-shedding, he still depends on diesel generators to run operations. Even so, solar power keeps fuel use lower than at factories without any renewable options, giving him a relative edge.

Tanvir estimates there are around 2,000 megawatts of standby generator capacity across factories in various sectors, all running on diesel. If those generators operate for four to five hours a day, fuel consumption soars.

Typically, factories require one to two megawatts for backup. Rooftop solar systems could meet much of that demand, he said. "Besides, it would reduce reliance on diesel and ease pressure on foreign currency reserves."

HIGH COSTS HOLD BACK EXPANSION

Bangladesh remains well behind its neighbours in clean energy adoption. Non-fossil fuel sources accounted for 51 percent of India's electricity generation in the 2025-26 financial year.

Cambodia derives 62 percent of its power from renewable sources, largely hydropower, giving its textile sector a comparatively low carbon footprint. Pakistan's clean energy share stands at around 46 percent as of September 2025.

By contrast, renewables account for only about 3 percent of Bangladesh's total energy mix.

Entrepreneurs say the main obstacle is cost. Renewable energy requires heavy initial investment, and import duties on equipment are steep.

In Bangladesh, industry-grade lithium batteries face a 58 percent duty. Manufacturers say that a temporary reduction, even for two to three years during the ongoing energy crisis, would encourage factories to replace diesel generators.

Their argument is that such a move would support industry and help the government save foreign currency by cutting fuel imports.

KEPZ Managing Director Shahjahan said the government could play a decisive role. With policy support, solar adoption would accelerate, lowering energy import dependence and strengthening energy security.

TRANSFORMATION NEEDS POLICY PUSH

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue (CPD), said it is good news that the companies that pioneered and invested in solar energy are getting their dividend back.

He said this would encourage others to pursue green transformation.

He also urged the government to provide immediate fiscal support so that factories are encouraged to invest more in solar.

According to Moazzem, policy backing should focus on improving merchant power plants. The government could explore regional markets for renewable energy, which would protect industry from disruptions in diesel, furnace oil and other fossil fuels.

Muzaffar Ahmed, chairman of the Sustainable and Renewable Energy Development Authority (Sreda), said many production units are struggling with fossil fuel-based energy, creating an opportunity to expand renewables.

He said Sreda would make its best efforts, although issues such as import duties fall under the National Board of Revenue (NBR).

Mahmud Hasan Khan, president of the BGMEA, said he has avoided the worst of the current energy crisis by using solar power.

Khan welcomed the government's plan to expand solar generation but said it must be matched by genuine policy commitment.

Although a policy allows renewable energy generation through merchant power plants, the wheeling charges levied by the BPDB are too high, he said.

The BGMEA president said renewable energy must be commercially viable for producers. Without that, the transition will fail to gather pace.

$2b out of pocket

FROM PAGE B1

The mounting costs are "bleeding the exchequer of the government," the minister said, as revenue collection is weak due to stress in the private sector.

"On top of that, the tax-to-GDP is not increasing because of business stress, the businesses are in bad shape," he said.

Khosru noted that stabilising the economy will require immediate financial support and structural intervention, including recapitalising banks and private firms. "Without this, no reform agenda will be effective."

He said the tax-to-GDP ratio has dropped from around 11 percent to below 7 percent. Conditions of the International Monetary Fund (IMF) often miss a basic point: if businesses do not recover, tax receipts will not improve.

"The major problem we face right now is that until the economy turns around, we need a cushion for two years. That's budget support and everything else that has to come," he said. Capital shortages, he added, remain the most urgent obstacle.

"We have inherited an economy where the financial sector is practically in the doldrums. The capital market is also in the doldrums, and more than $200 billion has been siphoned out of Bangladesh," he said.

"The financial sector, particularly the banks, is in a fragile state. Many are practically bankrupt and need immediate recapitalisation."

He said the economy had operated in an oligarchic fashion, limiting fair competition.

"Then came a 40 percent depreciation of the currency, followed by around 10 percent erosion due to inflation. Effectively, about 50 percent of capital and working capital has been wiped out."

Rebuilding capital buffers is the first order of business, he said. Without fresh capital in banks and companies, growth will stall.

The government is in talks with international financial institutions to help restore confidence, particularly in the banking system.

"We have been talking to IFC [International Finance Corporation], and we had a good discussion. They are looking into how this banking sector revival plan can be worked out," he said.

AL kept people 'hostage'

FROM PAGE B1

programmes through "family cards" and is planning to re-excavate canals across the country.

"Many more reforms will be undertaken, but these will be realistic and based on domestic realities," he added.

In future, he said, the government will increase the reserves of strategic commodities such as fuel oil, edible oil, rice, and wheat. "We will also increase investment expenditure at a higher rate than the government's operational expenditure."

Meanwhile, responding to a question, the premier's adviser informed that equal opportunity would be ensured for all individuals accused of looting struggling banks to regain their ownership of the institutions.

Any disputes, he said, would be resolved in the Supreme Court.

Prof Mustafizur Rahman, a distinguished fellow of Centre for Policy Dialogue, said over the past three years, the largest portion of the government's budget has been spent on debt servicing.

He explained that since revenue has not increased sufficiently, the government has had to take on more loans to service existing debt.

"To escape this type of debt trap, the current government must formulate a roadmap," he said while addressing the event as guest of honour.

The policy expert added, "The development narrative we have heard for years is essentially debt-driven growth, and the country must move away from it. Financing could be sourced from the equity market, alongside a stronger focus on increasing revenue."

The current government faced a tough test in its initial days. On one hand, it inherited macroeconomic instability; on the other, it must address the challenge of graduating from least developed country status, even if it manages to defer the graduation once.

"People's expectations are also very high, so inclusive development and reform must continue despite these challenges," he said.

Meanwhile, apparel sector leaders called for ensuring policy stability and energy security if the government wants to use the sector for employment growth and private sector investment.

LPG supply security hinges on boosting storage capacity

Says Amirul Haque, president of LPG operators' association

Mohammed Amirul Haque

JAGARAN CHAKMA

Bangladesh's liquefied petroleum gas (LPG) sector has grown rapidly, yet lacks the storage capacity to buffer itself against global market shocks, according to the president of the LPG Operators Association of Bangladesh (LOAB).

"Expanding storage capacity is essential for improving supply security," Mohammed Amirul Haque said in an interview with The Daily Star recently. "If operators can store larger volumes, they can better manage fluctuations in global supply and price movements."

According to industry estimates, Bangladesh currently consumes around 17-18 lakh tonnes of LPG annually. Around 80 percent of this demand comes from households, mainly for cooking in areas where natural gas through pipeline is unavailable. Industrial, commercial, and autogas use together account for the remaining share.

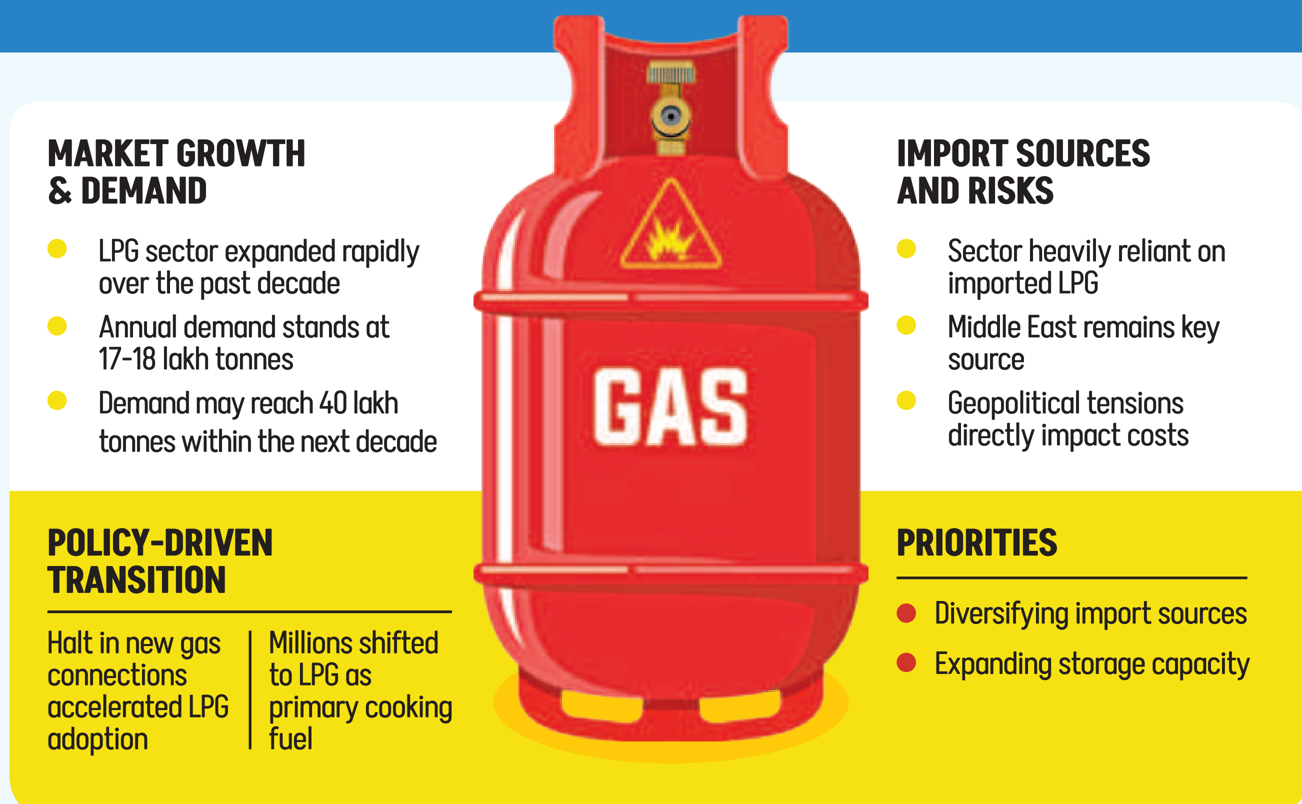
Haque, also the managing director of Delta LPG Limited, said the country's transition toward LPG took place over the last decade after the government decided to permanently halt new pipeline gas connections to households in order to manage limited domestic gas reserves.

He, however, pointed out that the industry's dependence on imports means that the entire supply chain, from procurement to pricing, remains highly sensitive to global market conditions.

"Geopolitical tensions, disruptions in shipping routes, or volatility in international benchmark prices can directly affect supply costs and domestic pricing," he said.

Most LPG used in Bangladesh is sourced from the Middle East, with prices typically linked to the Saudi Aramco Contract Price, which serves as a reference point for global LPG trade. Changes in that benchmark are quickly transmitted to the domestic market, leaving consumers exposed to international volatility.

"Any disruption in the international supply chain can affect Bangladesh's LPG market because we do not have significant domestic production," Haque said. "Even freight costs and insurance premiums can change depending on geopolitical developments, which ultimately affects the landed cost of LPG."



Disruptions along major shipping corridors such as the Strait of Hormuz or the Red Sea can have immediate repercussions on global LPG trade flows.

When global shipping rates rise, the additional cost is reflected in the final price of LPG in the domestic market.

Haque argued that the country's growing LPG demand has intensified the need for stronger storage and distribution infrastructure. Currently, most operators rely on coastal storage terminals and bottling plants to distribute LPG cylinders across the country.

"Expanding storage capacity is essential for improving supply security," he said. "If operators can store larger volumes, they can better manage fluctuations in global supply and price movements."

Without sufficient storage, the market remains more vulnerable to sudden price spikes or supply delays, he added.

Diversifying import sources is another important strategy for reducing supply risk, the LOAB president also said, noting that Bangladesh relies heavily on a relatively small number of international suppliers.

By broadening procurement sources and strengthening supply agreements with multiple exporting countries, the industry could reduce its exposure to regional disruptions, he said.

Haque also called for infrastructure improvements at ports and terminals to support the continued expansion of the sector, noting that such logistical bottlenecks can slow shipment movement and increase costs.

Domestically, he said, private sector investment has played a major role in expanding LPG infrastructure across Bangladesh. Over the past decade, operators have invested heavily in bottling plants, storage facilities and distribution networks to support the growing market.

However, regulatory stability and predictable pricing mechanisms are also crucial for maintaining investor confidence in a market that is closely tied to global energy dynamics.

Local LPG prices are regulated by the Bangladesh Energy Regulatory Commission, which adjusts retail prices in line with international benchmarks. While this mechanism provides transparency, sudden changes in global prices can still create challenges for both operators and consumers.

"Transparent and predictable pricing mechanisms are essential," Haque said. "When international prices rise, adjustments should be gradual so that consumers are not suddenly burdened while the industry remains financially viable."

He expects demand for LPG to continue growing as urbanisation increases and more households move away from traditional cooking fuels such as firewood and biomass.

Industrial and commercial sectors are also gradually expanding their use of LPG due to its efficiency and environmental advantages compared with some conventional fuels.

Industry projections suggest that Bangladesh's LPG consumption could reach around 40 lakh tonnes annually over the next decade if infrastructure and policy support keep pace with demand.

However, the country's continued reliance on imported LPG means that global market conditions will remain a defining factor in the sector's long-term stability.

Strengthening storage capacity, diversifying supply sources, improving port infrastructure and ensuring regulatory consistency will be key steps toward building a more resilient LPG supply chain, said Haque.

How govt can stop the export slide

MAMUN RASHID

Over nearly four decades, through persistence and sacrifice, Bangladesh has become a reliable exporting nation. Exports expanded steadily in recent years, but that momentum is now weakening. In March, exports fell by more than 18 percent year-on-year, an unusually sharp contraction. It was the eighth consecutive month of decline, something unseen in the country's export history. According to the Export Promotion Bureau (EPB), export earnings dropped to $3.48 billion in March from $4.25 billion a year earlier. The $770 million fall is significant, especially when monthly exports typically range between $4.5 billion and $5 billion.

Several factors explain the downturn. Externally, retaliatory tariffs imposed by the United States have reduced Bangladesh's competitiveness in a key market. At the same time, competitors such as China, Vietnam and India have strengthened their presence in the European Union by offering lower prices and faster turnaround.

Over the past eight months, this has gradually eroded Bangladesh's market share. Domestically, temporary disruptions also played a part. Eid-ul-Fitr led to factory closures averaging around 10 days, halting production and shipment for nearly a third of March. While this explains part of the monthly drop, it does not account for the sustained decline.

During the first nine months of FY 2025-26, total exports fell by 4.85 percent to $35.39 billion, compared with $37.72 billion in the same period a year earlier. July exports were unusually high as exporters rushed shipments to the United States ahead of tariff implementation. That created a temporary spike, followed by a correction from August onwards.

The readymade garment sector, which generates the bulk of export earnings, has been hit particularly hard. In March, garment exports fell by 19.35 percent to $2.78 billion, down from $3.45 billion a year earlier. Over the nine-month period, RMG exports declined to $28.58 billion from $30.25 billion. Eid-related holidays contributed to the March fall, but the broader trend reflects deeper structural and global challenges.

Global conditions have also turned adverse. Conflict in the Middle East has disrupted energy markets and pushed up oil prices, reducing consumer purchasing power in Europe and the United States. As demand weakens in these key markets, export-dependent economies such as Bangladesh feel the strain. Other sectors are under pressure. Home textiles fell by 21 percent, pharmaceuticals by 20 percent, vegetables by 45 percent, leather goods by 7 percent and jute products by 13 percent. A few segments, including frozen fish, crabs and plastic products, have shown resilience, but their scale remains small relative to overall exports.

Domestic constraints compound the challenge. Exporters face high lending rates, inconsistent electricity and energy supply, and logistical inefficiencies. Concerns over law and order, labour productivity, and port congestion further weaken competitiveness. In such conditions, sustaining export growth becomes harder. The response must be pragmatic and coordinated. First, the government should engage closely with exporters to understand sector-specific constraints and act quickly.

Access to finance needs improvement through lower lending rates and adequate liquidity. Second, exchange rate management should remain flexible and market-responsive to preserve competitiveness. Any misalignment can quickly erode margins in price-sensitive markets.

Third, targeted incentives may be required for sectors facing intense competition. These should be time-bound and performance-linked to avoid long-term fiscal costs. Fourth, infrastructure and energy reliability must be prioritised. Consistent power supply and efficient port operations are essential to compete globally. Bangladesh should also monitor how competitors support their exporters and adapt accordingly. The global trade environment is shifting quickly, and policy must keep pace.

Export growth cannot be taken for granted. It demands sustained policy attention, coordination and a willingness to confront both external shocks and domestic weaknesses. The current slowdown is a warning. The response must be timely and decisive.

The writer is an economic analyst and chairman at Financial Excellence Limited

Gulf energy crisis moves from acute to chronic phase

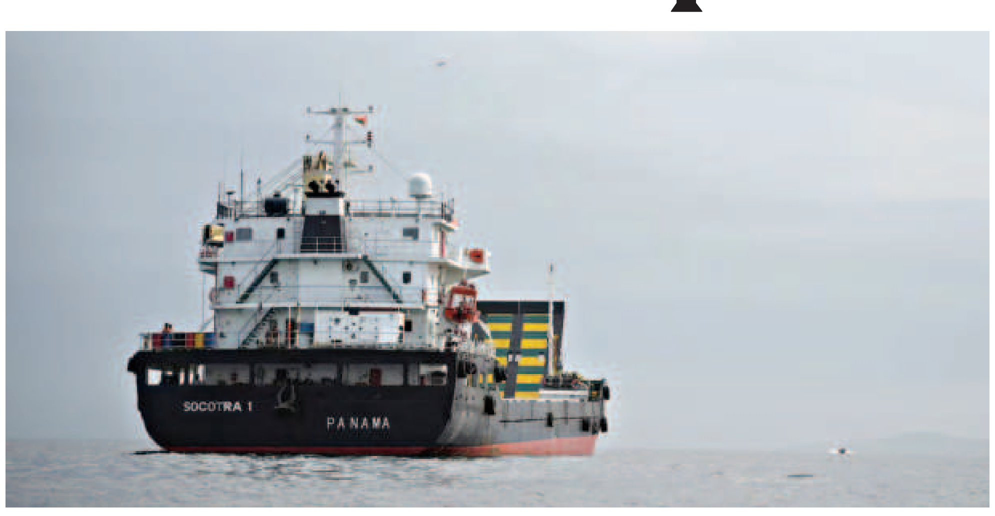
ANALYSIS

REUTERS, *New York*

The Gulf energy crisis isn't over. Ever since the United States and Israel launched joint strikes on Iran, regional tumult has throttled worldwide oil and gas supplies. On Friday, Iranian Foreign Minister Abbas Araqchi declared the opening of the key Strait of Hormuz chokepoint, through which a fifth of global oil and gas shipments typically transit daily — part of a 10-day ceasefire that now encompasses hostilities in Lebanon. The question is whether investors are right in their apparent sense that the acute phase of the impasse is giving way to a longer-term chronic period, or whether energy prices are going to snap back up again.

For now, the mood is one of relief. Brent futures plummeted below $90 a barrel on Friday morning, having neared $120 late last month. In Europe, where gas storage levels are near the lowest they've been since Russia's invasion of Ukraine, May futures priced off the Dutch TTF benchmark collapsed to under 39 euros per megawatt-hour, from a mid-March high above 60 euros per MWh.

The reaction is understandable. Morgan Stanley analysts envisioned prices rising to perhaps $150 per barrel if the situation escalated. Already, at the recent level of $110 a barrel, the bank predicted that Asian GDP growth would fall from 5 percent to 4.2 percent this year. The International Monetary Fund similarly cut its forecast for global economic activity. The initial policy response sought to stem the worst effects. Price caps in Asia helped hold domestic fuel-price rises to only 16 percent, adjusting for purchasing power, well below a 53 percent increase in oil prices in local currencies, Morgan Stanley reckons. Though presented in broader terms, the UK government has said it will eliminate a carbon tax on natural gas generation.



A vessel is seen at the Strait of Hormuz, off the coast of Oman's Musandam province, on April 12. With temporary relief from a ceasefire and Hormuz reopening, the ongoing geopolitical risks could keep oil prices volatile and elevated. PHOTO: AFP

Any sense of normalization needs to be qualified. As Gulf oil and gas storage filled, producers with nowhere to shift their product have shuttered output. War-ravaged infrastructure must be rebuilt. Ships take time to reach port, with full resumption of traffic maybe months away.

A return to that daily norm of 100-plus ships is also far from guaranteed. President Trump's promise to continue blockading Iran remains. And Araqchi noted that tankers must still coordinate with Iranian authorities: whether this means the country will continue extracting tolls for safe passage is unclear. Fresh costs or risks of re-erupting conflict could lead to a perhaps $10 per barrel oil price premium, experts previously told Breakingviews.

If the crisis is in its chronic phase, there are other implications. Any deal between Iran and the US to curb Tehran's nuclear enrichment may not last — after all, the one struck a decade ago by President Barack Obama didn't. Other consequences abound: Japan is seeking to restart nuclear reactors; China raised its target for renewable energy. Consumers too, will respond, judging by reports of frenzied electric-vehicle buying.

Brent prices are still meaningfully higher than their pre-conflict low-$70s a barrel in late February. Even still, they could prove to be too low. In a post on social media network X, Iranian Foreign Minister Abbas Araqchi said on April 17 that "passage for all commercial vessels" through the Strait of Hormuz is "declared completely open for the remaining period" of a ceasefire that has now extended to Lebanon.

In a subsequent post on Truth Social, US President Donald Trump also said that the Strait is "completely open," but added that a "naval blockade" will remain in place "as it pertains to Iran," until "our transaction" is complete. US and Iranian negotiators are working towards a peace plan, Axios reported.

US buyers redirect imported fertiliser overseas

REUTERS, *Chicago*

US fertilizer buyers are redirecting shipments out of the country, as higher overseas prices give them an incentive to divert critical supplies, a fertilizer analyst said.

Barges of imported urea nitrogen fertilizer were purchased this week at the Port of New Orleans for export overseas, said Josh Linville, vice president for fertilizer at financial services firm StoneX.

"We saw a lot of physical barges that were being traded. They were linked to exports," Linville said, adding, "It is feasible to buy barges on the Mississippi River, reload them on a vessel, and ship them out."

Since the US and Israel launched a war with Iran, nitrogen fertilizer prices have soared, with more than 30 percent of global exports caught in Iran's near closure of the Strait of Hormuz. The US and Israel said on Friday the waterway had fully reopened after Israel's ceasefire with Lebanon, sending oil prices down.

But while global fertilizer prices have soared, US prices at New Orleans have remained about $170 per short ton cheaper, providing buyers an opportunity to profit from the price difference.