



Fuel price hike lays bare stress on economy

Energy minister says govt trying to keep the situation at a 'tolerable level'

ASIFUR RAHMAN and SUKANTA HALDER

A sharp increase in fuel prices – one that will ripple through every layer of the economy – signals that the government has reached the limits of its fiscal endurance.

By raising the prices of diesel, octane, and petrol by Tk 15-Tk 20 per litre, the government has effectively conceded that the subsidy burden is no longer sustainable.

While economists have welcomed the move as a necessary correction, it shifts the economic strain directly onto a population already worn down by prolonged inflation, underscoring the country's shrinking capacity to shield consumers from global volatility.

Power, Energy and Mineral Resources Minister Iqbal Hassan Mahmood Tuku described the situation as "wartime", noting that global markets



Amid the summer heat, a man cools off and rehydrates with a drink of water after queuing for fuel since 5:00am. By noon, he was expecting to reach the pump around 2:00pm. After Saturday's mid-month fuel price hike, lines outside city pumps yesterday remained long. The photo was taken from the queue at Sonar Bangla Service Station in the capital's Asad Gate area.

PHOTO: PRABIR DAS

Daily Supply (tonne)	April 1-17	From now on	Rise in supply (%)
Diesel	1,107	13,048	17.5
Octane	1,129	1,422	25.9
Petrol	1,253	1,511	20.6

have already adjusted.

Speaking to reporters at the Secretariat yesterday, he said Bangladesh had been selling fuel below import cost to keep prices tolerable.

"Fuel must be purchased with foreign currency. By increasing prices slightly, we are trying to keep the situation at a tolerable level," he said, adding that war inevitably carries global repercussions.

Prof Mustafizur Rahman, distinguished fellow at the Centre for Policy Dialogue, said the adjustment reflects mounting fiscal pressures and limited policy options.

He warned that the hike will erode purchasing power after prolonged inflation, while raising costs across transport, industry, and trade.

Fuel imports will continue to strain reserves, requiring careful management and external financing, he told The Daily Star.

Zahid Hussain, former lead economist at World Bank's Dhaka office, also supported the move, saying subsidies drained public funds and disproportionately benefited wealthier groups.

Failing to adjust prices would force the government to finance

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12kg LPG bottle now Tk 1,940

Consumers paying well above Tk 2,000 already

ASIFUR RAHMAN

The government yesterday increased the price of 12kg of liquefied petroleum gas (LPG) to Tk 1,940, its second hike this month, with consumers fearing that the retail price in reality could climb even higher.

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US delegation to go to Pakistan for Iran talks

Tehran may not join negotiations as long as there is US blockade on Iranian ports

AGENCIES

US President Donald Trump yesterday said he was sending negotiators to Pakistan today for talks with Iran just days before a ceasefire in the Middle East expires, though Tehran has reportedly yet to decide whether it will participate.

Announcing the fresh diplomatic push, Trump also renewed his threats

against Iran's infrastructure, saying in a post on his Truth Social account Sunday that without a deal, the US was "going to knock out every single Power Plant, and every single Bridge, in Iran. NO MORE MR. NICE GUY!"

Iran, however, appeared cool to the prospect of talks, particularly in light of the ongoing US blockade of its ports, according to Iranian media reports.

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Hold the govt accountable for reform delivery

Urges Rehman Sobhan

DIPLOMATIC CORRESPONDENT

Eminent economist Prof Rehman Sobhan has called for holding the government accountable for implementing reforms that largely remain on paper in Bangladesh.



"Legislation is not enough; reforms must be translated into operational documents implemented by the bureaucracy, and their outcomes must be measured on the ground. An active opposition should collaborate with civil society to act as a watchdog over reform implementation," he said.

Prof Sobhan, chairman of the Centre for Policy Dialogue (CPD), spoke as a special guest at a session titled "Romancing the Reform: The Bangladesh Story" during the three-day 9th SANEM Annual Economists' Conference 2026 at the BRAC Centre in Dhaka yesterday.

His remarks came as many reforms proposed during the interim government following the July 2024 uprising are fading, while laws traditionally remain on paper.

Drawing on his experience as a member of the Planning Commission, he said reforms in Bangladesh largely remain academic but must be delivered on the ground.

He recalled that in the early 1990s, judicial and budgetary reforms were initiated with support from the World Bank and the UK government, yet no one assessed the outcomes of those efforts.

By contrast, Southeast Asian countries have practised performance budgeting since the 1970s and 80s to measure public expenditure outcomes, something Bangladesh has yet to adopt in the 21st century.

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A man clings precariously to the end of a moving train, gripping its metal handles while balancing on the narrow coupler. The risky act highlights the grave dangers of riding outside carriages -- one slip could be fatal. The photo was taken at the Moghbazar level crossing area in the capital.

PHOTO: PRABIR DAS

Chasing European dream, fraught with danger

Deaths, abuse fail to stop Bangladeshis from Libya sea crossings

MOHAMMAD JAMIL KHAN and TOUSIF KAUM

For more than a year, Shakil Ahmed from Sunamganj Sadar survived in Libya on a single meal a day – a piece of hard, stale bread; some vegetables; and half a litre of water.

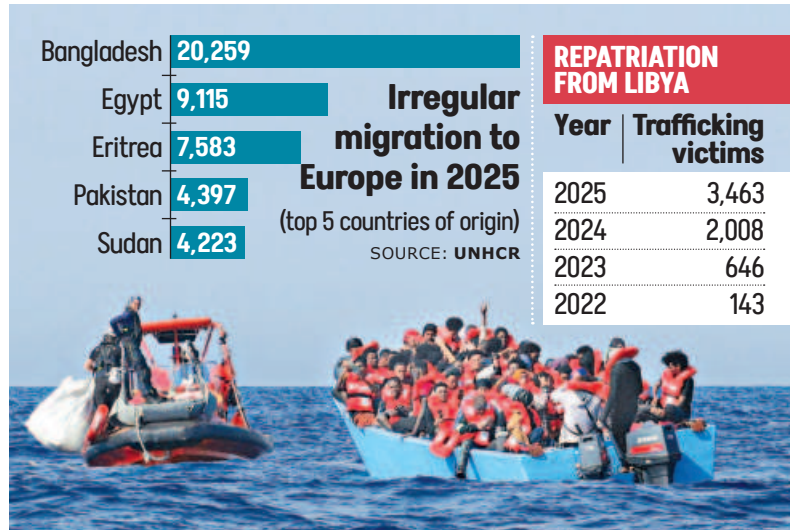
With a dream of finding a better life in Europe, Shakil, a college student, accepted a broker's offer to take him to Greece for Tk 10.5 lakh in 2023. He flew to Egypt via Dubai and was then taken to Libya by road.

The 21-year-old never made it to Europe. Instead, he, along with 147 others, remained stranded in Libya.

Finally, he was brought back home at the end of 2024 with the help of the International Organisation for Migration (IOM).

Shakil, whose father died years ago, said his mother and sister borrowed Tk 10.5 lakh from relatives and other sources to finance his journey.

"The money I paid the broker has



not yet been recovered. My family is still trying hard to gradually pay off the debt," he said.

His narrative underscores a persistent reality: the mounting number of deaths and systemic

exploitation have not deterred Bangladeshis from taking perilous journeys from Libya to European shores.

UNHCR data show that in 2025, SEE PAGE 2 COL 1

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