

India pushes for regional energy hub in Sri Lanka

AFP, Colombo

Indian officials called for the swift implementation of a proposed regional energy hub in Sri Lanka, at the start of bilateral talks in Colombo on Sunday.

The planned oil hub in the northeastern port of Trincomalee featured in a meeting with Sri Lankan President Anura Kumara Disanayake, India's visiting Foreign Secretary Vikram Misri told reporters.

The project, which also involves the United Arab Emirates, has been under discussions since 2023, he added.

"There is no further time to lose in making progress on strategic projects such as these," said Misri, who is visiting the Sri Lankan capital along with India's Vice President C. P. Radhakrishnan.

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Sri Lanka, India and the UAE signed an agreement a year ago, following two years of talks, to set up a multi-product oil pipeline connecting the two South Asian neighbours and to establish the Trincomalee oil storage complex.

Misri said that in Sunday's talks, both sides agreed on the need to get the project off the ground quickly.

Had the energy hub been completed, it could have been useful "especially at a time like this", he added.

Sri Lanka, which imports all its oil requirements as well as coal needed for power generation, has raised fuel and electricity prices since the Middle East war began in late February, when the United States and Israel began bombing Iran.

The conflict has disrupted energy supplies globally and sent prices soaring.

Sri Lanka's Trincomalee is already home to a 99-tank oil storage farm from the British colonial era, but only 14 containers are in use under a previous agreement with an Indian oil firm.

Last year, both India and Sri Lanka expressed hope of expanding the proposed hub to include a refinery. They also discussed a power line to share electricity between them.



Workers are seen making various types of eco-friendly goods in the Lam Creation factory at Basdi village under Madhukhali upazila of Faridpur. The photo was taken recently.
PHOTO: SUZIT KUMAR DAS

Eco-friendly handicraft venture creates 400 rural jobs

SUZIT KUMAR DAS, Faridpur

Before the Covid-19 pandemic, Sabekunnahar Mitu, a young woman from Faridpur, had vague notions, but no concrete plans of becoming an entrepreneur. An unlikely event made her curious about eco-friendly handicrafts, and she now not only makes a good profit from her venture, but also employs around 400 people in her locality.

Mitu completed her Secondary School Certificate in 2015 and got married while preparing for her Higher Secondary School Certificate. She later enrolled in the Management Department at Government Rajendra College in Faridpur.

"I kept thinking about becoming an entrepreneur while studying at the college," she said. One day, while visiting the Kolarhat area of Rajbari in late 2019, Mitu got caught in a sudden rainstorm and took shelter in a roadside shed, where handicraft workers were busy making different products.

"I became curious and started asking questions. That is where the dream began."

After that visit, Mitu researched online and contacted BD Creation, a large handicraft exporter in Dashuria, Pabna. She visited the factory with her

husband next year.

"At first, they did not let me enter, but later they allowed me to look around, although photography was restricted," she said. The experience bloomed the idea of starting a business.

Encouraged by the experience, she sold her gold jewellery for Tk 2 lakh and received another Tk 1 lakh from her husband, Rezaul Karim, who works as a sub-assistant engineer at the Department of Public Health Engineering in Baliakandi, Rajbari.

With this money, she bought 12 used sewing machines from a business in Pabna that was about to close. She started her factory in a small rented room near Basdi Bazar.

From the same business that sold her the sewing machines, she hired two operators from Pabna to train 10 local women.

Mitu's business took off in 2020 and gradually expanded. Seven years later, the step into eco-friendly entrepreneurship has made her a strong example of women's economic empowerment in the community.

GROWTH OF LAM CREATION

Mitu now runs two production units and has invested Tk 50 lakh in total so far.

A recent visit to the factory showed workers producing eco-friendly goods using jute, hogla leaves, water hyacinth and thatch.

The factory produces more than 50 items, including bags, mats, pet houses, file boxes, baskets, plant pots, bowls, laundry boxes, lunch boxes and tissue boxes. Prices range from Tk 50 to Tk 1,500 depending on design and quality. "We produce goods worth Tk 30-

35 lakh every month. After expenses, I earn around Tk 2-3 lakh," Mitu said.

Production work is divided among teams responsible for stitching, finishing, quality checks and export preparation. Around 100 men and women work in the two units, while about 300 women from villages in Faridpur and Rajbari work from home as contractual artisans.

The initiative has significantly changed lives in the area.

"My father works as a day labourer. I couldn't continue education beyond 10th grade," said Safia Sultana, 21. She now earns Tk 6,500 to Tk 7,000 a month.

Mosammam Aklima Khatun, 24, a homemaker, said, "After household chores, I come here and earn. It's a blessing for us."

Rojina Begum from Rajbari earns Tk 3,500 to Tk 4,000 a month by working from home.

Factory manager Humayun Karim, 26, said he now earns Tk 12,000 a month after failing to find a job despite trying in many places.

The permanent workers employed at the two units are paid based on their work volume. Completing more work means more payment.

They also have the option to receive the payment on a weekly basis or a monthly basis.

Mitu's husband, Rezaul Karim, recalled a tragic memory while talking about the business.

"We lost a newborn in 2021, which left her devastated. Working helped her return to normal life. We now have a six-year-old son. She manages everything herself, and I am very proud of her," he said.

Lam Creation's products are currently exported through larger companies like BD Creation.

"My biggest dream is to establish a direct export line and expand the business so women here no longer have to depend on others," she said.

Time to consider deep-sea LPG terminal for energy security

TARIQ ALAM

Bangladesh's LPG market has expanded rapidly in response to real energy needs, and yet the infrastructure supporting this growth has not kept pace.

The country's LPG import system remains dependent on small, pressurised vessels, typically carrying between 2,500 and 5,000 tonnes. This fragmented approach raises costs and exposes the market to delays and supply disruptions, affecting reliability.

A refrigerated LPG terminal at a deep-sea location such as Matarbari in the Moheshkhali area provides a clear way forward.

Matarbari offers the conditions required to accommodate Very Large Gas Carriers (VLGCs), which carry around 45,000 tonnes per shipment.

Such vessels require a draft of 12 to 14 metres, which existing LPG import points are not designed to handle. This makes it well-suited for large-scale, cost-efficient LPG imports.

This is a compelling bankable infrastructure opportunity for the private sector and foreign investors.

A terminal with an initial capacity of around 1.5 million tonnes per annum (MTPA) is likely to require capital investment in the range of Tk 1,800-2,300 crore, depending on configuration and marine infrastructure.

Structured under a public-private partnership (PPP) or concession model, such a project can attract long-term investment while limiting upfront public capital. Under this approach, a project developer would be responsible for the design, construction, financing and operation of the terminal over a defined concession period.

This aligns incentives around efficiency and performance, while allowing the government to retain strategic oversight.

The impact of such a terminal will depend not only on where it is built but also on how it is operated.

An open-access model, where the terminal functions as a neutral service provider rather than an LPG supplier, offers the most balanced solution.

In practice, this may take the form of a hybrid structure, where a portion of capacity is reserved for anchor users under long-term commitments to support project bankability, while the remainder is made available on an open-access basis.

Under this structure, all licensed importers can access the facility on transparent and equal terms, while continuing to source LPG independently.

An open-access terminal provides them with access to larger, more cost-efficient shipments, eliminating the need for major capital investments individually.

The structure reinforces the project's investment appeal: revenues based on clearly defined terminal fees

rather than commodity trading provide the predictability that investors and lenders require.

However, shared infrastructure raises concerns around utilisation and coordination among multiple users.

A well-defined Terminal Access Code can be a solution, ensuring transparent allocation of capacity, prioritising committed users and preventing hoarding. Operational arrangements such as coordinated cargo scheduling and inventory-sharing mechanisms can help optimise utilisation.

For established operators, the terminal frees up capital for downstream expansion. For the National Board of Revenue, increased and more efficient import volumes can translate into more predictable and higher fiscal revenues.

For Bangladesh Petroleum Corporation, it provides a reliable supply backbone that strengthens national energy security while enabling more efficient bulk procurement when needed.

For the private sector, it reduces costs, improves logistics and enables growth without duplicating infrastructure.

For investors, it offers a scalable opportunity in a high-growth market through a concession-based framework.

Over time, the terminal could support transshipment and regional trade, enhancing commercial viability and positioning Bangladesh as an efficient energy logistics hub.

With a development timeline of around three years, a terminal commissioned near 2030 would enter a market approaching 3 million tonnes per year and projected to grow to 4 to 5 million tonnes by 2036.

Turning this opportunity into a bankable project will require a clear and disciplined approach. A competitive selection process and a bankable concession structure will be essential alongside clear access rules.

Phased development will allow capacity to scale in line with demand, balancing efficiency with utilisation.

A Phase 1 capacity of 1-1.5 MTPA provides a practical starting point - large enough to capture economies of scale, yet aligned with realistic utilisation - while allowing for expansion as demand grows.

Any forward-looking government should seriously consider this idea, which provides an opportunity to align infrastructure, market development and long-term investment in a way that strengthens both energy security and economic resilience.

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Is it time to abandon hope the Strait of Hormuz will open soon?

ANALYSIS

REUTERS, Lancaster

A consistent theme in global oil markets since the US and Israel attacked Iran is that the effective closure of the Strait of Hormuz will be short-lived, and therefore so will be the disruption to the supply of crude and refined products.

That expectation has consistently been reflected in pricing for crude oil futures, which have risen sharply since the conflict began on February 28, but are still well short of the highs reached in the wake of Russia's invasion of Ukraine in 2022.

In effect, the paper crude market has believed US President Donald Trump's slew of social media posts since the bombing started that the conflict will be short, and result in Iran accepting US terms for a peace deal.

The problem is that the reality on the ground doesn't match the social media claims, and the longer the Strait of Hormuz remains closed the more severe the energy crisis will

become, especially in Asia.

Brent crude futures fell 9.1 percent on April 17 to end at \$90.38 a barrel in the wake of Trump's post that the Strait of Hormuz was fully open. But they jumped 6.9 percent in early Asian trade on Monday to \$96.59 when it became clear the waterway was still closed.

The latest round of optimism that the Strait of Hormuz would re-open began after a Trump social media post on April 17 that the waterway that carried as much as 20 percent of the world's crude oil and refined product supply prior to the war was "fully open and ready for full passage."

Trump's assertion was even backed by elements within the Iranian government, but the optimism proved short-lived as Iran's Islamic Revolutionary Guards Corps moved to keep the strait closed, given Trump's decision to maintain a US naval blockade of Iranian ports.

There are several questions that the market should be asking about the current situation.

Does this mean that the Strait of Hormuz is now effectively being closed by the United States?

Would it re-open if Trump ended

the blockade of Iranian ports?

Is there sufficient trust between the warring parties to accept a principle that the strait should be open to all?

Who is really in control in Iran, and are they willing to negotiate with a US administration that has a track

record of abandoning agreements?

While these are issues for debate, the only fact that really matters is that the strait isn't open and the risk of attack is likely to keep it that way for the hundreds of vessels waiting either side of the crucial waterway.



An aerial view of the Iranian shores and Port of Bandar Abbas in the Strait of Hormuz. The longer the strait remains closed, the more severe the energy crisis will become, especially in Asia.
PHOTO: REUTERS/FILE

