

Missed targets: NBR needs Tk 2.6 lakh crore by June to avoid shortfall

Collections rose 11% in July-March but missed target by nearly Tk 1 lakh crore

MD ASADUZ ZAMAN

The National Board of Revenue (NBR) fell short of its nine-month tax collection target by nearly Tk 1 lakh crore, leaving it needing to mobilise over Tk 2.60 lakh crore in the final quarter of fiscal year 2025-26 (FY26).

Provisional data released yesterday showed collections of Tk 2.87 lakh crore during July-March, an 11 percent rise year-on-year, but well below the pace required to meet the full-year target of Tk 5.54 lakh crore.

Analysts say it is highly unrealistic to expect that the board will succeed in collecting nearly half of the full-year target in three months.

The board has consistently missed its annual target every year for over a decade. Yet in late November last year, the interim government revised the target upward from Tk 4.99 lakh crore, following strong first-quarter collections.

The revenue weakness is playing out against a deteriorating economic backdrop.

The country's GDP growth slowed to 3.03 percent in the second quarter of FY26, down from 3.53 percent in the same period last year. Defaulted loans in the banking sector have reached Tk 5.45 lakh crore as of December 2025.

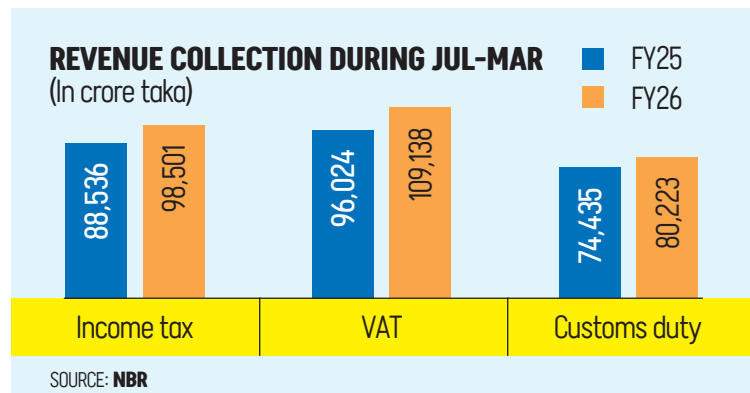
Finance Minister Amir Khosru Mahmud Chowdhury told parliament this month that the tax-to-GDP ratio has fallen from around 11 percent to below 7 percent, and that businesses are "in bad shape."

More recently, the impact of the US-Israel war on Iran has been draining the state funds as the government was forced to buy fuel oils at high prices. Bangladesh imports about 95 percent of its energy, and state agencies have increasingly been forced onto the volatile spot market.

"The mounting costs are bleeding the exchequer," the minister said on the sidelines of the IMF-World Bank Spring Meetings in Washington last week, citing nearly \$2 billion in additional energy import costs following supply disruptions.

"On top of that, the tax-to-GDP (ratio) is not increasing because of business stress, the businesses are in bad shape," he said, adding that if businesses do not recover, tax receipts will not improve.

He said the government has sought budget support from development partners and is pursuing structural fixes. It has prepared an action plan targeting a trillion-dollar economy by 2034, built around investment, employment and macroeconomic stability.



Amid consistent revenue shortfall, the government has turned sharply to borrowing. Net deficit financing reached Tk 1.05 lakh crore during July-February, up 67 percent from Tk 63,040 crore in the same period last year. Of that, Tk 88,309 crore came from the banking system.

Zaidi Sattar, chairman of the Policy Research Institute (PRI) and head of the National Taskforce on Tax Restructuring, said fiscal space has effectively closed.

"The gap between current expenditure and revenue means there is little to no surplus available to support development spending," he said, adding that the Annual Development Programme (ADP) will likely depend almost entirely on deficit financing in the upcoming budget.

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Mobile signals weaken as blackouts, fuel shortages spread

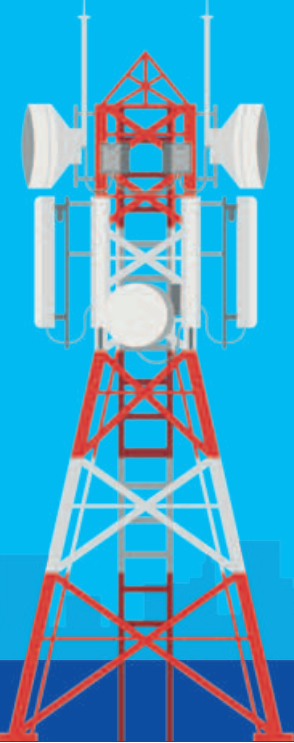
Telecom companies say nationwide connectivity is under pressure as outages hit towers and data infrastructure

Power availability declining status	Number of districts	Power availability in the first week of March (%)	Power availability in second week of April (%)
Severe	12	93%	77%
Moderate	40	96%	86%
Good	12	97%	90%

IMPACT ON SERVICES

Power outages disrupt networks across multiple districts

Users struggle to make calls



INFRASTRUCTURE ISSUES

Limited generators leave most towers vulnerable to outages
Electricity availability drops sharply across a dozen districts
Data centres rely heavily on diesel during outages

WARNINGS

- Tower companies warn of possible nationwide connectivity disruption
- Operators say services are nearing unsustainable operational levels

GOVT RESPONSE

Efforts underway to improve fuel supply

MAHMUDUL HASAN

In recent weeks, making a simple phone call has become a daily struggle for Md Mosharrif at Char Bahadurpur, a village at Phulpur upazila in Mymensingh district. For it, he blames prolonged power cuts.

"Nowadays, we get electricity for less than five hours a day. Once the electricity is gone, there is no network," said Mosharrif. "I can't even speak through my phone most of the time."

Currently, this problem is no longer limited to remote villages. Mobile operators and tower companies say network quality has deteriorated over the weeks as power cuts have become more frequent and fuel supplies have worsened following the war in the Middle East.

During power outages, operators depend on battery backups at tower

sites. Most sites, however, have backup capacity for only four to six hours.

"When cuts last longer than that, there is no way to recharge the batteries," said Shahed Alam, chief corporate and regulatory affairs officer at Robi Axiata.

Mobile operators then turn to generators. But only about 25 percent of towers are equipped with fixed generators, forcing many to depend on portable units.

"Adding insult to injury, we are not getting fuel supply to the towers and our critical data centres," Alam said.

There are 46,567 telecom towers across the country, operated by tower infrastructure companies and mobile operators. This provides network coverage to over 18.58 crore customers. Operators have around 27 data centres across Bangladesh.

Tower companies yesterday said that the fuel crisis could severely disrupt

national connectivity.

"Bangladesh's connectivity ecosystem is facing a real and immediate threat," said Sunil Issac, interim president of the Bangladesh TowerCo Association and country managing director of EDOTCO Bangladesh.

He said telecom underpins all digital and economic activity and cannot be allowed to fail.

"If the telecom sector is not prioritised within national energy allocation and fuel access frameworks, we risk a cascading failure that will impact businesses, essential services, and everyday life. Ensuring uninterrupted connectivity is no longer a sectoral concern; it is a national imperative," he said.

Data collected by tower companies through remote monitoring sensors show that electricity availability at tower sites has dropped over the past month.

In 12 districts, supply has fallen from 93 percent to 77 percent from the first week of March to the second week of April, according to tower company statistics.

A tower company official said operators run thousands of towers nationwide and track power availability continuously.

Sunil Issac said, "We have engaged with the relevant authorities to outline the risks and propose immediate, practical solutions, including priority access to fuel and enabling policy support to help the sector navigate this challenging period."

He said that given the scale of dependency on digital networks, proactive and coordinated action is essential.

In recent weeks, mobile operators have sent at least two letters to the telecom regulator, saying an imminent nationwide disruption. The Association of Mobile Telecom Operators of Bangladesh said the electricity and fuel crisis has "reached a point where continued telecom operations can no longer be sustained without immediate government intervention."

The association said prolonged outages have forced operators to run key infrastructure on diesel generators.

According to the letters, base transceiver stations (BTSs) consume more than 52,000 litres of diesel and nearly 20,000 litres of octane each day across operators. Each data centre uses an estimated 500 to 600 litres of diesel per hour, or about 4,000 litres a day per facility.

Industry insiders say such reliance on backup power cannot continue for long. Unlike tower sites, data centres manage call routing and internet traffic. Any shutdown at that level could cause failures across the network.

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Govt clears purchase of 1.75 lakh tonnes of fuel oil

STAR BUSINESS REPORT

The government yesterday approved the direct purchase of 1.75 lakh tonnes of diesel and octane from two suppliers, bypassing the standard tender process as concerns deepen over Gulf supply disruptions caused by the US-Israeli war on Iran.

The Cabinet Committee on Government Purchase (CCGP) cleared multiple proposals from state agencies to that end at a cost of nearly Tk 1,700 crore.

As per the proposals, 100,000 tonnes of diesel will be bought from US-based Archer Energy LLC at Tk 674 crore. Another 75,000 tonnes of fuel, including 50,000 tonnes of diesel and 25,000 tonnes of octane, will be bought from Dubai-based DBS Trading House FZCO at Tk 1,023 crore.

The war on Iran, which began on February 28, sent oil prices spiralling after Iran effectively blocked the Strait of Hormuz, through which roughly one-fifth of global oil supply passes.

The head of the International Energy Agency said yesterday that the conflict is producing the worst energy crisis the world has ever faced.

Bangladesh is especially exposed to the volatility in the international energy markets, given its growing import dependency. Some 46 percent of the country's total energy supply came from imports in 2023. In the fiscal year

READ MORE ON B3



Vehicles are refuelling at a filling station in Dhaka. The US-Israel war on Iran has sent global prices surging, and the government has been scrambling to speed up oil procurement.

PHOTO: STAR

BB removes Int'l Leasing MD over irregularities

STAR BUSINESS REPORT

Bangladesh Bank (BB) has removed Mohammad Imdadul Islam, managing director of International Leasing and Financial Services Limited, over irregularities and concealment of information.

The central bank sent a letter in this regard to the chairman of the board of directors of the leasing company on Monday and instructed its board to take the necessary steps.

In a letter issued on January 25, the central bank asked Islam to explain why action should not be taken against him for alleged misconduct, including falsification of board meeting minutes and violation of human resources policies.

The BB investigation also reviewed his previous tenure as managing director and CEO of GSP Finance Company, where multiple irregularities were identified

The regulator also cited his role in dismissing five officials, including the chief financial officer, on January 1 this year in breach of internal policies and regulatory guidelines.

Bangladesh Bank said the explanation submitted by Islam on January 28 was found to be unsatisfactory.

The central bank's investigation also reviewed his previous tenure as managing director and CEO of GSP Finance Company (Bangladesh) Limited, where multiple irregularities were identified.

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Top USTR official due soon

US envoy says

STAR BUSINESS REPORT

Brendan Lynch, assistant US trade representative for South and Central Asia, will visit Bangladesh soon, US Ambassador to Bangladesh Brent T Christensen said yesterday.

Trade experts believe that Lynch, a top official of the United States Trade Representative (USTR), may discuss various trade-related issues during the visit, as Bangladesh and the US signed the Agreement on Reciprocal Trade on February 9 this year.

Ambassador Christensen shared the information during a meeting with Commerce Minister Khandakar Abdul Muktadir at the commerce ministry's secretariat office in Dhaka, a commerce ministry statement said.

The USTR official's impending visit to Bangladesh was announced a little over a month after the US government's chief trade body launched an investigation into 60 economies, including Bangladesh, over alleged failures to address issues related to production capacity and forced labour.

Bangladesh is scheduled to take part in a virtual USTR hearing on the matter on April 29.

Various aspects of strengthening bilateral trade, investment, and economic cooperation between Bangladesh and the US were discussed in yesterday's meeting.

Christensen noted that expanding bilateral trade would be beneficial for both countries.

The commerce minister said his ministry, along with other relevant ministries, is working on formulating the new Import Policy Order. He expressed hope that the draft of the Import Policy Order 2026 would soon be shared with the business community for feedback.

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