DHAKA THURSDAY APRIL 23, 2026, BAISHAKH 10, 1433 BS ● starbusiness@thedailystar.net

Star BUSINESS

Banglalink, SpaceX seek nod for satellite-to-mobile trial

MAHMUDUL HASAN

Banglalink and Elon Musk's SpaceX have jointly applied to the telecom regulator in Bangladesh to launch trials of telecom services through satellite, allowing users' smartphones to connect directly to satellites through a mobile operator's network.

In a recent letter seen by The Daily Star, the companies sought approval from the Bangladesh Telecommunication Regulatory Commission (BTRC) for an initial 60-day test and trial period to integrate satellite connectivity into Banglalink's network.

"This system will provide supplemental mobile connectivity using over 650 Starlink Low-Earth-Orbit (LEO) satellites, which initially will deliver SMS and, at a later stage, light-data capabilities to Banglalink subscribers, particularly during periods when terrestrial networks are damaged or unavailable," the letter said.

It said the commercial arrangement will integrate Starlink Direct-to-Cell satellite connectivity into Banglalink's mobile network in Bangladesh.

The letter describes the initiative as a first-of-its-kind partnership in Bangladesh aimed at expanding connectivity, particularly in disaster-prone and remote areas where conventional terrestrial networks are unavailable.

The companies said the proposed service would help address long-standing coverage gaps.

This development comes after Kaan Terzioglu, chief executive officer of Veon, told The Daily Star last month that the company aims to replicate the technology it is already using in Ukraine and Kazakhstan.

To prepare for a commercial rollout,

READ MORE ON B3

Rancon Auto, Mitsubishi form JV to make vehicles in Bangladesh

Finance minister calls partnership a 'refreshing change' for import-reliant auto sector

From left, Senior Vice-President and Division Chief Operating Officer of Mitsubishi Corporation Hiroyuki Egami, Japanese Ambassador to Bangladesh Saida Shinichi, Finance Minister Amir Khosru Mahmud Chowdhury, State Minister for Civil Aviation M Rashiduzzaman Millat and Rancon Holdings Group Managing Director Romo Rouf Chowdhury pose for a photograph after the announcement of a joint venture between Rancon Auto and Mitsubishi Corporation at Sheraton Dhaka yesterday. PHOTO: MEHEDI HASAN

STAR BUSINESS REPORT

Rancon Auto Industries Ltd (RAIL) has entered a strategic partnership with Japan's Mitsubishi Corporation to manufacture vehicles in Bangladesh for sale in domestic and regional markets.

Under the agreement, Mitsubishi will take a 25 percent equity stake in Rancon Auto, which began local production of the Mitsubishi Xpander in June last year.

Announcing the joint venture at an event at Sheraton Dhaka yesterday, Rancon Holdings Group Managing Director Romo Rouf Chowdhury said the partnership would mark a major step forward for the country's automotive sector.

Finance Minister Amir Khosru Mahmud Chowdhury, State Minister for Civil Aviation M Rashiduzzaman Millat and Japanese Ambassador to Bangladesh Saida Shinichi were present at the event.

Rancon Holdings Group Managing Director Chowdhury said, "The landmark strategic alliance -- the first of its kind in the country's automotive sector -- underscores the strength of Bangladesh-Japan trade relations."

He added that the strategic investment is expected to enhance access to affordable and convenient vehicle financing, expand after-sales services, ensure spare parts availability, and strengthen distribution networks across the country.

"It will also facilitate the transfer of technology and knowledge to develop a highly skilled local workforce, while contributing to government revenue through VAT and taxes," said Chowdhury, adding the company's automobile arm has gradually built its manufacturing base since starting operations in 2017.

Rancon Auto, which focuses on multi-brand vehicle manufacturing and assembly, began with the local assembly of the Mitsubishi Outlander. It later expanded its portfolio to include the Fuso BM117, Mercedes OF1623, Proton X70, as well as trucks and pickups from JAC and GMC.

The company upgraded its factory in 2023 with a modern paint facility. The following year, it launched the locally painted and assembled Mitsubishi Xpander, which quickly gained traction, with monthly sales exceeding 100 units, making it the highest-selling brand-new vehicle in Bangladesh.

Despite this growth, Chowdhury said the country's automobile market remains largely underdeveloped.

With one of the lowest per capita vehicle ownership rates in the region and a population of around 200 million, he said Bangladesh offers strong long-term demand potential as the middle class expands.

READ MORE ON B3

Global and energy shocks to weigh on Bangladesh economy

StanChart officials say

MD MEHEDI HASAN

Eric Robertsen

Naser Ezaz Bijoy

Bangladesh's economy is facing renewed pressure from global geopolitical tensions and commodity market disruptions, with risks of elevated inflation, slower growth and mounting fiscal strain, according to Eric Robertsen, global head of research and chief strategist at Standard Chartered.

In an interview with The Daily Star, Robertsen said financial markets appear "overly optimistic" about a swift resolution of the ongoing Gulf tensions and the reopening of the Strait of Hormuz, a critical artery for global energy supplies.

He added that even if shipping resumes soon, it could take weeks or months for oil, gas and petrochemical supply chains to normalise, prolonging price pressures worldwide.

"Even when the Strait reopens, it will take time for exports to normalise and for supply chains to stabilise," he said, adding that such shocks typically leave behind persistent economic damage across vulnerable economies.

If shipping resumes soon, it could take weeks or months for oil, gas and petrochemical supply chains to normalise, prolonging price pressures worldwide, Eric Robertsen said

He explained that governments tend to follow a predictable policy response during commodity crises, starting with subsidies to cushion consumers and businesses, followed by price caps, rationing and, in some cases, more aggressive interventions.

"What we have seen in this crisis is that many economies, particularly in Asia, have moved through all these steps very quickly," he said, adding that such measures come at a high fiscal cost.

"There will be a negative impact on fiscal balances as governments step in to support their economies," he added.

Robertsen also flagged rising risks of stagflation -- a combination of high inflation and weak growth, particularly for emerging economies like Bangladesh.

"The inflation impact is immediate in a commodity shock, but the hit to growth comes with a lag," he said.

Bangladesh has been witnessing persistently high inflation for the last three years.

READ MORE ON B2

Inflation to stay high in FY27, above BB target

Says BMI report

STAR BUSINESS REPORT

Inflation is likely to remain high and reach 8.6 percent in the fiscal year 2026-27 (FY27) due to higher energy prices driven by the war in the Middle East, according to BMI, a provider of insights, data and analytics.

The firm, owned by Fitch Solutions, said inflation may remain above the Bangladesh Bank's (BB) 6.5 percent target set in its latest monetary policy.

It added in its report on Bangladesh published on Tuesday that this is partly due to base effects from low food price inflation during FY26.

Inflation averaged 10 percent in FY25, up from 9.7 percent in the previous year. It is expected to stay high at 9 percent in FY26, according to the Asian Development Bank in its April issue of the Asian Development Outlook.

The ADB projects inflation at 8.5 percent in FY27 as external shocks ease and domestic supply conditions improve.

BMI said that as inflation is expected to remain high, the BB may keep the policy rate unchanged at 10 percent in FY27 instead of cutting it, as it had previously projected.

"Our revised forecast reflects high projected inflation, a recent decline in long-term borrowing costs, and a renewed need for International Monetary Fund (IMF) financing," said the report.

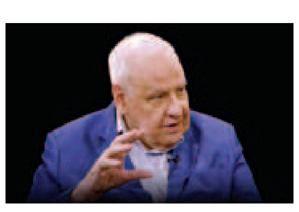
It added that the Iran conflict would add 0.13 percentage points to headline inflation in the coming fiscal year through higher energy prices.

"Elevated inflation threatens the BB's price stability mission, making a rate cut in FY27 difficult to justify," it said, adding that rising energy prices have made rate cuts untenable for many central banks worldwide.

The report said surging inflation in recent years has eroded real wages in Bangladesh, particularly for industry workers, who make up 21 percent of the economy's labour force. Although salary declines have slowed in 2025, this follows five consecutive years of falling real wages, it added.

"An uncontrolled supply-side shock to inflation will worsen this problem. This will make the BB even more cautious about cutting rates, which could cause inflation to run unchecked."

READ MORE ON B3



Forrest E Cookson

Former AmCham president Cookson no more

STAR BUSINESS REPORT

Forrest E Cookson, a former president of the American Chamber of Commerce in Bangladesh (AmCham), has passed away.

He breathed his last at United Hospital in Dhaka on Tuesday night while undergoing treatment. He was 91, according to a press release issued by AmCham Bangladesh yesterday.

Born on April 26, 1934 in the United States, Cookson first arrived in Bangladesh in the mid-1980s to support a financial sector reform initiative, beginning a decades-long association with the country.

He went on to serve as a consultant to Bangladesh Bank, the central bank, and played a central role in the financial sector reform programme of the 1990s — a landmark effort to modernise Bangladesh's banking and capital market regulatory framework.

READ MORE ON B3

No overcapacity, forced labour in apparel sector

BGMEA says in position paper to commerce ministry amid US probe

REFAYET ULLAH MIRDHA

Bangladesh's garment industry does not have overproduction capacity that could harm the American manufacturing sector and is free from forced labour, as exporters comply with internationally recognised labour laws, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The association made the remarks in a position paper submitted to the commerce ministry as the government prepares to attend a hearing of an investigation launched by the United States Trade Representative (USTR) on April 29.

The probe covers alleged overproduction capacity and forced labour in 60 countries, including Bangladesh.

Responding to the USTR's "structural excess capacity" or "overproduction" concerns, the BGMEA said the terms do not have a universally accepted definition or measurable benchmark.

It argued that in a market-driven economy, production levels constantly adjust to shifts in demand, input costs and supply chain conditions. Determining "excess capacity" without clear parameters or methodology is a major challenge.

The association added that Bangladesh's apparel sector has not expanded suddenly or in a way that would indicate structural excess capacity. The industry's growth should be viewed over the long-term.

PHOTO: STAR/FILE

Bangladesh is a top producer of basic apparel items in the world. The sector accounts for some 80 percent of the country's export earnings.

Over the past decade, the sector has followed a steady growth path, it said, driven by global demand and changing sourcing strategies rather than policy-induced expansion.

After more than four decades of development, Bangladesh exported garment products worth $39.3 billion in fiscal year 2024-25, accounting for nearly 7 percent of the global apparel market. It is now the world's second-largest garment exporter after China.

In 2025, Bangladesh accounted for 10.73 percent of US apparel imports by volume and 10.53 percent by value, according to the American Apparel and Footwear Association (AAFA).

The BGMEA said the dominance of the sector in national exports shows structural constraints in economic diversification and reliance on a single industry, rather than excessive industrial capacity.

It added that the concentration of resources in apparel should be seen as part of a development pathway, not as evidence of overcapacity.

From a US perspective, the association said Bangladesh primarily exports labour-intensive, low to mid-priced apparel that is not produced in the US in significant volumes. In domestic production, the US focuses on advanced manufacturing and heavy industries rather than basic clothing items such as T-shirts and casual wear.

As a result, such imports do not adversely impact US manufacturing, but instead support consumers by providing affordable clothing, particularly for low and middle-income households, it added.

READ MORE ON B3

RMG order flow hit by energy worries

BCI chief says

STAR BUSINESS REPORT

Foreign buyers are increasingly diverting garment work orders away from Bangladesh over concerns about energy reliability and an uncertain business climate, said Anwar-Ul Alam Chowdhury (Parvez), president of the Bangladesh Chamber of Industries (BCI), yesterday.

"Buyers are telling us that within the next two to three months, Bangladesh may face electricity shortages. Because of that, their top management is discouraging them from placing new orders here," he said, citing recent communications from international sourcing teams.

He made the remarks at a discussion with senior officials of the National Board of Revenue (NBR) at its headquarters in Dhaka. The NBR organised the meeting as part of its consultation with businesses and other stakeholders ahead of formulating tax proposals for the next fiscal year, 2026-27.

The BCI president said some orders had already been redirected to India and other competing

READ MORE ON B3

Prime Bank customers to get benefits from Healthcare Diagnostics

STAR BUSINESS DESK

Prime Bank PLC has signed an agreement with Healthcare Diagnostics Center Limited (HDCL), a Dhaka-based diagnostic centre and a sister concern of Healthcare Pharmaceuticals, to provide healthcare benefits to its customers.

Mamur Ahmed, head of distribution of the bank, and Prof UKF Khan Mojlish, head of the diagnostic centre, signed the agreement at Prime Aspire on Gulshan Avenue in Dhaka recently, according to a press release.

Under the partnership, Prime Bank customers will enjoy special discounts on health screening packages offered by Healthcare Diagnostics Center Limited. The collaboration reflects Prime Bank's ongoing commitment to enhancing customer value by providing accessible and affordable healthcare services through strategic partnerships, the release added.

Joarder Tanvir Faisal, executive vice-president and head of consumer assets and cards at the bank, and Md Emran Hossain, deputy manager of business development at HDCL, along with other senior officials from both organisations, were also present at the ceremony.

Prof UKF Khan Mojlish, head of Healthcare Diagnostics Center Limited, and Mamur Ahmed, head of distribution of Prime Bank PLC, pose for a photograph during the signing ceremony at Prime Aspire on Gulshan Avenue in Dhaka recently. PHOTO: PRIME BANK

Electro Mart wins three accolades at Bangladesh Retail Awards 2026

STAR BUSINESS DESK

Electro Mart Limited recently won three accolades in separate categories at the Bangladesh Retail Awards 2026.

The awards include Best Retailer in the Electronics category, Emerging Retailer of the Year, and Most Admired Retailer for New Market Penetration.

According to the press release, the first award recognises its commitment to delivering better technology, improved services, and an enhanced retail experience for customers.

The second accolade acknowledges the company's progress driven by stronger ambition, sharper focus, and greater value for customers.

The third recognition reflects the love, trust, and continued support of customers, which inspire the company's journey every day.

Commenting on the achievement, Md Nurul Afser, deputy managing director of Electro Mart Limited, said, "This outstanding achievement has been made possible through the collective efforts of our team. By delivering quality, internationally standard, energy-efficient, innovative, and environment-friendly products, along with ensuring excellent customer service, Electro Mart has earned this recognition."

"Thanks to everyone for their inspiration, dedication, and patronage, which have accelerated our progress. Electro Mart and its affiliates are now promoting international brands Konka and Gree under the 'Made in Bangladesh' label."

"We are deeply grateful for the unwavering trust and support of our customers, well-wishers, and consumers over the years," he added.

Experts call for policy reforms to drive investment in South Asia

STAR BUSINESS DESK

Experts at an international conference have underscored the growing economic ties between South Asia and the global economy, while calling for greater trust, policy transparency and stronger investment cooperation across the region.

The conference, titled "International Investment and Digital Finance Conference 2026", brought together policymakers, economists, entrepreneurs and diaspora leaders from the United States, Bangladesh, India, Pakistan and Nepal to discuss the evolving digital economy, investment trends and international collaboration.

Organised by the US-based nonprofit In Search of Root Foundation (ISORF), the event was described by its president Raihanul Islam Chowdhury as a step towards fostering global economic dialogue.

"Digital finance is no longer the future; it is the present reality. Our goal is to build an inclusive, efficient and interconnected global financial system," he said.

Held recently in Washington, DC, the two-day conference was moderated by Mark Jaffe, CEO and president of the Greater New York Chamber of Commerce.

Avik Sanwar Rahman, a policy expert, said investment cannot be sustained without transparency, while Abdun Noor, former lead institutional development specialist at the World Bank, underscored the role of such dialogue in driving economic progress.

Raihan Elahi, Birupaksha Paul of the State University of New York, Kamal Quadir, founder and CEO of bKash, and Md Harun Ar Rashid of Bangladesh Bank discussed digital finance, regulatory frameworks and financial inclusion.

Speakers emphasised the importance of strong financial supervision, accountability and governance to ensure investor confidence. Discussions also covered AI-driven banking, risk management, enterprise financing, financial inclusion and cross-border investment.

Zafar Masud, president of the Bank of Punjab, presented a comparative economic outlook for Pakistan and Bangladesh, while Md Sarwar Hossain of Bangladesh Bank highlighted Bangladesh's economic progress, citing stable exchange rates, easing inflation and investor-friendly policies.

United Commercial Bank opens new branch in Munshiganj

STAR BUSINESS DESK

United Commercial Bank PLC (UCB) recently launched a new branch in Munshiganj's Srinagar, aimed at delivering fast, secure, and reliable banking services to local customers' doorsteps.

This is the bank's 235th branch, according to a press release. Mohammad Mamdudur Rashid, managing director and CEO of the bank, inaugurated the branch as the chief guest. Speaking at the event, Rashid said, "We are delighted to launch UCB's new branch in Srinagar (Zamzam Tower, Bhagyakul Road, Srinagar Bazar), a region rich in heritage and prosperity."

"We offer a wide range of financial products and services tailored to small, medium, and large businesses. In addition, we are providing dedicated services to tap into the strong remittance potential of this region." "This new branch will further energise the local economy and strengthen access to financial services," he added.

Highlighting the bank's nationwide network, he said, "UCB is working relentlessly to bring modern banking services to people in every corner of the country. Through a vast network of 1,027 service points, including branches, sub-branches, and agent outlets, we are serving customers across Bangladesh."

"With this new branch, residents and the business community of Srinagar will be able to access all financial services, including deposits, loans, remittances, and advanced digital banking, with greater ease," he added. More than 2,000 small business owners from Srinagar and surrounding areas, along with local businesspersons and community leaders, were also present at the event.

Mohammad Mamdudur Rashid, managing director and CEO of United Commercial Bank PLC, inaugurates a new branch in Srinagar, Munshiganj recently. PHOTO: UCB

Citizens Bank inks deal with RedDot to implement HR info system

Hasib Mustabsir, managing director and CEO of RedDot Digital Limited, and Md Abdul Latif, deputy managing director of Citizens Bank PLC, pose for a photograph after signing the agreement at the former's corporate head office in Tejgaon, Dhaka recently. PHOTO: CITIZENS BANK

STAR BUSINESS DESK

Citizens Bank PLC has signed an agreement with RedDot Digital Limited, an IT and digital solutions company and a sister concern of Robi Axiata Limited, to implement a modern and integrated human resource information system (HRIS).

Md Abdul Latif, deputy managing director of the bank, and Hasib Mustabsir, managing director and CEO of the digital solutions company, signed the agreement at the latter's corporate head office in Tejgaon, Dhaka recently, according to a press release.

Global and energy shocks

FROM PAGE B1

"Higher energy prices reduce disposable income and investment capacity, which ultimately weakens demand," Robertsen said.

He cautioned that central banks face a difficult balancing act in such an environment.

"If policy tightening happens too early or too aggressively, it could worsen the growth outlook," he said.

However, he noted a key relief factor in the current crisis: the absence of a sharp appreciation of the US dollar.

"This has not turned into a currency crisis, which is extraordinarily good news for central banks," he said.

About the global outlook, Robertsen highlighted four key risks for emerging economies: higher inflation, weaker growth, potential policy missteps and deteriorating fiscal balances.

"For the next two quarters, there is a need to build a higher risk premium into both market expectations and economic forecasts," he said.

He also pointed to a longer-term structural shift in the global economy.

"We are moving into a world where control over commodities becomes both an economic and geopolitical tool," he said, citing recent examples of export restrictions on energy products and critical inputs.

"One of the key lessons is the importance of maintaining strategic reserves of oil and gas," he said. "Many countries have learned the hard way that they were underprepared."

As a result, he expects global energy prices to remain structurally higher even after the current crisis subsides. Naser Ezaz Bijoy, the chief executive officer of Standard Chartered Bangladesh, said in the same interview that Bangladesh's ongoing economic challenges have been building over several years.

"Bangladesh's current challenges did not begin with the war. They started during Covid-19, followed by the Russia-Ukraine conflict, which created foreign currency pressures," he said.

"There was a strong expectation that after the political transition, investment would pick up and economic activity would accelerate," Bijoy said. "However, fresh external disruptions have continued to weigh on the outlook."

He stressed that limited fiscal capacity remains a core constraint.

"Our tax-to-GDP ratio is weak, and revenue collection has been consistently low," he said, warning that this leaves the country with less room to respond to shocks.

Government decisions to adjust administered prices, particularly in energy, are also adding to cost pressures.

"The government initially deferred price adjustments due to political sensitivities, but ultimately had little choice but to implement them," he said, adding that such measures would inevitably affect both inflation and the cost of doing business.

At the same time, he emphasised that ensuring an uninterrupted energy supply is more critical than keeping prices low.

Bijoy also pointed to setbacks in external financing discussions. "The IMF negotiations did not progress as expected, which is another hurdle," he said, adding that the issue would require high-level policy attention.

On the external sector, Bijoy said export performance has weakened in recent months, particularly in Europe.

"The decline in exports began around August," he said, attributing it to softer demand, higher costs and intensifying competition from countries such as China and India.

Buyers are also changing sourcing strategies.

"They are increasingly diversifying and consolidating orders with larger suppliers who are better equipped to meet sustainability standards and manage risks," he said.

Despite the slowdown, Bijoy does not foresee a sharp downturn. "We are seeing a modest dip in exports, around 4.5 percent, which may reach 5 to 5.5 percent. It is not a catastrophic situation," he said.

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B3

Cut corporate tax for non-listed firms

Says Dhaka chamber in budget proposals to NBR

STAR BUSINESS REPORT

The Dhaka Chamber of Commerce & Industry (DCCI) yesterday proposed reducing the corporate tax rate for non-listed companies to 25 percent from the current 27.5 percent in the upcoming budget for the 2026-27 fiscal year.

The proposal was part of a 54-point fiscal package the chamber submitted to the National Board of Revenue (NBR) yesterday, according to a press release.

Among the headline measures, DCCI urged raising the individual tax-free income ceiling to Tk 500,000, reducing advance tax on commercial imports from 7.5 percent to 5 percent, and removing the upper limit on VAT refunds.

It also proposed cutting the source tax on interest income from company security deposits from 20 percent to 10 percent and gradually abolishing the surcharge on companies' net assets.

Convener of DCCI's Customs, VAT, Taxation and NBR-Related Issues Standing Committee, MBM Lutful Hadee, said the proposals were aimed at expanding the tax net, reducing the cost of doing business, and stimulating investment in the manufacturing sector.

DCCI Acting Secretary General AKM Asaduzzaman Patwary proposed a central API integration system to close revenue gaps and reduce the deficit.

Responding to the proposals, NBR Chairman Md Abdur Rahman Khan said the board would prioritise easing non-tariff barriers over cutting tariff rates outright.

He said there would be no leniency towards tax evaders, while pledging to ease compliance burdens for honest taxpayers.

Khan added that fewer than 8 lakh businesses were currently VAT-registered, a figure he described as inadequate, noting the number should exceed 10 lakh given the country's economic scale.

He said that corporate tax had already been reduced from 50 percent to 27.5 percent over time, leaving limited room for further cuts.

The NBR chairman added that online corporate tax return filing and digital refund systems would be operational from the coming fiscal year.

Rana Plaza anniversary renews calls for safety

STAR BUSINESS REPORT

Weak law enforcement and a lack of accountability among individuals and institutions, along with negligence in fire safety, gas cylinder management, electrical systems, and chemical control, are the key causes of recurring industrial accidents in Bangladesh, speakers at a discussion said yesterday.

The discussion highlighted industrial disasters involving Tazreen Fashions, Spectrum, and Hashem Foods -- demonstrating persistent gaps in ensuring workplace safety.

The event, titled "13 years of the Rana Plaza tragedy: ensuring justice, compensation, and rehabilitation", brought to light the current realities faced by victims of industrial accidents and outlined key recommendations for future action.

The Workers' Safety Forum organised the discussion at the National Press Club, followed by a rally demanding justice, proper compensation, and sustainable rehabilitation for affected workers.

Leaders of national and sectoral trade unions, representatives of workers' rights organisations, members of labour rights advocacy alliances, victims of industrial accidents, and their family members attended the programme.

Participants stressed the importance of a united movement to ensure justice for workers, noting that many families of deceased and injured workers are yet to receive proper compensation, rehabilitation, adequate medical care, or justice.

Despite the passage of time, they said, effective measures to ensure workplace safety, improve working conditions, and protect labour rights remain insufficient.

Barriers to unionisation have also prevented workers from organising effectively and advocating for their rights.

Rancon Auto, Mitsubishi

FROM PAGE B1

Against this backdrop, Rancon initiated discussions with Mitsubishi Corporation to leverage its manufacturing and distribution expertise. The talks culminated in the joint venture, under which Mitsubishi Corporation acquired a 25 percent stake in Rancon Auto Industries through direct foreign investment.

"This is a proud moment for us," Chowdhury said, adding that the partnership reflects growing international confidence in Bangladesh's industrial prospects.

He said it could be the first instance of direct foreign investment in four-wheel vehicle manufacturing in the country.

Chowdhury expressed hope that the move would encourage other global players to invest, helping build a stronger automotive manufacturing ecosystem capable of generating employment and eventually developing into an export hub.

He also pointed to regional examples such as Indonesia, Thailand, Malaysia, Vietnam, India and Pakistan, which have developed established automotive industries with export capacity.

Japanese Ambassador to Bangladesh Saida Shinichi described the joint venture between Mitsubishi and Rancon as a "significant milestone", crediting engineers, technicians and government officials for their roles in bringing the project to fruition.

He said Mitsubishi had begun training Rancon engineers in 2024, followed by the launch of Xpander assembly in June last year, calling it evidence of strong collaboration between the two sides.

The envoy also highlighted Bangladesh's efforts to improve the investment climate, including its first Economic Partnership Agreement (EPA) with Japan, signed in February, and initiatives such as the "Investment Gateway".

He said the Mitsubishi Xpander is the only locally assembled Japanese-brand vehicle in Bangladesh, calling it the country's first "made-in-Bangladesh" Japanese car.

He added that local assembly could support wider industrial development, including technology transfer, job creation and growth in upstream industries such as parts manufacturing.

Hiroyuki Egami, senior vice-president and division COO of Mitsubishi Corporation, reaffirmed the company's commitment to bringing its global automotive expertise to the partnership.

In his speech, Finance Minister Amir Khosru Mahmud Chowdhury described the Mitsubishi-Rancon joint venture as a "refreshing change" for an automobile sector long dependent on imported vehicles.

"Bangladesh has traditionally depended on cars imported from Japan, Europe and the United States, a pattern that had become a way of life," he said, adding that local assembly with a global brand like Mitsubishi marks a significant turning point.

He said Rancon's experience in the automobile market makes it a suitable partner and expressed confidence that the collaboration would grow "from strength to strength".

The minister highlighted the venture's wider economic impact, pointing to its potential to raise value addition, create jobs and support industrial development, particularly in light engineering.

He added that the government is planning a dedicated zone for light engineering industries to support such initiatives.

At the programme, State Minister for Civil Aviation M Rashiduzzaman Millat announced that direct flights between Dhaka and Tokyo would resume next month, restoring a key air link between Bangladesh and Japan after a prolonged suspension.

He said the resumption would strengthen connectivity, facilitate trade and business, and deepen people-to-people ties between the two countries.

"You will be happy to know that we are starting flights to Tokyo from next month," he said, adding that the move was expected to boost bilateral engagement on multiple fronts.

No overcapacity

FROM PAGE B1

The BGMEA said Bangladesh's role in the global apparel value chain complements the US economy.

It also said the government provides policy support, including cash incentives, to offset structural disadvantages such as inadequate infrastructure, longer lead times and limited backward linkage industries.

These factors add an additional seven to ten days of transit time and increase logistics costs, conditions that are not faced by competitors such as China, India and Vietnam.

On allegations of forced labour, the BGMEA said Bangladesh maintains a firm and unequivocal position that there is no forced labour in its export-oriented garment sector.

It said the industry operates under a strong legal and institutional framework that ensures compliance with national labour laws and internationally recognised standards.

Citing the official US Customs and Border Protection (CBP) dashboard, the BGMEA said there is no instance of any Withhold Release Orders (WROs) issued against Bangladesh.

A WRO is a command by US Customs to stop, and hold imported goods at the border if they are suspected of being made with forced labour.

RMG order flow

FROM PAGE B1

countries, while others were being withheld amid growing uncertainty.

He added that several large buying houses had warned local suppliers of potential disruptions, triggering anxiety across the export-oriented manufacturing sector.

"Orders for July and August, which were expected by now, have either slowed significantly or stopped altogether.

We are still in discussions, but in many cases we have not been able to secure the orders," he said.

Chowdhury cautioned that a further downturn could follow if the situation does not improve.

Beyond energy concerns, he also highlighted the burden of minimum tax on loss-making businesses. Under the current rules, companies must pay a minimum turnover tax of 1 percent even if they incur losses, a provision he said is particularly challenging for small enterprises.

Former AmCham president

FROM PAGE B1

He also advised the Bangladesh Bureau of Statistics, contributing to the methodological foundations of the country's national economic data.

Cookson served as AmCham president from 1996 to 2001, during which he worked to consolidate the chamber's institutional footing and deepen trade and investment ties between the US and Bangladesh.

He had been associated with AmCham since its founding and remained active in its activities until recently, contributing regularly to the AmCham Journal and writing on financial sector and investment climate issues in national newspapers and publications.

"AmCham Bangladesh is deeply grateful for his outstanding contribution and will remember him with the utmost respect," the chamber said, extending condolences to his family, friends, and well-wishers.

Banglalink

FROM PAGE B1

Banglalink and SpaceX requested regulatory support.

The testing will use mobile frequencies authorised for Banglalink's operations, specifically the 2110–2115 MHz downlink range and 1920–1925 MHz uplink range, where Banglalink is the sole authorised spectrum user.

The companies said the service would initially be offered as a supplementary service under Banglalink's existing licence and would comply with regulatory obligations, including Know Your Customer (KYC) requirements.

"Subject to regulatory approval, the testing is expected to commence in April 2026 and will focus on integrating Banglalink's terrestrial mobile service with Starlink's Direct-to-Cell satellites in Bangladesh. No commercial service will be offered to Banglalink's customers during the testing phase."

Alongside the trial, the companies also urged the regulator to support necessary regulatory changes to enable satellite-based mobile services.

The trial demonstrations will take place at mutually agreed locations within Banglalink's licensed service areas in Bangladesh and will operate within Banglalink's authorised frequency ranges.

The companies highlighted the potential of satellite-to-mobile services to bridge the digital divide and ensure connectivity during emergencies.

They added that the system would allow users to connect via widely available LTE devices. LTE (Long-Term Evolution) is a 4G mobile network technology that provides high-speed data for smartphones.

Citing global use cases, the companies said the system had already been deployed in emergency situations.

They also requested the commission to grant approval for the commercial launch immediately after the test and trial.

Md Emdad Ul Bari, chairman of the BTRC, said they are assessing the letter and that a decision will be taken after obtaining the government's opinion on the matter.

Unlike traditional mobile networks that rely on ground-based towers, Starlink's direct-to-cell technology uses satellites as cell towers in space. This allows ordinary mobile phones to connect directly, expanding coverage to areas with little or no ground infrastructure.

Inflation

FROM PAGE B1

to run unchecked."

BMI also said falling long-term borrowing costs are another reason to keep the policy rate high. The 10-year treasury yield has trended down since January 2025, even though the policy rate remains elevated.

"Over the same period, credit growth has surged, driven by higher government borrowing. Apart from fuelling inflation, looser credit could also shift financial flows towards lower-quality investments. This is likely given the fragility of Bangladesh's banking sector," it said.

The report also noted the government's request for $3 billion in financial support from the IMF and the World Bank.

"The government's spending needs are real. Aside from cushioning the impact of the Iran conflict on Bangladeshi households, Dhaka will likely have to recapitalise several banks as it reforms the financial sector," it said.

It added that IMF support is likely to depend on the government maintaining a degree of macroeconomic stability.

"Keeping monetary policy tight when economic conditions support it would help preserve confidence among international investors in Bangladesh's medium-term prospects," it said.

Firms trim margins, shrink packs as fuel price hike bites

SUKANTA HALDER and DWAIPAYAN BARUA

Fuel price hike has pushed up operating costs for trucks and pickups, prompting transport owners to increase fares. Photo shows workers unloading sacks of grain in the Sadarghat area of Chattogram recently. PHOTO: RAJIB RAIHAN

Sectors across Bangladesh are adjusting rates and restructuring costs in the wake of the government's record fuel price hike, with freight charges from Chattogram port surging and consumer goods companies shrinking pack sizes and cutting trade margins to stay afloat.

On April 18, the government raised fuel prices to record highs -- diesel by Tk 15 per litre to Tk 115, octane by Tk 20 to Tk 140, petrol by Tk 19 to Tk 135, and kerosene by Tk 18 to Tk 130, with new rates taking effect at midnight.

The hike compounded a crisis that began in early March, when the outbreak of war in Iran pushed global energy prices higher and drove up transport costs before any official revision.

Already reeling from the supply disruptions due to the war, diesel-dependent industries, including agriculture, manufacture and transport, are now facing a double whammy. And in a highly inflated economy, the burden is likely to fall on customers soon.

FREIGHT RATES UP 30%

Transport fares between Chattogram port and destinations across the country have risen 25 to 31 percent since the April 18 hike, with rates remaining volatile for the past one and a half months.

When the Iran war began in early March, covered van fares from the port to Dhaka shot up from Tk 17,000 to a maximum of Tk 32,000. The rates later eased to around Tk 22,000 after Eid-ul-Fitr, only to climb again after the fuel hike.

On Tuesday, Ashis Chakraborty, owner of Chattogram-based clearing and forwarding agency AZ Trade International, hired five covered vans to transport imported fabrics, yarn, and chemicals for Mymensingh-based garment manufacturer PM Textile. It cost him Tk 29,000 per van.

PRAN-RFL Group, which relies on hired vehicles for around 40 percent of its cargo movement between Chattogram and its factories in Ghorashal and Habiganj, is absorbing similar increases.

Kamruzzaman Kamal, the company's marketing director, told The Daily Star that covered vans now charge Tk 15,000 to carry export goods from Ghorashal to inland container depots in Chattogram -- Tk 3,000 above the previous rate.

Prime movers transporting import containers to the factories now cost up to Tk 42,000, compared to Tk 32,000 before the hike.

MOST MANUFACTURERS HOLD PRICES -- FOR NOW

On the manufacturing side, companies are deploying a range of measures to absorb the cost shock without immediately raising retail prices, though several have signalled that adjustments are becoming harder to avoid.

Many are resorting to shrinking the pack size. This is a classic example of "shrinkflation"-- which occurs when manufacturers shrink the package size, i.e., quantity of an item, without a corresponding price drop.

Tanveer Ahmed Mostafa, director of Meghna Group of Industries, said the severe global energy shock stemming from the Middle East conflict has directly hit the company's costs from maritime freight to raw material procurement.

In a vertically integrated conglomerate like Meghna, such volatilities inevitably exert pressure on forward consumer outputs, he said, adding that the group is currently absorbing the pressure through internal cost-containment and supply chain optimisation.

"A price adjustment remains a possibility to ensure sustainable supply," Mostafa said. "We are first exhausting all internal efficiencies."

"While a price adjustment remains a possibility to ensure sustainable supply," Mostafa said, for now they are "exhausting all internal efficiencies to keep" products affordable.

PRAN-RFL, a leading food processor and exporter, is holding the same position.

Marketing Director Kamal said, "The company is currently avoiding price increases despite rising fuel costs, as consumers are already under significant financial pressure from higher living expenses."

Instead, PRAN is reducing trade margins and consolidating deliveries – minimising vehicle numbers, ensuring full-load shipments, and using larger vehicles where possible.

Increasing the maximum retail price, he said, "remains a last resort" and would only be considered if internal cost-control measures fail.

Unilever Bangladesh is also deferring any pricing decision, and is focusing on innovation and operational improvements to absorb costs.

Shamima Akhter, director of corporate affairs, partnerships and communications, said the company is prioritising operational efficiency and cost optimisation over immediate price increases.

Because many of its products are discretionary, she noted, price hikes risk reducing sales volumes.

She noted that global volatility, including higher fuel prices and increased raw material import costs, has already put pressure on production and distribution over the past two months.

Bombay Sweets, however, has moved more decisively. Khurshid Ahmad Farhad, the company's general manager, said export prices have already been raised by 25 percent starting last month. In the domestic market, the company is adjusting on a product-by-product basis, either raising prices or reducing weights, but not both simultaneously.

Farhad described the April 18 hike as a second shock. Cost pressures had already been building, driven by sharp increases in raw materials, including chemical and petrochemical prices. When the latest price hike came, it pushed packaging costs up by 13 percent to 69 percent.

The company's "Potato Crackers" product, retailed at Tk 10, has been reduced from 13 grams to 10 grams since the fuel hike. The change is already in the market. Farhad emphasized that increasing maximum retail prices further is difficult due to declining consumer purchasing power, making downsizing a necessary strategy.

"The company is currently prioritising survival over profit," Farhad said. "Margins have already declined."

FARMERS FACE A COSTLY HARVEST

The pressure is not limited to industry. Farmers are feeling the pinch during the Boro harvesting season. The surging diesel prices have made it costlier to rent harvesters. For instance, farmers in four haor districts of Sylhet depend on nearly 1,500 combine harvesters, which run on diesel, for bringing their crops home.

In Dingapota Haor in Mohanganj upazila, Netrokona, farmer Tofayel Khan cultivated Boro rice on 80 kathas of land this season, only for floodwater to submerge most of it before harvest.

He had to spend some Tk 660 per katha to harvest the remaining crops. Last season, the rate was Tk 550 per katha. "I am concerned about how to recover my losses."

The oligarch's playbook: A warning for post-revolution Bangladesh

KAISER KABIR

A handful of firms and a fistful of politicians -- this is the widely accepted description of oligarchic economic systems. It is a malevolent alliance that eventually appropriates the national economic pie through skullduggery.

Barring a few exceptions, notably the Keiretsu in Japan and Chaebols of South Korea, oligarchic systems are demonic cabals that adversely affect long-term national development, although there may be considerable growth in the short run. The proof is ubiquitous: from Latin American Caudillos and Venezuela's Bolibourgeoisie to post-Soviet Russia's oligarchs, North Korea's Kim dynasty, South Africa's Gupta family, and beyond.

The evolution of oligarchies follows a similar script worldwide. Self-serving policies at the population's expense concentrate massive economic power in an elite coterie. This economic power then fortifies political influence, eroding democratic institutions, undermining judiciaries and constitutions, suppressing dissent, and promoting systematic corruption with impunity.

In Bangladesh, traces of a chosen elite class first became visible in the power and energy sector. The Quick Enhancement of Electricity and Energy Supply (Special Provisions) Act 2010 and associated legislation paved the way for oligarchs to gain a foothold.

While massive corruption plagued the power sector, the sudden spike in the availability of electricity had widely beneficial economic impacts. Growth in service and industrial sectors was undeniably impressive for nearly a decade. Mega-infrastructure projects and remittance flows from expatriate workers created an economy that seemed to hold great promise.

However, as oligarchic influence grew, the financial sector became its primary target. Illegal bank takeovers, wilful loan defaults, capital flight, and similar practices became rampant. Simultaneously, government policies on interest rates and bad loan rescheduling were designed at the oligarchs' behest.

These distortions ultimately had a pernicious economic impact, rendering Bangladesh vulnerable to external shocks. When the Ukraine war disrupted supply chains, the macroeconomy was placed in dire straits.

Bangladesh's experience thus adds to global evidence that when a small group controls both economic resources and political influence, democratic institutions erode. Laws, regulations, and policies are shaped to protect their interests rather than the public good.

Moreover, patronising an elite group is fundamentally unnecessary -- especially in Bangladesh's context. The evidence is clear: Bangladesh was built by millions of Bangladeshis.

Five groups stand out: (1) Farmers who tripled agricultural yields since 1972; (2) Entrepreneurs whose emergence in the 1980s transformed industrial and service landscapes; (3) Workers, especially women, who created a global RMG export powerhouse; (4) Expatriate Bangladeshis whose remittances kept the economy afloat during the pandemic and the Ukraine war; (5) NGOs whose innovations since the 1980s added remarkable dynamism to social sectors.

The Monsoon Revolution dismantled both an authoritarian regime and its oligarchic machinery -- a historic blessing for Bangladesh. Now we face a critical choice: either build an economy that honours the millions who actually built this nation, or follow a tired script that resurrects the unholy nexus between politics and business. The former promises genuine prosperity; the latter guarantees another cycle of plunder and decay.

The writer is the chief executive of Renata PLC

War may crush oil demand today, but send it soaring long term

REUTERS

While oil demand destruction deepens with each passing day the Strait of Hormuz remains closed, the longer-term impact of the Iran war may paradoxically work in oil's favour. Spiking energy security concerns and greater fragmentation could lead to a less efficient, more voracious global energy system.

Aggregate worldwide oil consumption is plummeting under the strain of the Iran war, which has reduced global crude supplies by 13 million barrels per day (bpd), or 12 percent, since the conflict broke out on February 28.

Demand has so far been curtailed by around 4 million bpd, roughly 4 percent of global consumption, according to Russell Hardy, CEO of oil trading house Vitol.

Hardy's estimate of demand destruction is considerably higher than that of the International Energy Agency, which puts the loss at 2.3 million bpd for April. Even so, it still represents the largest monthly collapse in consumption since the depths of the Covid-19 pandemic in 2021.

The IEA expects global oil demand to contract by 80,000 bpd in 2026, a dramatic reversal from its pre-war forecast for 730,000 bpd of growth.

Much of that loss reflects refiners, especially in Asia, scaling back operations or shutting units altogether to conserve fuel as supplies from the Middle East dry up. The region normally accounts for around 60 percent of Asia's crude imports.

Governments from Sri Lanka to South Korea have compounded this effect by rolling out emergency energy-saving measures including four-day work weeks, work-from-home mandates, restrictions on driving and outright fuel rationing.

The surge in diesel and jet fuel prices to record highs of over $200 a barrel has cut deeply into transport demand - grounding aircraft and curtailing shipping activity.

ANALYSIS

This demand destruction is no longer confined to Asia. It is now spreading to Europe, which relies on the Middle East for around 10 percent of its crude imports and more than half of its jet fuel demand. After over seven weeks of disruption, inventories are growing dangerously thin.

Parts of Europe's refining industry have been pushed out of the money. Futures markets are pricing in expectations of a relatively swift recovery in Gulf flows and a subsequent drop in prices, while physical crude remains very hard to source and very expensive.

US stocks ended lower on Tuesday, with the Dow, S&P 500 and Nasdaq all shedding more than half a percent.

When the Strait of Hormuz will reopen and how quickly shipping will normalise remain anyone's guess. If the closure extends into May, global oil demand could contract by as much as 5 million bpd next month.

Should the blockade persist long enough to exhaust both commercial inventories and strategic petroleum reserves, consumption would theoretically need to fall by around 10 million bpd - a tenth of pre-war demand. That's a highly bearish scenario, but not an impossible one.

The short-term demand hit makes for gloomy reading. But the conflict may also set in motion longer-lasting changes with a more mixed impact on consumption.

First, there's the accelerating shift away from fossil fuels. US gasoline and diesel prices have risen by around 30 percent and 40 percent, respectively, since the war began. Such spikes are likely to speed up electric vehicle adoption. In the US, sales of used EVs jumped by 21 percent in March from a year earlier.

EVs displaced around 1.7 million bpd of oil demand in 2025, according to consultancy Ember — a figure that now looks set to climb more quickly.

Hormuz blockade drives up costs at Panama Canal

AFP, *Panama*

The war in the Middle East has boosted demand to move vital cargo through the Panama Canal to such an extent that one vessel carrying liquefied natural gas (LNG) paid $4 million to skip the line and avoid a wait that can take up to five days, according to an official report.

A surge in such payments has been recorded since the US-Israeli attacks on Iran began February 28, which led to the blockade of the Strait of Hormuz, a critical waterway for one-fifth of the world's oil and natural gas exports from Gulf countries.