



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 Terzioğlu, 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,

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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 BMI17, 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.

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Global and energy shocks to weigh on Bangladesh economy

StanChart officials say

MD MEHEDI HASAN

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.

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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."

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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.

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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.

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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

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