

Star

BUSINESS



Rising global protectionism may delay Bangladesh's LDC graduation

Says UN report, citing steep US tariffs, falling export orders and regional supply chain disruption across Asia-Pacific economies

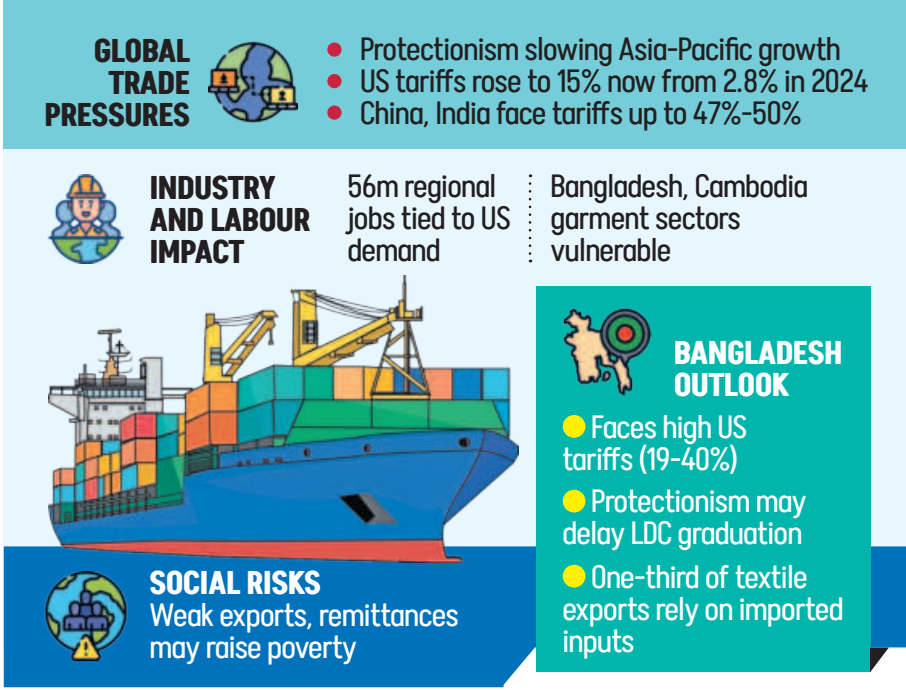
REFAYET ULLAH MIRDHA

Rising global protectionism and trade fragmentation could slow economic progress across the wider developing Asia-Pacific region, potentially delaying graduation from least developed country (LDC) status for countries, including Bangladesh, according to a new United Nations survey.

The 2026 edition of the Economic and Social Survey of Asia and the Pacific, published last week, said the average additional effective tariff rate imposed by the United States on developing economies in the region has climbed to around 15 percent from about 2.8 percent in 2024.

As a result, several smaller and least developed countries, including Bangladesh, Cambodia, the Lao People's Democratic Republic and Myanmar, now face 19-40 percent tariffs on exports to the United States.

The report said that such barriers are likely to hold back economic development and delay LDC graduation.



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Prime Bank

Bangladesh, Nepal and Lao PDR are scheduled to graduate to developing country status on November 24 this year. However, Bangladesh and Nepal have applied to the UN for a three-year deferment until 2029.

The report noted that further tariff adjustments were announced after a United States Supreme Court ruling in February 2026. Policy changes remain

highly unpredictable.

As of February this year, tariff rates faced by developing economies in Asia and the Pacific were still higher than in 2024.

The report by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) also said weaker export orders are likely to hit employment, wages and business

investment in affected sectors, with knock-on effects for growth and government revenue.

The impact will extend beyond direct exports to the United States. Economies supplying raw materials, parts and components to regional value chains may also see demand fall, according to the report.

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Oil shocks to fuel inflation, weaken taka

CPD study warns

STAR BUSINESS REPORT

Global oil price shocks are likely to affect Bangladesh's economy mainly through higher inflation, a weaker exchange rate, and limited output losses, according to a study by the Centre for Policy Dialogue (CPD).

The study says that the overall impact will depend on the scale of global oil price increases, but the main transmission channels are expected to remain the same over the medium to long term. Rising energy costs are likely to feed into domestic prices, weaken the taka, and slightly slow economic growth.

By analysing different scenarios based on a 20 percent to 60 percent rise in global oil prices and using an econometric model, the CPD said losses in Gross Domestic Product (GDP) -- a measure of the value of goods and services produced in an economy -- would remain relatively contained, ranging between 0.21 percent and 0.53 percent.



In contrast, the inflationary impact could be far more pronounced, with price pressures rising from 0.6 percent in the first quarter to as high as 13.6 percent in the fifth year. This reflects the strong pass-through of fuel costs across Bangladesh's supply chains, the CPD said in a paper presented at the fourth Bangladesh-China Renewable Energy Forum at Lakeshore Hotel in Dhaka yesterday.

The analysis shows that consumer prices, as measured by the Consumer Price Index (CPI), would rise across all scenarios -- mild, moderate, and severe -- with the impact becoming stronger over time.

In the short term, inflation is projected to increase by 0.60 percent, 1.11 percent, and 1.55 percent within the first quarter under the three respective scenarios. The pressure would continue to build, reaching 1.12 percent, 2.06 percent, and 2.87 percent after one year.

Over the longer term, the impact becomes much sharper. By the fifth year, inflation is expected to rise to 5.27 percent under mild shocks, 9.72 percent under moderate shocks, and as high as 13.57 percent under severe shocks.

At the same time, the Bangladeshi taka is projected to depreciate by between 0.56 percent and 4.5 percent under different scenarios, driven by higher fuel import bills and related balance-of-payments pressures.

The CPD warned that Bangladesh will continue to bear the burden of the ongoing energy shock for years, as structural vulnerabilities and accumulated costs will not disappear immediately even if global tensions ease.

Given the limited fiscal space, the think tank suggested that the government may need to scale down its budget estimates for the fiscal year 2026-2027 to accommodate rising energy-related expenditures.

READ MORE ON B3

Bangladesh trails regional peers in attracting FDI

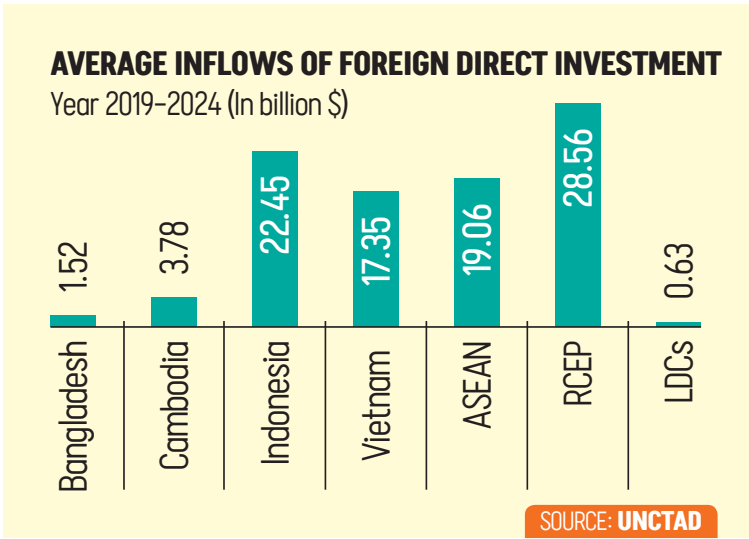
Says UNCTAD report

STAR BUSINESS REPORT

Bangladesh continues to trail its regional competitors in attracting foreign direct investment (FDI), according to a report by the United Nations Conference on Trade and Development (UNCTAD).

The report said that while Bangladesh performs better than the average least developed country (LDC) in absolute FDI inflows, it falls behind when investment is measured against the size of its population, economy and gross fixed capital formation.

On those indicators, it underperforms not only individual comparator countries but also the average for LDCs and for the Association of Southeast Asian Nations (Asean) and the Regional Comprehensive Economic Partnership (RCEP), two blocs it aims to join.



FDI accounts for just 1 percent of the country's gross fixed capital formation and 0.4 percent of gross domestic product, the report said.

Despite steady economic growth in recent years, Bangladesh has yet to convert its potential into sustained foreign investment inflows, according to the "Investment Policy Review Implementation Report", launched at the Bangladesh Investment Development Authority (Bida) office yesterday.

READ MORE ON B3

Solar power shields farmers from energy crisis



PHOT: MOSTAFA SHABUJ

Bangladesh's farmers face rising diesel costs and shortages, threatening irrigation and crops. Solar-powered pumps offer a reliable, cost-saving alternative, boosting yields and resilience, but expansion remains slow despite strong potential benefits.

S DILIP ROY and MOSTAFA SHABUJ

Times are bad for Bangladesh's farmers. Right when they needed a steady diesel supply to irrigate vast swathes of cropland -- Boro paddies, seasonal vegetables, and maize -- the world entered what the head of the International Energy Agency called "the biggest energy security threat in history."

The fuel is in short supply. The government has just hiked its price by 15 percent. Many farmers are now fearing losses of both crops and investment. But not Afzal Hossain from Fulpukuria village in Gobindaganj of Gaibandha, who cultivated Boro paddy on six bighas this season and gets his water from a solar-powered pump.

"I am not really worried about irrigation," he said. "My neighbours

who rely on diesel or electric pumps are suffering due to the fuel crisis and load-shedding."

Bangladesh requires over 40 lakh tonnes of diesel a year, with a large chunk of it going towards the running of more than 12 lakh irrigation pumps, according to data from the Asian Development Bank (ADB) and government agencies. Besides, there are more than 430,000 electric pumps that provide minor irrigation.

According to the Department of Agricultural Extension (DAE), the country currently has 754 diesel-powered deep tube wells, 10,39,337 shallow tube wells, and 1,84,384 low-lift pumps in operation.

While this reliance could be a devastating blow for many farmers, those using solar-powered pumps are enjoying immunity from the whole crisis.

In Rangpur Division, across five

districts, 5,09,095 hectares of Boro paddy have been planted this year. Around 35 to 40 percent of cultivable land in the region depends entirely on diesel-powered shallow machines. The recent price hike has pushed service providers to raise charges for irrigation, harvesting, and maize threshing.

According to Hussain Mohammad Altaf, executive engineer at Rangpur office of the Bangladesh Agricultural Development Corporation (BADC), 596 solar-powered irrigation machines were active during the last irrigation season in the division.

"If each generates an average of 10 kilowatts, total output comes to 5.9 megawatts, enough to run 80,000 to 85,000 fans daily," he said. Over a four-month irrigation season, those machines save approximately 75 lakh litres of diesel.

READ MORE ON B3

Envoy Textiles to invest Tk 187cr for expansion

STAR BUSINESS REPORT

Envoy Textiles Limited, one of the leading denim manufacturers and yarn producers in Bangladesh, will invest Tk 187 crore to expand its production capacity and acquire land for its factory premises.

The decision, which includes a Tk 179 crore expansion of the company's open-end rotor spinning capacity and the purchase of adjacent factory land for Tk 8 crore, was disclosed on the Dhaka Stock Exchange (DSE) website yesterday.

Its board on April 26 approved doubling open-end rotor spinning output from 25 tonnes per day to 50 tonnes at the existing factory premises in Bhaluka, Mymensingh.

The project will use recovered materials from current production processes and tap underutilised capacity, with yarn output prioritised for in-house denim manufacturing.

The expansion will be financed through a debt-to-equity ratio of 70:30.

The board also approved the purchase of 50.37 decimals of land adjacent to the Jamirda factory for future expansion.

The company also reported a significant decline in its earnings per share to Tk 1.54 for January-March 2026, down from Tk 2.44 in the same period a year earlier.

Shares of the company declined 4.50 percent to Tk 48.80 as of 12:50pm on the DSE.

Its net operating cash flow per share surged to Tk 16.85 for July 2025-March 2026, compared with Tk 3.27 for the corresponding period of the previous year.

Sponsors or directors of Envoy Textiles Limited own some 65.41 percent stakes. Institutional investors held a significant 22.76 percent.

City Bank, Water.org partner to boost WASH financing in Bangladesh

STAR BUSINESS DESK

City Bank PLC recently signed an agreement with Water.org to launch a two-year partnership initiative aimed at expanding access to safe water and sanitation through innovative micro, small and medium enterprise (MSME) financing and community engagement.

Md Mahbubur Rahman, additional managing director and chief financial officer of City Bank PLC, and Sajid Amit, executive director for South Asia and country director of Water.org, signed the agreement at a hotel in Dhaka, according to a press release.

Under the initiative, small and medium entrepreneurs in remote areas will be able to access loans at low interest rates on easy terms. City Bank PLC will provide Tk 200 crore in financing for MSMEs and microfinance institutions (MFIs) operating in the water,

sanitation and hygiene (WASH) sector.

The initiative, titled "Shaping the Future of Safe Water", in Bangladesh, was inaugurated by Forhad Hossain Azad, state minister for water resources, as the chief guest. He emphasised the importance of coordinated efforts to achieve the Sustainable Development Goals (SDGs).

He expressed concern that climate change and declining groundwater levels could lead to a severe safe water crisis in the near future, and highlighted various government initiatives to address the challenge.

Husne Ara Shikha, executive director of the SME and Special Programmes Department of Bangladesh Bank, was present as a special guest. She highlighted how the initiative aligns with sustainable financing policies and stressed the role of the banking sector in achieving SDG 6 (clean water and sanitation) and SDG 8 through inclusive and impact-based lending.



PHOTO: CITY BANK

Sajid Amit, executive director for South Asia and country director of Water.org, and Md Mahbubur Rahman, additional managing director and chief financial officer of City Bank, pose for a photograph after signing the agreement at a hotel in Dhaka recently. Forhad Hossain Azad, state minister for water resources, was also present.

Visa appoints Suresh as South Asia group country manager

STAR BUSINESS DESK

Visa, a global leader in digital payments, has appointed Suresh Sethi as group country manager for India, Bangladesh and South Asia.

In this role, Suresh will lead Visa's strategy and operations across India, Bangladesh, Sri Lanka, Nepal, the Maldives and Bhutan.

Suresh succeeds Sandeep Ghosh, who is leaving Visa to pursue other opportunities. Based in Mumbai, Suresh will report to Stephen Karpin, regional president for Asia Pacific at Visa, according to a press release.

Prior to this appointment, Suresh was the founder and CEO of India Post Payments Bank, where he built one of the world's largest financial inclusion models by leveraging the extensive network of India Post to deliver doorstep banking services across the country.

This significantly expanded access to formal banking, particularly in underserved and rural areas.

Over the course of his career, he has held senior leadership roles driving innovation and ecosystem-led growth across the financial sector.

His experience spans India and key international markets, including Africa, Latin America, the United States and the United Kingdom.



Suresh Sethi

Mukarram Hossain promoted to DMD of Dhaka Bank

STAR BUSINESS DESK

Dhaka Bank PLC has promoted Mukarram Hossain Chowdhury to the post of deputy managing director (DMD).

Prior to the promotion, Chowdhury was serving as senior executive vice-president and head of the CRM division of Dhaka Bank PLC, according to a press release.

He brings over 34 years of rich and diversified banking experience.

Chowdhury began his professional journey in 1992 with Arab Bangladesh Bank Limited and went on to serve in several reputed foreign and local banks, gaining extensive expertise in trade finance, credit operations and branch management.

He joined Dhaka Bank PLC on March 25, 2001, and has since held a series of key leadership roles.

Chowdhury obtained his master's degree in management from National University and completed an MBA in finance from Eastern University.



Mukarram Hossain Chowdhury

Prime Bank hosts seminar on empowering youth at Hamdard University



Prof Md Monjarul Alam, vice-chancellor of Hamdard University Bangladesh, poses for a group photograph with participants of the seminar, titled "Financial Inclusion: Engaging & Inspiring Youth in Banking", organised by Prime Bank PLC, on the university campus in Dhaka recently.

PHOTO: PRIME BANK

STAR BUSINESS DESK

Prime Bank PLC, in collaboration with Hamdard University Bangladesh and its Voice of Business Club, organised a seminar, titled "Financial Inclusion: Engaging & Inspiring Youth in Banking", under its

flagship initiative, PrimeAcademia.

Prof Md Monjarul Alam, vice-chancellor of the university, inaugurated the seminar as the chief guest, according to a press release. He emphasised the importance of stronger industry-academia collaboration to bridge the gap between education and real-world

financial challenges.

M Nazeem A Choudhury, additional managing director and head of the consumer and SME banking division of the bank, delivered an address in which he highlighted how artificial intelligence, data-driven decision-making and innovation are reshaping the future of banking.

He urged students to prepare for future careers by developing a well-rounded skill set that combines self-development, technology, creativity and purpose to drive inclusive growth.

M M Mahbub Hasan, senior vice-president and head of financial inclusion and school banking, focused on financial literacy and money management, underscoring their critical role in empowering youth to make informed financial decisions. He emphasised that early exposure to structured banking knowledge helps build financially responsible citizens and future leaders.

Kazi Reshad Mahboob, head of consumer protection and service quality at Prime Bank PLC, spoke on the importance of discipline and time management as essential components of future readiness.

NRB Bank, Oracle to modernise core banking system

STAR BUSINESS DESK

NRB Bank PLC recently signed an agreement with Oracle Financial Services Software (OFSS) and its local partner, Data Edge Limited – an ICT system integration, consultancy and system development company in Bangladesh – to upgrade its core banking system to Oracle Flexcube UBS Version 14.8.

This marks the first-ever implementation of UBS 14.8 in Bangladesh, representing a significant milestone in the bank's ongoing efforts to strengthen its digital banking capabilities and modernise its technology infrastructure.

Tarek Reaz Khan, managing director of the bank, and Noor Alam Chowdhury, chairman of Data Edge Limited, signed the agreement at a ceremony held in Dhaka, according to a press release.

Commenting on the agreement, Khan said, "This initiative reflects NRB Bank's commitment to digital transformation and our dedication to meeting the growing expectations of our valued customers."

Chowdhury said, "We are fully committed to ensuring the successful and timely implementation of this project and are confident it will deliver tremendous value for NRB Bank and its customers."



Noor Alam Chowdhury, chairman of Data Edge Limited, and Tarek Reaz Khan, managing director of NRB Bank PLC, exchange signed documents of the agreement in Dhaka recently.

PHOTO: NRB BANK

Agro, food expo series to begin in Dhaka on May 7



Meherun N Islam, president and group managing director of CEMS-Global USA and Asia Pacific, poses for a group photograph at a press conference on the upcoming international exhibition series on the food, agriculture, poultry, livestock, and food processing and packaging sectors at the CEMS Bangladesh office in Dhaka yesterday.

PHOTO: CEMS-GLOBAL USA

STAR BUSINESS DESK

CEMS Global USA, in association with CEMS Bangladesh, will organise a series of international exhibitions on the food, agriculture, poultry, livestock, and food processing and packaging sectors from May 7 to 9 at the International Convention City Bashundhara (ICC) in Kuril, Dhaka.

The events include the 9th Food Bangladesh International Expo 2026 and the 6th Food Pack Expo 2026, alongside the 9th Agro Bangladesh International Expo 2026 and the 9th Poultry & Livestock Bangladesh International Expo 2026, which will be held concurrently.

The three-day exhibitions will remain open daily from 10am to 7pm. Meherun N Islam, president and group managing director of CEMS-Global USA

and Asia Pacific, shared the details at a press conference held at the CEMS Bangladesh office in Dhaka yesterday, according to a press release.

She said the exhibitions will serve as a comprehensive "one-stop platform" for industry stakeholders, connecting manufacturers, suppliers, distributors and buyers.

This year's events will feature more than 100 companies from over 15 countries, including Bangladesh, India, China, Pakistan, Sri Lanka, South Korea, Vietnam, Brazil, Thailand, Switzerland, Japan, Malaysia and the UAE, with more than 160 booths.

A series of seminars and technical sessions will also be held during the exhibition period.

A special highlight of the Food Bangladesh International Expo 2026 will be the Coffee Fest,

being held for the third time. The event will feature coffee beans, machinery displays and a barista competition.

Participating companies in the Agro Expo include Akij Agro & Livestock Ltd, Nabil Group of Industries, MH Dhanmondi Ltd, Agro Machinery Industry Ltd, Trade Global Ltd and Thakral Information Systems Pvt Ltd.

The Food Expo will host brands such as Shilaidaha Dairy-Ultra, Modhumoti Agro & Dairy Firm, Runcha, Puro Foods Ltd, Paragon International, Hamdard Laboratories (Waqf) Bangladesh, Kiva Han and Nestlé Bangladesh PLC.

Among others, Tanveer Qamrul Islam, executive director of CEMS Global; Abhishek Das, group director; and Mahmud Riyad Hassan, head of marketing and sales at CEMS Bangladesh, were also present.

Oil rises 1% as US-Iran peace talks stall

REUTERS, Singapore

Oil prices were up more than 1 percent on Monday as peace talks between the US and Iran stalled while shipments through the Strait of Hormuz remained limited, keeping global oil supplies tight.

Brent crude futures rose \$135, or 1.3 percent, to \$106.68 a barrel by 0453 GMT, retreating from early session gains of over \$2 a barrel. US West Texas Intermediate was at \$95.35 a barrel, up 95 cents, or 1 percent.

Last week, Brent and WTI gained nearly 17 percent and 13 percent, respectively, the biggest weekly gains since the start of the war.

Hopes of reviving peace efforts receded during the weekend when US President Donald Trump scrapped a planned trip to Islamabad by his envoys Steve Witkoff and Jared Kushner, even as Iranian Foreign Minister Abbas Aragchi arrived in Pakistan.

"President Trump's recent post on Truth Social, urging to shoot and kill any Iranian boat laying mines in the Strait of Hormuz, alongside his claims of having full control over Hormuz, has continued to fuel elevated war premiums," said Priyanka Sachdeva, analyst at Phillip Nova.

Tehran has largely closed the strait while Washington has imposed a blockade of Iran's ports. Traffic through the Strait of Hormuz remained limited, with just one oil products tanker entering the Gulf on Sunday, shipping data from Kpler showed.

Goldman Sachs raised its oil price forecasts for the fourth quarter to \$90 a barrel for Brent crude and \$83 for WTI, citing reduced output from the Middle East.

"The economic risks are larger than our crude base case alone suggests because of the net upside risks to oil prices, unusually high refined product prices, products shortages risks, and the unprecedented scale of the shock," GS analysts led by Daan Struyven said in a note on Sunday.

STAR BUSINESS DESK

Mercantile Bank PLC recently organised a workshop titled "Hybrid Drying System for Reducing Post-harvest Losses of Nutrient-enriched Crops and Fishes in Bangladesh" at Bangladesh Agricultural University (BAU) in Mymensingh.

Mati Ul Hasan, managing director of the bank, inaugurated the workshop as the chief guest.

Prof AK Fazlul Haque Bhuiyan, vice-chancellor of the university, attended the programme as the chief patron, according to a press release. The event brought together agricultural entrepreneurs, beneficiaries,

scientists and students.

Earlier, Mercantile Bank PLC signed an agreement with Bangladesh Agricultural University (BAU) to support an agricultural research project titled "Development of a Hybrid Dryer System to Reduce Crop and Fish Post-Harvest Losses".

The project was made possible through a donation of Tk 1.60 crore from the bank's corporate social responsibility (CSR) fund, enabling the university to develop and deploy innovative technology to support the country's farmers and fishers.

Through this CSR initiative, Mercantile Bank PLC aims to bridge the gap between academic

innovation and field application, helping to minimise post-harvest losses and strengthen national food security.

The workshop was organised to present research findings and demonstrate the effectiveness of the 19 hybrid dryers developed under the initiative.

As part of the bank's commitment to social impact, 10 of these dryers have already been distributed free of cost to users in Cox's Bazar, Patuakhali, Sakthira, Tangail, Khagrachari and Rangamati.

An additional six dryers are currently being distributed, while three units are being used by the university for further research.



Prof AK Fazlul Haque Bhuiyan, vice-chancellor of the Bangladesh Agricultural University, delivers speech at a workshop, titled "Hybrid Drying System for Reducing Post-harvest Losses of Nutrient-enriched Crops and Fishes in Bangladesh", organised by Mercantile Bank PLC, on the university campus in Mymensingh recently. Mati Ul Hasan, managing director of the bank, was also present.

PHOTO: MERCANTILE BANK



A bountiful vegetable harvest is bringing relief and better prices for farmers across Rajshahi's Paba, Mohanpur, Durgapur, Puthia and Bagmara upazilas, with okra selling for Tk 1,000-Tk 1,200 per maund and pointed gourd (potol) fetching Tk 2,400-Tk 2,500 per maund. Traders take extra care to keep produce fresh during transport to distant markets. The photo was taken at Nowhata Haat in Paba, Rajshahi yesterday.

PHOTO: AZAHAR UDDIN

ECB set to hold rates steady with eye on Iran crisis

AFP, Frankfurt

The European Central Bank is expected to hold interest rates steady again this week as it waits to see if the inflation spike triggered by the Middle East war will prove temporary or begin to weigh on growth.

Markets ramped up their bets on a rate hike after the US-Israeli war on Iran sparked a global energy shock, which is already pushing up eurozone consumer prices.

Inflation in the 21-nation single currency area jumped to 2.6 percent in March, above the ECB's two-percent target, and the bank has warned it could surge far higher in a worst-case scenario.

ING economist Carsten Brzeski said the ECB's mantra before the war – that it was in a “good place” on rates – was “no more”.

“The bank is back in crisis mode, shifting its focus from longer-term projections to actual developments and back to a ‘driving at sight’ approach,” he said.

Agri credit overdues surge 124% amid asset quality concerns

STAR BUSINESS DESK

Overdue agricultural credit across all scheduled banks reached Tk 22,915 crore in February this year, marking a sharp 123.90 percent increase from Tk 10,234 crore in the same month of 2025.

This significant rise – partly driven by revised loan classification criteria and climate-induced crop damage – was mainly led by higher overdue loans in state-owned specialised banks, state-owned commercial banks, and private commercial banks.

Despite the surge in overdue loans, the banking sector continued to record steady growth in agricultural credit disbursement. In February 2026, all scheduled banks disbursed Tk 3,120 crore in agricultural credit, up 7.21 percent from Tk 2,910 crore in February 2025.

Cumulatively, during the July-February period of FY26, total agricultural credit disbursement stood at Tk 27,479 crore, reflecting a 24.20 percent increase compared to the corresponding period of the previous fiscal year.

The data also indicates a gradual shift in credit allocation towards core production activities.

The share of loans for crop production increased to 49 percent from 48 percent, while livestock and poultry rose to 26 percent from 24 percent. In contrast, the shares of fisheries and other sectors declined to 13 percent and 8 percent, respectively.

Despite the surge in overdue loans, the banking sector continued to record steady growth in agricultural credit disbursement

Agricultural credit recovery also showed improvement, reaching Tk 2,847 crore in February 2026, a 7.60 percent rise year-on-year. For the July-February period, total recovery by all scheduled banks increased by 13.69 percent to Tk 27,767 crore.

By the end of February 2026, the total

outstanding agricultural credit (including interest) stood at Tk 63,723 crore, up 11.66 percent from Tk 57,066 crore a year earlier.

In the microcredit sector, Grameen Bank and 10 large NGOs collectively disbursed Tk 17,231 crore in February 2026. While recovery remained strong at Tk 16,045 crore, up 5.45 percent year-on-year, overdue balances in the microfinance sector rose significantly to Tk 8,425 crore.

This increase was attributed to irregular borrower repayment behaviour, crop losses from natural disasters, and rising living costs.

The Bangladesh Bank report notes that although credit disbursement and recovery trends remain broadly positive across banks and MFIs, the sharp rise in overdue loans raises concerns over asset quality.

The central bank stressed the need for enhanced oversight, stronger risk management, and targeted support for vulnerable borrowers to safeguard financial stability and ensure inclusive rural growth.

Trade through Benapole suspended for West Bengal elections

OUR CORRESPONDENT, Benapole

Import-export activities between Bangladesh and India through the Benapole land port will remain suspended for three consecutive days due to the assembly elections in West Bengal, India.

However, despite the halt in trade operations, passport holders will be allowed to travel for emergency medical purposes, and voters from West Bengal will be permitted to enter India from Bangladesh to cast their ballots.

Moreover, perishable goods will also remain outside the purview of this restriction.

The information was disclosed in a letter issued on April 24, signed by Shilpa Gaurisaria, district magistrate and district election officer of North 24 Parganas, India, while Md Shamim Hossain, director of Benapole Port, confirmed the matter yesterday.

According to the letter, voting will take place on April 29 in 33 assembly constituencies in North 24 Parganas.



To ensure a smooth election process, the movement of people and vehicles will be restricted from 6pm on April 26 to 6am on April 30 under Section 163 of the Indian Citizen Security Code-2023.

As a result, all international land borders and entry-exit points in the district will remain closed.

During this period, passenger movement through international check posts will be limited, and normal import-export activities are expected to resume from Thursday morning, said Aminul Haque, vice-president of the Benapole Importers and Exporters Association.

Although passenger movement is restricted, Indian voters currently in Bangladesh will be able to return home to vote, said Shakhawat Hossain, officer-in-charge of Benapole Checkpost Immigration Police.

Normal movement of all passport holders will resume after 7am on April 30.

Rahat Hossain, assistant commissioner of Benapole Customs, said that although trade activities will be halted, internal operations at the customs house and port will continue as usual. If any perishable goods arrive from India, arrangements will be made for their swift clearance.

Rising global protectionism

FROM PAGE B1

In Bangladesh, about one-third of textile and textile product exports depend on imported inputs or upstream trade partners. Disruptions to value chains and trade diversion could also curb productivity growth over time, limiting longer-term economic potential.

“Tariff hikes are estimated to have sizable employment impacts,” said the report. The impact on workers would vary by gender, age, skill level and sector.

Around 3 percent of total employment in the region, roughly 56 million jobs, is linked to final demand in the United States through trade and supply chains. Manufacturing is the most exposed sector.

Lower exports could suppress wages and push vulnerable workers into poverty.

In countries such as Bangladesh, Cambodia, Pakistan and Sri Lanka, the garment industry employs large numbers of informal workers, many of them women.

Compared with registered workers, informal employees have weaker bargaining power, limited legal protection and little access to social security. Many earn below minimum wage levels.

Even if trade tensions ease, lingering uncertainty may discourage firms from rehiring displaced workers. That could force households to cut spending on food, health and education, with long-term consequences.

Bangladesh, Cambodia, Pakistan, Sri Lanka and Vietnam, which face tariffs of about 20 percent, are particularly exposed because labour-intensive goods such as garments, textiles, footwear and leather account for a large share of their exports to the United States.

In Bangladesh and Cambodia, garments and textiles alone make up 50 percent to 80 percent of total goods exports to the US market.

The report also said that women dominate employment in these sectors, especially in lower-skilled, routine jobs such as sewing, cutting and finishing. Women account for around seven in ten readymade garment workers in

Bangladesh and Sri Lanka, and about eight in ten in Cambodia.

Pay in these industries often sits at or just above the minimum wage, and access to unemployment benefits or other safety nets is limited.

In Bangladesh, about 32 percent of RMG workers earn below the minimum wage, and roughly 7 percent earn incomes below the international poverty line. Gender pay differences persist across these labour-intensive sectors.

In Vietnam's garment sector, female wages are estimated to be about 15 percent lower than those of men. With limited opportunities to shift into alternative employment, women and low-skilled workers are especially vulnerable to job losses and wage cuts.

Informal and subcontracted workers face the greatest risk if export demand weakens. These jobs usually offer no notice period, little job security and no social protection. They are usually the first to be cut and the last to return.

The survey also finds a clear divergence in firm performance.

Companies linked to the United States market were 14 percentage points less likely to report production growth. By contrast, firms supplying the European Union were 16 percentage points more likely to post increases.

The report added that many firms will struggle to diversify export markets quickly, given intensifying global competition and uncertain demand in major economies.

Solar power shields farmers

FROM PAGE B1

In Lalmonirhat, Atiar Rahman manages a solar powered deep tube-well run by the BADC at Doani village of Hatibandha upazila, supplying water to around 15 bighas of maize and vegetable land.

“Even if diesel is unavailable or its price rises, farmers no longer have to worry,” he said, “because this irrigation machine runs on solar power.”

He added that the panels sit idle for eight months after the irrigation season ends, and that connecting surplus electricity to the national grid through net metering could benefit farmers, institutions, and the government alike.

Further into the char lands of Kurigram, farmer Meher Jamal of Char Paschim Bajra at Ulipur upazila said vast areas surrounded by the Teesta River once sat uncultivated because irrigation was out, but it meant increased costs and labour.

“For the last few years, many char lands are now being cultivated regularly because of irrigation facilities through solar power,” he said. “Land that once remained unused is now producing crops.”

Sudhan Chandra Sen, a farmer from Madhupur village at Kaunia upazila of Rangpur, said the difference is simple. “There is no worry about fuel. Electricity comes from solar power, and we get water.

Crops are better, and costs are lower.”

He noted that while electricity is less reliable, as it often comes and goes, delaying irrigation, solar power is sustainable and consistent. “Water is always available.”

In Bogura, Abdul Hamid from Kachua village at Shibganj upazila cultivated Boro on five and a half bighas. He said solar-powered pumps have reduced both his costs and stress. “I planted Boro paddy after harvesting potatoes. So far, I haven't had to worry about irrigation or the cost. I can pay the irrigation fees after harvesting the crop.”

Abu Hasan, another farmer from the same village, said crops under solar pumps yield better because the water supply is uninterrupted. “I face no water shortages. I have to pay Tk 1,500 per bigha for irrigation after the harvest.”

Beyond individual farms and government initiatives, private operators have built businesses around solar irrigation. Abu Jafar Sujon, regional manager of Salek Solar Power Limited, said his company runs 122 solar pumps across Bogura, Gaibandha, Meherpur, and Panchagarh districts.

“Each pump has a lifting capacity of 5 to 20 horsepower. Smaller pumps cover 30 to 40 bighas, while the larger ones irrigate up to 120 bighas of Boro land, he added.

Abu Bakkar Siddique, who looks after a 20-horsepower irrigation pump owned by Salek Solar in Kachua, said 100 bighas of Boro land were irrigated under this pump this year.

Nationally, the state-run renewable project financier Infrastructure Development Company Limited (Idcol) has funded the installation of approximately 1,523 solar pumps through six companies, covering around 15,000 hectares.

“There are 152 such pumps in Bogura, Sirajganj, Gaibandha, and Naogaon. However, some remain inactive due to various complexities and a lack of technical spare parts,” an official of the organisation said on condition of anonymity. “We plan to install 10,000 solar pumps across the country by 2030.”

Bangladesh trails

FROM PAGE B1

Between 2019 and 2024, Bangladesh received an average of \$1.5 billion in FDI a year, less than half the level of Cambodia.

The difference becomes even wider when measured against larger regional economies. Vietnam attracted more than \$17 billion a year on average over the same period, while Indonesia also drew substantially higher inflows.

In terms of FDI stock, Bangladesh lagged behind Cambodia, Vietnam and Indonesia, as well as the Asean and RCEP blocs. It performed better only than the average LDC in 2024.

The UNCTAD said that inflows have declined over the past six years, although early data for 2025 suggest a tentative rebound.

Investment inflows to the country peaked at more than \$1.8 billion in 2019 before entering a downward trend. Since then, inflows have fallen by nearly one-third, dropping below levels recorded during the early phase of the Covid-19 pandemic.

The fall has occurred even as the overall FDI stock has remained broadly stable at around \$18 billion since 2021. This suggests that existing investors have retained capital, but new investment has slowed, according to the report.

The report attributed the weakness to macroeconomic instability and operational constraints.

Local currency taka has depreciated by about 36 percent against the US dollar since 2021, while foreign exchange shortages have made it harder for companies to repatriate profits and pay for imports, it said.

“These pressures have been compounded by energy disruptions, particularly fuel import constraints, which have raised production costs and disrupted industrial activity.”

At the same time, inflation has surged to nearly 10 percent and economic growth has slowed from about 8 percent to 4 percent between 2019 and 2024, further dampening investor sentiment.

The report mentioned that political uncertainty around the election cycle and labour unrest in key sectors, especially garments, have added to

caution.

Although early indicators for 2025 point to a modest recovery in FDI inflow, the report said that the composition of the rebound raises concern.

The recent uptick has been driven mainly by reinvested earnings and intra-company loans rather than new greenfield projects. In effect, existing investors are expanding their exposure, but few new entrants are arriving, the report said.

The UNCTAD said that while confidence may be stabilising, Bangladesh has yet to regain momentum in attracting fresh foreign capital.

“A national investment policy and a consolidated investment law would help reinforce investor confidence and focus on attracting and leveraging FDI in support of national development objectives through a whole-of-government approach,” the report said.

As a second priority, UNCTAD recommended strengthening investment promotion and facilitation, focusing on sectors identified in its FDI heatmap and adopting targeted measures to support their growth in coordination with other institutions.

“Mitigate the impact of losing preferential LDC status by engaging with key investment and trade partners and by strengthening the capacities of the local private sector.”

Kiyoshi Adachi, a legal officer at UNCTAD, said most recommendations from earlier reviews have only been partially implemented.

He cited outdated legislation, including the Investment Act of 1980, which does not clearly define investor protections or consolidate FDI rules. Entry procedures remain complex and require multiple approvals, while digitalisation efforts are undermined by continued reliance on manual processes.

Challenges such as foreign exchange repatriation, access to land, infrastructure shortages and limited skilled labour mobility continue to weigh on investor confidence, he said.



Ruchir Desai

Regular earnings calls could boost foreign investor confidence

Says Ruchir Desai, co-fund manager at Asia Frontier Capital

AHSAN HABIB

The government should require listed companies to hold at least one annual earnings call and publish financial reports on time to improve transparency and attract foreign investors, said Ruchir Desai, co-fund manager at Asia Frontier Capital, in an interview with The Daily Star.

An earnings call is a conference in which a public company management team speaks with analysts, investors and the media to review results and discuss prospects.

Desai co-manages the AFC Asia Frontier Fund and has been with Asia Frontier Capital since its founding in June 2013. He manages \$27 million in assets.

His largest frontier market exposure is in Pakistan, followed by Sri Lanka. Bangladesh ranks fourth among these investment destinations, accounting for about 12 percent of total assets.

Desai said improving access to listed companies through proper, timely disclosure and regular earnings calls is a straightforward reform that could lift foreign investor confidence.

Alongside better disclosure, he called for more quality listings and fewer abrupt policy shifts.

The foreign fund manager said sudden regulatory changes and market interventions that distort price discovery, such as the floor price, should be avoided to maintain confidence.

POLICIES

- Make earnings calls mandatory annually
- Ensure timely financial disclosures
- Avoid sudden policy changes
- Ensure that market distortions like floor price never return

MARKET DEVELOPMENT

- Increase number of quality listings
- Improve liquidity of listed firms
- Expand investment opportunities

TAKEAWAYS FROM INTERVIEW

Improving access to listed companies through proper, timely disclosure and regular earnings calls is a straightforward reform that could lift foreign investor confidence.

Ruchir Desai
Co-fund manager at Asia Frontier Capital

OUTLOOK

- Political stability supports market growth
- Banking sector may lead recovery
- Consumption sectors show long-term promise



Desai added that Bangladesh has around 300 listed companies, many of them small and of limited interest to foreign or institutional investors.

According to him, some companies are reasonably liquid, others are not. Even well-run businesses often suffer from thin trading, making it difficult for investors to build meaningful positions.

"I have around 30 shortlisted companies. Of them, I have investments in nine companies."

In Pakistan and Vietnam, his shortlist is more than double the size of that in Bangladesh. Opportunities are limited here, he said. It should be expanded by bringing more strong companies to market and improving liquidity in existing stocks.

Desai pointed out that access to company management is another

constraint. Some profitable firms do not hold even a single earnings call in a year.

"Every company should have an earnings call at least once a year and make it mandatory so that foreign investors can meet the companies and have an idea what's going on in the companies."

In Pakistan, at least one annual earnings call is mandatory, he said.

"I know they have an annual report, but when you meet a company face to face, you know you get a better idea of what's going on."

He added that regular engagement can also improve valuations and market capitalisation, supporting broader market development.

Timeliness is another issue. In Bangladesh, some companies take four, five or even six months to publish annual financial statements.

Under international best practice, Desai said, annual reports should be released within two months of the year-end.

On past policy measures such as the interest rate cap in banking and the floor price in the stock market, he

said, "This kind of mismanagement hit investor confidence hard and exposed the market's biggest weakness."

During the roughly two years when the floor price was in place, he said he was unable to execute any trades. "That's why you don't see any foreigners in the market now."

He said foreign investors will avoid markets where sudden regulatory changes can undermine funds. By preventing share prices from falling below a set level, the floor price created artificial pricing and "zero confidence in the transparency" among foreign investors.

He hoped that it would not be reinstated.

Despite these concerns, Desai expressed optimism. The removal of the floor price was a significant relief and an important step towards attracting investors.

He pointed to improving macroeconomic conditions and renewed political stability. The current account has stabilised, inflation remains high but is easing, and the exchange rate is steady. A national election held two months ago has produced a new government with a clear majority.

A credible election, he said, can act as a catalyst for a market rally by restoring confidence. "The platform is now in place. The authorities must follow through with consistent policymaking and implementation to draw investors back, both foreign and domestic."

Desai said one priority is listing larger companies to deepen the market. That would boost confidence and, crucially, improve liquidity.

He said investor participation in Bangladesh is low and is declining. To attract retail investors, the market needs stronger companies and more diverse products. The mutual fund industry remains small and requires development.

In India, he added, mutual funds have expanded rapidly over the past 15 years as households increasingly view them as long-term investments rather than short-term trading vehicles.

According to Desai, political stability and low valuations have created room for stronger growth than in the past two or three years.

In the short term, he said the banking sector could lead any rally once external risks such as the war in the Middle East ease.

Private sector credit growth in Bangladesh stands at about 6 percent, which he said is extremely low. "If GDP growth recovers to 5 or 6 percent or higher, banks usually lead because they are leveraged to the wider economy. Some well-run banks are still trading at big discounts."

He also favours consumer-focused stocks, citing the country's favourable demographics. These include healthcare and pharmaceutical companies, consumer appliance makers and fast-moving consumer goods producers.

Banking cannot continue the way it is

MAMUN RASHID

After more than 35 years in commercial banking, I have seen a troubling pattern: persistently high non-performing loans, limited product innovation, weak risk management, a shortage of capable and transformational leadership, and undue interference by owner directors. Over time, these have become almost normal. They are compounded by uneven central bank supervision, outdated technology and limited institutional capacity to respond to shocks.

Meanwhile, global banking is changing rapidly. Technological advances, shifting customer expectations and new economic realities are reshaping how banks operate. Some institutions are struggling to keep up; others are moving ahead with stronger governance, modern systems and forward-looking strategies. This widening gap poses a pressing question: what will banking look like in the coming decade, and can our local banks remain competitive?

There are signs of progress. Several commercial banks in Bangladesh have begun centralising operations to improve efficiency and oversight. Effective centralisation brings large corporate and retail branches under unified control, strengthening governance while improving risk management and customer service. At the same time, the expansion of digital banking services is making transactions quicker, simpler and more accessible.

Banks are also placing greater emphasis on customer relationship management (CRM). Many have invested heavily in technology and staff training, and that effort is set to continue. Customers initially faced disruption, but many are now seeing the benefits. Banks are working to understand each client's overall financial needs and to offer tailored solutions. Relationship managers (RMs) are being deployed to integrate corporate banking, foreign exchange and personal financial services, enabling clients to access a full range of services through a single point of contact.

Lending strategies are shifting as well. Banks increasingly recognise that heavy reliance on traditional instruments such as cash credit is unsustainable. The focus is moving towards mobilising low-cost deposits and boosting profitability through a more balanced mix of corporate and retail banking.

To support this transition, banks are investing in digital platforms, data analytics, artificial intelligence and blockchain. AI, including generative AI, is beginning to transform financial services by enabling personalised advice and sharper market insights. Robo-advisers, for example, can analyse market trends and customer behaviour to provide recommendations aligned with individual risk profiles.

AI is also improving efficiency. Chatbots now handle routine enquiries such as account balances or transaction histories, cutting waiting times and operating costs. More advanced tools can assess financial statements, support credit decisions, detect fraud in real time and streamline processes, including customer onboarding, loan approvals and regulatory reporting. These innovations enhance service quality while reducing administrative pressure.

The revenue model must evolve, too. A balanced bank should aim for an equal split between interest income and fee-based income. Leading institutions are placing greater weight on fee-based services such as corporate advisory, foreign exchange, structured finance and syndication, where risks are shared. This reduces dependence on traditional lending and strengthens balance sheet resilience.

Risk management will determine future success. To manage interest rate volatility, banks are prioritising short-term, low-cost deposits over long-term liabilities. At the same time, they must develop robust credit policies aligned with emerging investment trends and economic needs.

Ultimately, the future of banking will be shaped by technology, market forces and rising customer expectations. Banks can no longer confine themselves to deposit-taking and lending. They must expand into wealth management, integrate with fintech platforms and ensure secure, technology-driven transactions.

In an era defined by globalisation and rapid technological change, continuous transformation is essential for survival. Banks that fail to adapt will become irrelevant. The message is unmistakable: banking cannot continue the way it is.

The writer is an economic analyst and chairman at Financial Excellence Limited

Middle East war hands Opec's swing producer crown to America

REUTERS, London

The US has stepped in to shield the global economy from the oil crunch triggered by the Iran war by boosting exports, selectively easing sanctions and tapping strategic reserves. The conflict may be denting Washington's standing in some quarters, but it is also cementing its transformation into the world's dominant energy superpower.

Unlike in previous oil crises, the Organization of the Petroleum Exporting Countries has been left largely powerless. The near-hermetic closure of the Strait of Hormuz trapped 13 percent of global oil supplies in the Gulf and forced Gulf producers to shut in around 9 million barrels per day of output, stripping the group of its most potent lever: spare production capacity.

Saudi Arabia, the world's top crude exporter and Opec's de facto leader, has maximized exports through its alternative pipeline route bypassing Hormuz via the Red Sea. But even that has been insufficient to offset the scale of the disruption.

Enter the United States.

With the world's largest oil industry - surpassing Saudi Arabia

and Russia in production in 2018 - and the currency underpinning the global trading system, the US has extraordinary leverage over energy markets. This power is comparable, in some respects, to Opec's historic ability to recalibrate output in response to shifts in global supply and demand. And Washington hasn't been shy about using it.

OIL FIREPOWER

US oil exports have soared in recent weeks, helping to temper the acute energy supply shock emanating from the Middle East, including the refined product squeeze.

Total US oil exports earlier this month hit an all-time high of 12.9 million bpd, of which refined products accounted for over 60 percent, according to Energy Information Administration data.

Seaborne US oil exports are set to climb to a record 9.6 million bpd in April, with flows to Asia nearly doubling from pre-war levels to 2.5 million bpd, according to data analytics firm Kpler.

This surge has helped cushion Asian economies - among the most exposed to Gulf supply losses - from even sharper price spikes.

For US producers, the Iran war

has delivered a sizeable windfall. The value of crude and refined product exports has increased by around \$32 billion compared with pre-war prices, according to ROI calculations, boosting both corporate earnings and tax receipts.

American oil firepower does not

end with production. Washington agreed in March to release 172 million barrels from its Strategic Petroleum Reserve in several tranches through 2027 as part of a coordinated global emergency drawdown of 400 million barrels.

The SPR stood at around 405

million barrels by April 17, down from 415 million barrels at the start of the war - meaning the buffer against further supply shortages remains ample.

THE SANCTIONED BARRELS

Washington has yet another tool to influence global energy supplies: economic sanctions.

Since March, the US has selectively loosened restrictions on purchases of Russian and Iranian oil. The Trump administration on April 17 renewed a waiver allowing countries to buy sanctioned Russian oil at sea for about a month.

The impact has been swift. Volumes of Russian oil stored on tankers fell from a record high of more than 13 million barrels at the end of January to just 2.9 million barrels by April 24, as buyers swarmed back in.

By bolstering Moscow and Tehran's revenues - even temporarily - these measures are arguably undermining broader US foreign policy goals.

The US administration has recently backtracked on part of this strategy. It did not renew a separate 30-day waiver issued on March 20 that allowed purchases of around 140 million barrels of Iranian oil held at sea and simultaneously imposed its

own Hormuz blockade to squeeze Tehran's revenues.

Sanctions will always involve a delicate balance between exacting pressure and limiting collateral damage to the global energy system. But the US is still the one calling the shots.

Taken together, these measures show how the US has emerged as a de facto "swing supplier" - and what Uncle Sam giveth, he can also taketh away.

US President Donald Trump could, in theory, impose restrictions or outright bans on some US energy exports to cool rising domestic fuel prices - an especially sensitive political issue ahead of the midterm elections in November. Such a move would almost certainly send international energy prices sharply higher.

An export ban remains unlikely, however. It would risk severe disruption to US oil production and refining systems that are structurally geared toward exporting surplus volumes. It would also strain relations with allies in Asia, Europe and Latin America who are relying heavily on the US to replace lost Middle Eastern barrels and could prompt retaliatory measures.



A gas flare on an oil production platform is seen alongside an Iranian flag in the Gulf.

PHOTO: REUTERS/FILE