

Oil prices rise 3%

REUTERS, London

Oil prices rose nearly 3 percent on Tuesday, extending the previous session's gains, as efforts to end the US-Iran war appeared to have stalled, with the crucial Strait of Hormuz waterway still mainly shut, starving markets of key Middle East energy supply.

Brent crude futures for June climbed \$2.99, or 2.76 percent, to \$111.22 a barrel by 0758 GMT, after gaining 2.8 percent to close the previous session at its highest since April 7. The contract is up for a seventh straight day.

At their intra-day peak on Tuesday, Brent was up 3.4 percent on the day at \$111.86 a barrel.

US West Texas Intermediate (WTI) crude for June rose \$2.54, or 2.64 percent, to \$98.91 a barrel, after gaining 2.1 percent in the previous session.

US President Donald Trump is unhappy with the latest Iranian proposal to end the war, a US official said on Monday, as Iranian sources disclosed that it avoided addressing the nuclear program until hostilities cease and Gulf shipping disputes are resolved.

Trump's displeasure with the offer leaves the conflict deadlocked, with Iran shutting shipping flows through the Strait of Hormuz, a conduit for about 20 percent of global oil and gas supplies, and the US retaining its blockade of Iranian ports.

Thailand projects fewer tourists due to war

AFP, Bangkok

Thailand's economic growth and tourist arrivals are forecast to drop this year as the Middle East war roils global energy prices, the finance ministry said Tuesday.

The country's GDP growth is projected to dip to 1.6 percent, the ministry said in a statement, down from 2.4 percent in 2025.

Growth in the Southeast Asian nation is anaemic, with the tourism sector vital but arrivals yet to return to their pre-Covid highs.

The government said in February that this year's growth forecast was between 1.5 to 2.5 percent.

Thailand expects about 33.5 million foreign tourists this year, about two million fewer than previously estimated, the ministry said on Tuesday.

Tourists from Europe and the Middle East have declined as a result of the US-Israeli war against Iran, which began two months ago and has driven up fuel prices, the ministry added.

CEMENT SECTOR UNDER COST PRESSURE

SUPPLY DISRUPTION

- War disrupts Middle East supply routes
- Clinker sourcing shifts to China, Vietnam, Thailand
- Import costs rise on tight supply, higher prices

IMPORT COST SURGE

- Clinker: \$42-\$43 → \$53/tonne (up to \$57-\$58)
- Slag: \$16 → \$23-\$24/tonne

FREIGHT & SHIPPING SHOCK

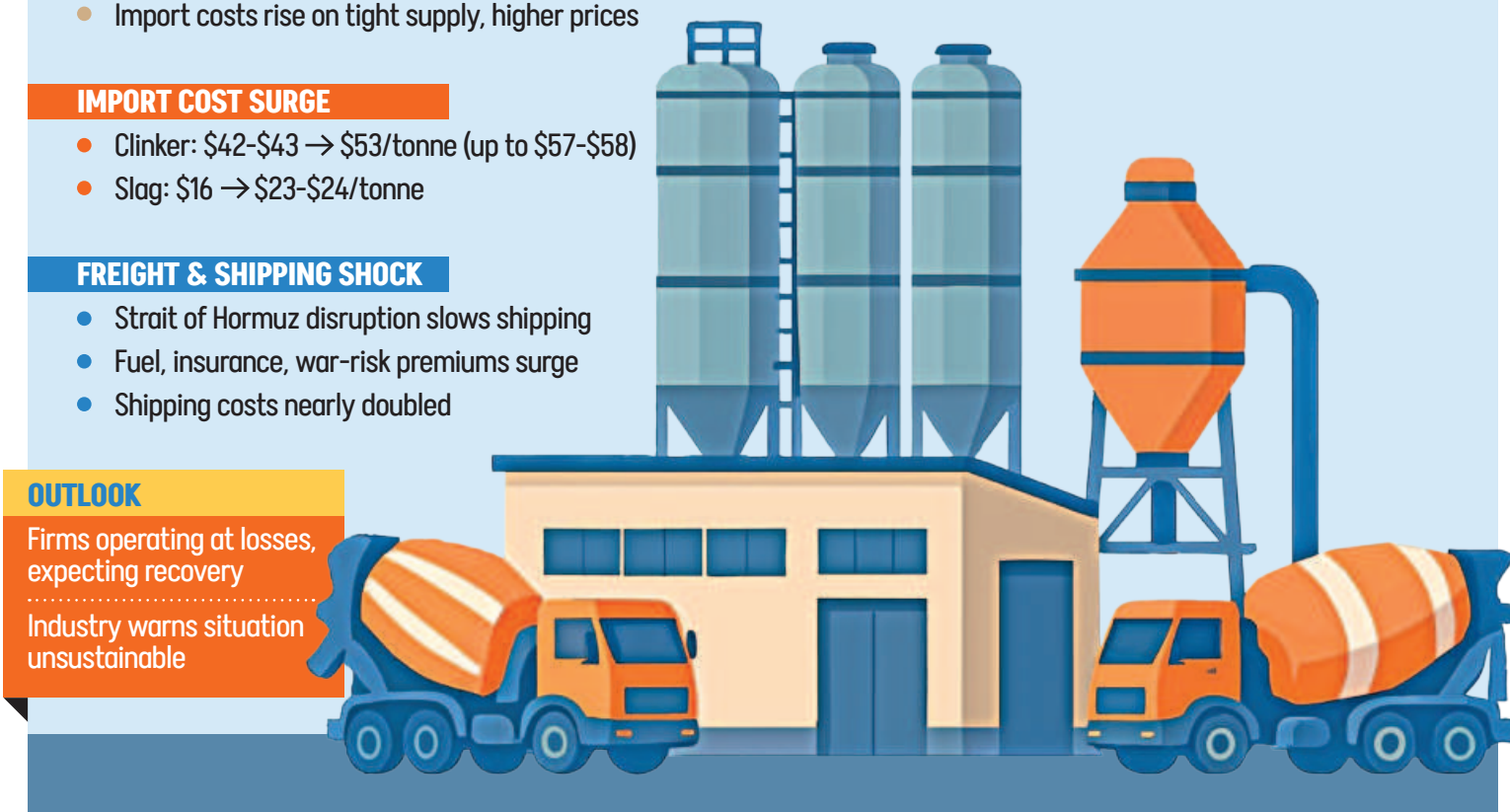
- Strait of Hormuz disruption slows shipping
- Fuel, insurance, war-risk premiums surge
- Shipping costs nearly doubled

OUTLOOK

Firms operating at losses, expecting recovery
Industry warns situation unsustainable

DOMESTIC MARKET STRAIN

- Cement price up Tk 30-50 per bag
- Actual cost increase Tk 70-80 per bag
- Weak demand limits pass-through



Cement makers under strain as war drives up input costs

Forced to import key raw materials from Asian countries at higher prices

JAGARAN CHAKMA

Cement manufacturers in the country are under growing pressure as the US-Israel war on Iran disrupts Middle Eastern supply routes, forcing them to import key raw materials – especially clinker – from Asian countries at higher prices.

The conflict has also increased freight costs, further raising overall import expenses. At the same time, weak domestic demand is preventing producers from passing on higher costs to consumers, leaving manufacturers squeezed between rising input costs and a fragile market.

The situation also highlights the sector's heavy dependence on imported raw materials. Key inputs such as clinker, limestone, granulated slag, fly ash and gypsum are largely imported. Nearly 90 percent of clinker is brought from abroad.

"Bangladesh's cement sector is under new cost pressure as clinker imports shift away from the Middle East," said Mohammad Iqbal Chowdhury, chief executive officer of LafargeHolcim Bangladesh PLC.

"Earlier, imports were largely sourced from Gulf countries at competitive prices, but that advantage has now disappeared. The country is now increasingly relying on China, Vietnam and Thailand, where clinker is being imported at higher prices," he added.

Chowdhury said the shift is linked to a widening geopolitical crisis following joint US-Israel strikes on Iran and Iran's closure of the Strait of Hormuz, a key global trade route.

"This has cut shipping traffic, pushed up freight and insurance costs, increased

logistics risks and war-risk premiums, and forced rerouting of shipments," he said.

"The impact on Bangladesh's cement industry has been immediate, as it depends heavily on imported clinker and stone aggregates."

He added that clinker import costs have risen from about \$42 to \$43 per tonne to nearly \$53 due to tighter supply and higher freight charges.

"With demand already weak, companies are struggling to pass on these costs, putting pressure on profit margins and forcing them to cut spending," he said.



Md Abul Mansur, general manager of Royal Cement Ltd, echoed these concerns. "Sourcing raw materials has become increasingly difficult due to global disruptions. Clinker is no longer coming from the Middle East, while gypsum and limestone from Oman now face sharply higher freight costs," he said.

He added, "Clinker prices have risen from around \$43 per tonne to about \$57 to \$58 per tonne, while slag prices have increased from \$16 to around \$23 to \$24 per tonne, driven by war-

related disruptions in global shipping."

Mansur linked the surge in freight costs to higher oil prices, increased insurance premiums and greater risks on maritime routes, saying shipping costs have effectively doubled.

He said the impact is already visible in the domestic market. Cement prices have increased by Tk 30 to Tk 50 per bag, even though actual costs have gone up by Tk 70 to Tk 80. Weak demand has prevented companies from passing on the full increase. "Costs are rising, but the market is unable to absorb the full impact," he added.

He also noted that construction activity has slowed as developers delay projects in hopes of greater stability, further affecting the industry.

The country's broader construction sector is also under strain due to weak public spending, subdued private investment, policy uncertainty and rising costs. These factors have already dampened project approvals, demand and growth across real estate and related industries, including cement.

Mohammed Amirul Haque, president of the Bangladesh Cement Manufacturers Association and managing director of Premier Cement Mills PLC, said the sector has faced multiple shocks over the past five years, making business difficult.

He added that many companies are still operating despite losses in the hope of recovery, but warned that this situation is not sustainable.

He stressed the need for a profit margin and cautioned that sharp price increases could harm the market.

"A quick recovery is unlikely," he added.

A multimodal future for Dhaka-Chattoogram corridor

MASUD KHAN

The Dhaka-Chattoogram corridor is the economic spine of Bangladesh, linking the capital with its principal seaport and carrying most industrial output, trade cargo and passenger traffic. A large share of export-import activity depends on this single axis, making its efficiency vital to national competitiveness. Yet this artery remains under severe strain. Congestion, unplanned roadside development and inadequate capacity have turned what should be a high-efficiency logistics route into a persistent bottleneck.

Much of the highway still operates as a four-lane road without proper service lanes, forcing long-distance freight to mix with local and slow-moving traffic. Rickshaws, vans and other low-speed vehicles reduce average speeds and raise accident risks. The alignment through bazaars and densely populated areas creates frequent chokepoints, further undermining fuel efficiency and reliability. Any meaningful upgrade must begin with strict access control and safety enforcement. Slow-moving vehicles should be barred from the main carriageway and diverted to parallel service roads. Continuous median barriers are needed to prevent unsafe pedestrian crossings, while guardrails can limit encroachment by local traffic. Properly designed entry and exit points are equally important to avoid random access. Without such discipline, even expanded capacity will not deliver lasting gains in travel time or safety.

Policy has rightly shifted towards strengthening rail connectivity along the corridor. Rail is inherently more efficient for long-haul cargo. Investments in gauge unification, improved signalling, and increased train frequency could significantly boost throughput while cutting transit times. However, rail alone cannot meet the corridor's needs. Its weakness lies in first and last mile connectivity. Most cargo still requires trucking to and from rail terminals, often involving multiple handling stages. Without efficient inland container depots, automated handling systems and reliable scheduling, these transfers can erode rail's cost advantage and



reduce its appeal.

Large-scale infrastructure choices must therefore be weighed carefully. Earlier studies suggested that a Dhaka-Chattoogram expressway would cost several billion dollars. A fully elevated corridor spanning more than 200 kilometres would multiply that figure. For comparison, the Dhaka Elevated Expressway, just over 20 kilometres long, cost more than \$1 billion. Extending such a model across the entire corridor would likely prove prohibitively expensive and difficult to sustain through toll revenues. A more viable path lies in targeted, high-impact investments: bypasses around major urban centres, service lanes to separate local traffic, and grade-separated interchanges at key junctions. Selective elevated sections may still be justified in land-constrained areas.

Rail investment also promises strong long-term returns. A modernised rail corridor can shift a substantial share of container traffic away from roads. That is crucial. An often overlooked but promising component is inland water transport. Bangladesh's vast river network provides a natural, low-cost option for bulk cargo. Improving navigability, upgrading river ports and linking waterways with road and rail systems would add resilience and flexibility to the logistics chain. Compared with road or rail megaprojects, river transport requires relatively modest investment yet can deliver substantial gains, especially for non-time-sensitive goods.

This makes a multimodal strategy essential. A modern Dhaka-Chattoogram corridor should function as a coordinated system: rail for long-haul freight, road for distribution and time-sensitive delivery, and waterways for cost-effective bulk transport. Supporting infrastructure, including logistics hubs, intermodal terminals and digital tracking systems, will be critical to ensure seamless connectivity. Bangladesh now faces a strategic choice. A balanced multimodal approach combining rail modernisation, disciplined highway management and expanded river transport offers a more sustainable and cost-effective path. Given the corridor's central role in the economy, getting this right is not merely an infrastructure challenge. It is a national priority.

The writer is the chairman of Unilever Consumer Care Ltd

Less than 30% of oil wells active in Venezuela

AFP, Caracas

Less than 30 percent of Venezuela's oil wells are currently active, a trade group said during a forum Monday, with production hovering around 1 million barrels per day.

Current production is far below the 3 million barrels a day that Caracas was cashing in on two decades ago, with only 8,491 crude oil wells active of 30,722 wells overall, according to the Venezuelan Petroleum Chamber (CPV).

Despite Venezuela holding the world's largest crude oil reserves, years of corruption, underinvestment and mismanagement in the country have been compounded by US sanctions, leading to the epic collapse in production.

Monday's event was attended by US government officials, including United States charge d'affaires John Barrett, as Washington pushes to restore oil production since ousting leftist president Nicolas Maduro in January. Barrett noted that the private sector, and US companies in particular, will be "the engine of Venezuela's transformation into a global energy hub."

CPV president Enrique Novoa called on Washington to fully remove sanctions because it is "what the Venezuelan people deserve as a society." Novoa added that multinational energy firms like Chevron and Spain's Repsol are moving forward with projects in Venezuela.

Venezuela's interim president Delcy Rodríguez, who governs under heavy pressure from Washington, has already pushed through reforms to hydrocarbons and mining laws, opening the door to private investors, both foreign and domestic.

Jovanny Martinez, executive vice president of Venezuela's state oil company PDVSA, said more than 3,464 wells have been reactivated.

Budget airlines first to cut flights as jet fuel prices soar

AFP, Paris

Ryanair, Transavia, Volotea and other low-cost airlines are feeling the financial pain from high jet fuel prices as a result of the Middle East war and are cutting flights.

The closure of the Strait of Hormuz has taken a huge chunk of oil supplies off the market, sending the price of jet fuel soaring and triggering fears of shortages that could force airlines to cancel flights.

Airlines aren't waiting for a lack of supplies to react.

"Travel alert: airlines are cutting thousands of flights right now," Travel Therapy TV host Karen Schaler said in an Instagram reel this past weekend. "Book early."

That advice would win the approval of Ryanair boss Michael O'Leary, who expressed concern earlier this month that fears of fuel shortages were making people put off booking flights.

Low-cost carriers – which control a little more than a third of the global market, according to various estimates – are feeling the pinch first due to the nature of their business model.

With cheaper tickets, they have less capacity to absorb the rise in fuel costs.

Some of the cancellations may be the normal adjustments airlines tend to make

when demand doesn't meet expectations on certain routes.

"It is not unusual for carriers to adjust their schedules at this time of the year," financial analyst Dudley Shanley at investment bank Goodbody told AFP.

But "if jet fuel prices remain at this

level, there will have to be a little bit more trimming for low-cost airlines," he added.

If before the war airlines were able to maintain marginally profitable routes or even unprofitable routes, the surge in jet fuel prices will force them to make difficult choices.



AirAsia planes are seen parked at Kuala Lumpur International Airport 2 in Sepang. The Southeast Asia's largest low-cost carrier announced on Friday that it was cutting more flights and even some connections.

PHOTO: REUTERS/FILE

That will start with many during the peak summer travel season.

"Unfortunately, it's very likely that many people's holidays will be affected, either by flight cancellations or very, very expensive tickets," the EU's energy commissioner Dan Jorgensen told Sky News last week.

The speed with which airlines are reacting depends in part upon the extent to which they secured fuel supplies in advance at fixed prices.

European airlines tend to do this to a greater extent than their rivals in other parts of the world. Air Transat, a low-cost Canadian airline, has cut six percent of its May-October flight schedule.

Southeast Asia's largest low-cost carrier, AirAsia X, announced on Friday it was cutting more flights and even some connections, without providing an overall figure.

Earlier this month the Malaysia-based no-frills airline said it was raising fares by up to 40 percent and about 10 percent of its overall flights had been cut so far.

Hungary's low-cost airline Wizz Air has so far resisted cutting flights.

"We are not taking capacity out, because I think the other guys will take capacity out," its chief executive Jozsef Varadi was quoted as saying recently by trade magazine Aviation Week.