Star BUSINESS

Remittances top $3b for fifth month

STAR BUSINESS REPORT

Remittance inflow rose 13.6 percent year-on-year to $3.13 billion in April, as expatriates sent more money home ahead of Eid-ul-Azha, the second of the two major Muslim festivals, expected to be observed later this month.

Every year, the country receives larger-than-usual money transfers from Bangladeshis living abroad ahead of the two Eids.

With the latest addition, expatriates have sent over $3 billion for five consecutive months, according to Bangladesh Bank data published yesterday.

Bankers attribute the trend to improved use of formal channels and stronger inflows from workers abroad.

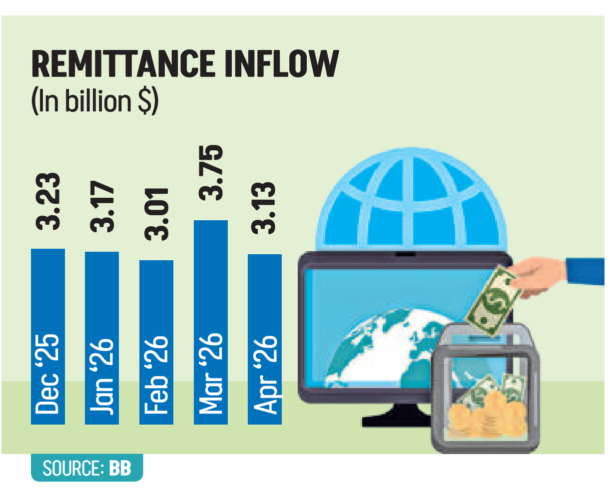
Central bank officials said remittance inflows have been growing not only in recent months but also since the fall of the previous government in August 2024.

Previously, demand for hundi had been on the rise amid reports of large sums of money being siphoned abroad. That has stopped since the interim government took over. The inflow, however, fell short of March's record $3.75 billion -- the highest single-month figure on record.

In the ongoing fiscal year 2025-26 (FY26), remittances have maintained robust growth, driving up the country's foreign exchange reserves.

Between July and April, total inflows reached $29.33 billion, up from $24.54 billion during the same period last year, marking a 19.5 percent increase.

Economists say the rising inflow could help ease pressure on the external sector, support exchange rate stability, and strengthen overall macroeconomic conditions if the trend holds in the coming months.



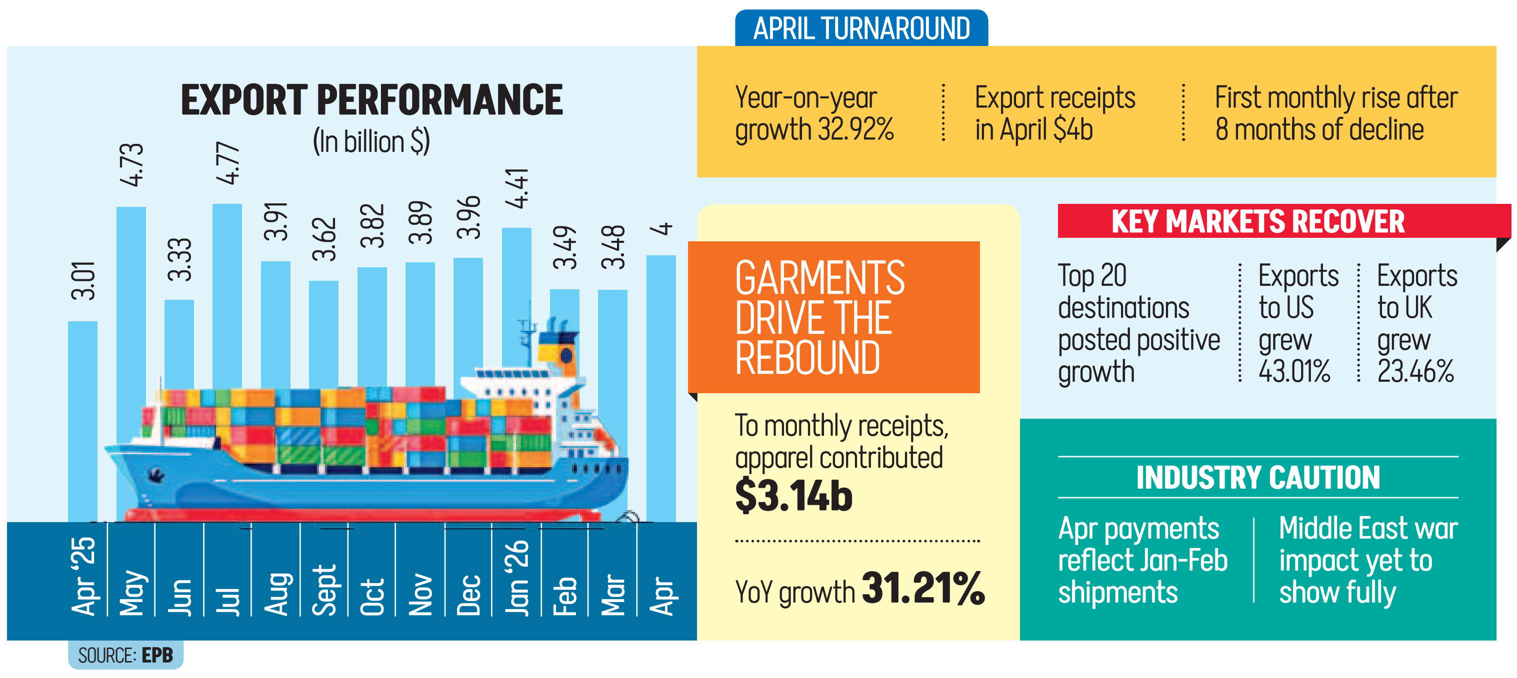
The surge in remittance comes at a time of concern over the possible impact of the US-Israel war on Iran on remittances in the coming months.

Bankers said the spike was largely due to the Eid festival, political stability, and a higher US dollar rate following a slight depreciation of the taka.

READ MORE ON B3

Exports snap 8-month decline with 33% surge in April

Shipments reach $4b with all top 20 export markets posting positive YoY growth



REFAYET ULLAH MIRDHA

The country's merchandise shipments rebounded strongly in April, ending eight consecutive months of decline as demand recovered in key markets including the US and the UK.

Outbound trade rose almost 33 percent year-on-year to $4 billion in April, according to data released by the Export Promotion Bureau (EPB) yesterday.

Despite the strong monthly performance, overall earnings in the first ten months of fiscal year 2025-26 remain slightly behind last year. In the July-April period of the current fiscal year, exports totalled $39.39 billion, about 2 percent lower than in the same period of FY 2024-25.

While the EPB says export destinations are showing encouraging signs, exporters, in a cautious tone, note that April receipts largely reflected payments for consignments shipped in January and February.

According to them, it was before the war in the Middle East began and before domestic energy shocks severely affected manufacturers.

Garments, which account for more than 80 percent of national exports, drove the April rebound. Apparel shipments increased 31.21 percent year-on-year to $3.14 billion.

Of that, knitwear earned $1.70 billion, up 30.02 percent, while woven garments brought in $1.43 billion, up 32.65 percent.

In the July-April period, garment exports fell 2.82 percent year-on-year to $31.71 billion. Knitwear declined 3.68 percent to $16.81 billion, while woven dropped 1.83 percent to $14.90 billion compared with the same period a year earlier.

The EPB said that major markets posted strong gains in April. Exports to the US rose 43.01 percent year-on-year, while shipments to the UK increased 23.46 percent.

The bureau said all of Bangladesh's top 20 export destinations recorded positive growth in the month.

Faisal Samad, a director of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said the Iran war was not expected, and the shipments of January and February of this year were booked by international clothing retailers and brands in September and October last year.

"And the payment of those work orders came in April," he said. "However, overall response from the buyers is positive now as the general election is over in February and reciprocal tariffs in the US market have also been reduced to 10 percent."

He said the export growth in April was positive after a decline in eight straight months. Manufacturers need to observe what happens in June and July this year.

Inamul Haq Khan, senior vice-president of BGMEA, said the rise in exports has been anticipated as the Bangladesh Bank data showed imports were increasing.

"If the import grows, the export also goes up," he said. "In general, the condition of export work orders was not bad, although the buyers were cautious," he said.

READ MORE ON B3

Low economic diversification leads to middle-income trap

ADB official says

SOHEL PARVEZ, *from Samarkand*

Economies with low diversification will face challenges in coming out of the middle-income trap, said the head of the Asian Development Bank Institute (ADBI) yesterday.

The issue of diversification of the economy came up at a session on "Opportunities for South Asia in a Fragmented World" at the 59th Annual Meeting of the Asian Development Bank in Samarkand, Uzbekistan. The four-day event began yesterday.

Bangladesh became a lower-middle-income country in 2015, and analysts have raised concerns that the country, highly dependent on certain sectors, namely ready-made garments, may fall into the middle-income trap, a stage of economic development where countries lose their competitive edge -- often due to rising wages and stagnant productivity -- and struggle to transition from middle-income to high-income status.

At the event, Bambang Brodjonegoro, dean and CEO of ADBI -- the Tokyo-based think tank of the ADB -- said a combination of exports and manufacturing can be a way for countries to escape the middle-income trap.

"In the case of exports, the best markets will be around you, and good relations with neighbours can help you benefit," he said.

Discussants said the global economic landscape is undergoing a significant transformation, shaped by geopolitical tensions, trade uncertainty, and rapid technological advancements.

Despite representing one-fifth of the world's population, South

READ MORE ON B3

ADB unveils $70b plan for Asia power grids, digital highways

SOHEL PARVEZ, *from Samarkand*

The Asian Development Bank (ADB) yesterday launched $70 billion worth of new energy and digital infrastructure initiatives to be implemented by 2035, aiming to connect power grids, expand cross-border electricity trade, and improve broadband access across Asia and the Pacific.

Bangladesh is expected to play an important role in linking South Asia and Southeast Asia, particularly in power grids, officials said.

ADB President Masato Kanda announced the initiative at the 59th Annual Meeting of the Board of Governors of ADB in Samarkand, Uzbekistan. The four-day event began yesterday.

"Energy and digital access will define the region's future," Kanda said. "ADB is bringing Asia and the Pacific together to build the energy grids and digital highways that will power the region's future."

The initiative includes $50 billion for the Pan-Asia Power Grid and $20 billion for the Asia-Pacific Digital Highway.

"Across developing Asia, demand for reliable and affordable electricity is growing faster than systems can deliver. The Pan-Asia Power Grid will help countries connect their power systems, scale up cross-border electricity trade, and accelerate the integration of renewable energy," he said.

ADB said the $50 billion mobilised by 2035 will expand and modernise transmission networks and strengthen grid stability, aiming to integrate about 20 gigawatts of renewable energy across borders. "We plan to connect about 22,000 circuit-kilometre transmission lines," Kanda added.

READ MORE ON B2

Rain, storms leave salt farmers counting losses

Salt fields remain submerged in Chowfaldandi union of Cox's Bazar Sadar after days of continuous rain, forcing farmers to halt production before the scheduled end of the season. The photo was taken yesterday. PHOTO: COLLECTED

SUKANTA HALDER *and* MOKAMMEL SHUVO

Days of incessant rainfall during the peak production season have caused salt farming to come to a standstill, raising concerns over reduced salt output and posing risks to the country's overall supply and market stability.

Farmers are receiving higher prices than last year for their produce. However, unfavourable weather has flooded salt fields, dashing their hopes for higher profits.

The salt production season in the country usually runs from November to May, with production peaking from April to May due to the intense summer heat, but rain has brought production to an untimely halt, said an industry official.

While the situation remains bleak at present, farmers are hoping that a return of favourable weather and the consequent resumption of production could help ease this crisis.

As of April 27, total salt output reached 17.68 lakh tonnes, down from 18.61 lakh tonnes during the same period last season, according to Bangladesh Small and Cottage Industries Corporation (BSCIC) data.

Bouts of adverse weather were responsible for the downturn in output, said Md Zafar Iqbal Bhuiyan, deputy general manager of the Cox's Bazar Salt Industry Development Office under BSCIC.

"Nonstop rain at the end of last week damaged a significant volume of newly produced salt, causing heavy losses for farmers," he said.

READ MORE ON B2

Teletalk gets 10 MHz in 700 MHz band despite huge dues

MAHMUDUL HASAN

The telecom regulator has decided to allocate 10 MHz from the highly valuable 700 MHz band to state-owned Teletalk, despite the operator owing around Tk 5,500 crore in spectrum fees and already holding significant unused or underused spectrum.

The decision was taken at a recent Bangladesh Telecommunication Regulatory Commission (BTRC) meeting, according to documents.

The 700 MHz band is considered globally valuable for wide coverage, strong indoor signal, low rollout cost, and suitability for rural-urban networks, including 5G. In Bangladesh, 45 MHz of the band is allocated for mobile use, while 20 MHz remains unused due to a legal dispute.

TIMELINE OF GOVT, REGULATORY ACTIONS

On February 8, just before the national election, the interim government, through the telecom ministry, sent a letter to BTRC instructing it to allocate 10 MHz of spectrum to Teletalk.

A day later, Teletalk applied for the spectrum.

On February 16, the ministry informed the regulator that Teletalk had proposed converting its unpaid dues -- including licence and spectrum fees -- into government equity, now under finance division review.

On April 9, BTRC sought guidance from the ministry on how Teletalk would pay for the allocation. On April 24, the ministry directed the regulator to proceed with the allocation, citing the need to reduce customer inconvenience in line with the government's election manifesto.

The price was set at Tk 237 crore per MHz, matching the rate paid by Grameenphone for 10 MHz in January as the sole bidder in the auction.

The move means the government may forgo at least Tk 2,000 crore in revenue in the near term.

Only 5 MHz of available spectrum in this band will remain for Banglalink and Robi, both of which have large customer bases. The two operators did not join the latest auction, saying prices were too high.

Spectrum is a limited and valuable resource that countries manage carefully, as it is important for improving telecom services and generating government revenue. In Bangladesh, there have been concerns about spectrum management, particularly regarding Teletalk.

LARGE DUES AND UNUTILISED SPECTRUM

Teletalk holds 55.2 MHz across the 900, 1800, 2100, and 2300 MHz bands and serves around 68 lakh

READ MORE ON B3

Bank Asia, Rancon Cars to offer auto loans for Proton vehicles

PHOTO: BANK ASIA

Hussain Mashnoor Chowdhury, chief executive officer of Rancon Cars Limited, and Syed Zulkar Nayen, deputy managing director and head of retail banking of Bank Asia PLC, pose for a photograph after signing the agreement in Dhaka recently.

STAR BUSINESS DESK

Bank Asia PLC has signed a strategic partnership agreement with Rancon Cars Limited (RCL), the authorised distributor of Proton vehicles in Bangladesh and a business unit of Rancon Holdings Limited.

Syed Zulkar Nayen, deputy managing director and head of retail banking of Bank Asia PLC, and Hussain Mashnoor Chowdhury, chief executive officer of Rancon Cars Limited, signed the agreement at a ceremony in Dhaka recently, according to a press release.

Under the agreement, Bank Asia will offer attractive and convenient auto loan facilities to individual customers for purchasing Proton vehicles, enhancing accessibility and ease of financing.

The collaboration reflects Bank Asia's commitment to delivering value-added services in the retail banking sector and improving the overall customer experience the release added.

Senior officials from both organisations were also present at the signing ceremony.

IFIC Bank opens ATM booth in Monipuripara

STAR BUSINESS DESK

IFIC Bank PLC has launched a new ATM booth in Monipuripara in Dhaka, aiming to make financial transactions easier and faster.

Kazi Md Mahboob Kasem, an independent director of the bank, inaugurated the booth as the chief guest, according to a press release.

Through the booth, IFIC Bank customers will be able to access a range of services, including cash withdrawals, fund transfers to IFIC and other bank accounts and cards, balance enquiries, mini statements, card activation, PIN changes, and other ATM-related services.

The bank remains committed to enhancing customer convenience through such initiatives and accelerating digital transformation in the country's financial sector, the release said.

Kazi Md Mahboob Kasem, an independent director of IFIC Bank PLC, inaugurates the ATM booth in Monipuripara, Dhaka on Saturday. PHOTO: IFIC BANK

Southeast Bank, NSU launch Visa-branded student card campaign

STAR BUSINESS DESK

Southeast Bank PLC, in collaboration with North South University (NSU), has launched a campaign, titled "Visa Branded Student Credit and Prepaid Card", to expand access to secure, convenient, and digital financial solutions for the academic community.

MA Kashem, chairman of the bank, inaugurated the campaign as the chief guest at the NSU campus in Bashundhara, Dhaka, according to a press release.

Under the initiative, Southeast Bank has introduced credit cards for NSU faculty members and staff, alongside student credit and prepaid cards.

Faculty and staff will enjoy a lifetime annual fee waiver on their credit cards, along with credit limits based on eligibility.

Students, meanwhile, will receive Tk 100 cashback on their first prepaid card transaction and a waiver of SMS charges for the first year.

MA Kashem, chairman of Southeast Bank PLC, inaugurates the "Visa Branded Student Credit and Prepaid Card" campaign, jointly launched by the bank and North South University, on the NSU campus in Dhaka recently. PHOTO: SOUTHEAST BANK

Mastercard hosts chargeback training for banks in Dhaka

STAR BUSINESS DESK

Mastercard, a global digital payment service provider, organised a training programme, titled "Mastercard Chargeback Lifecycle Masterclass", at Sheraton Dhaka in Banani recently.

The three-day event, which started on April 27, brought together representatives from banks and financial institutions, according to a press release.

The training focused on chargeback rules, reason codes, and real-world dispute management through interactive sessions and case-based learning.

Luca Messina, director of dispute resolution services at Mastercard, and Munish Jairath, director of technology account management, conducted the sessions.

PHOTO: MASTERCARD

Syed Mohammad Kamal, country manager for Bangladesh at Mastercard, poses for a group photograph with participants of the training programme, titled "Mastercard Chargeback Lifecycle Masterclass", at Sheraton Dhaka in Banani recently.

ADB unveils $70b plan

FROM PAGE B1

This will improve energy access for about 200 million people and reduce regional power sector emissions by about 15 percent. It will also help create 840,000 jobs, he said at the press conference.

ADB officials at the venue said their approach will be to support domestic, subregional, and then regional power grids. Building domestic capacity for strong transmission systems will be vital for countries like Bangladesh to connect to and benefit from the grid.

The initiative will focus on transmission and grid integration, including cross-border lines, substations, storage, and grid digitalisation. It will also support power generation linked to electricity trade, including renewable energy export projects, regional renewable hubs, and hybrid generation-storage facilities.

Kanda said linking power grids and digital networks across borders will lower costs, expand opportunities, and bring reliable power and digital access to hundreds of millions of people.

The international agency said the power grid initiative marks a shift from country-to-country energy links to a regional approach to power trade.

It builds on existing subregional cooperation initiatives, including the South Asia Subregional Economic Cooperation (SASEC) programme, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) grid interconnection planning, the ASEAN Power Grid, and the Central Asia Regional Economic Cooperation Energy Strategy 2030.

Bangladesh is part of SASEC and a member of BIMSTEC.

ADB said the Asia-Pacific Digital Highway will mobilise $20 billion by 2035 to finance digital corridors, data infrastructure, and AI-ready economies. Investments will focus on connected infrastructure, including terrestrial and subsea fibre networks, satellite links, and regional data centres.

In his press conference, Kanda also addressed the impact of conflict in the Middle East.

"The first blow landed in energy, but it did not stop there, with higher prices quickly spilling into fuel, freight, food, and fertiliser," he said.

He added that the shock exposes the cost of overreliance. ADB, in March, announced a financial support package to help developing member countries manage the economic fallout from the Middle East conflict.

ADB is using its Trade and Supply Chain Finance Program as an immediate tool for short-term financing. "In addition, we are providing fast-disbursing budget support to protect vulnerable populations. Finally, we are deploying rapid-response and medium-term resilience tools to stabilise economies," Kanda said.

Rain, storms leave salt farmers

FROM PAGE B1

Prolonged adverse weather forced salt farmers to halt production before the season's scheduled end. In such a situation, he expressed concern over whether the national salt production target could be achieved.

The country's annual salt demand currently stands at 27.15 lakh tonnes, as per BSCIC data.

Production has remained suspended from April 28 to May 2 due to repeated storms and rainfall.

Around 12 days of rainfall in the season so far have caused lower-than-expected production, he said.

"However, the situation may improve if conditions become favourable for the rest of the season," Bhuiyan said.

"This season, repeated rainfall has caused major losses. After this rainfall, we will hardly be able to produce any more salt. It seems the season is already over," said Borhan Uddin from Abzalia Para in Moheshkhali, a salt farmer.

At the farmer level, the average price of salt is now Tk 255 per maund, compared to Tk 230 at the same time last year, BSCIC data shows.

Despite the higher price, farmers are far from optimistic.

"When our salt production is supposed to be at its highest, storms and rain have brought it down drastically," said Abul Hossain, a salt farmer from the Nonachhari area of Moheshkhali upazila.

During the intense heat of April and May, an entire batch of salt can be produced within three days as water evaporates quickly, ensuring both higher output and better quality.

From one kani (40 decimal) of land, farmers usually produce 300 to 350 maunds of salt annually, of which around 200 to 250 maunds are harvested in these two months alone.

However, rainy weather has cut production to nearly half the target this year, he said.

"I lost around 250 maunds. If the rain had come a day later, I could have collected the salt. But the salt had not matured yet," Abul Hossain said.

Speaking about prices, he said farmers initially sold salt at Tk 180 per maund at the start of the season, which later increased to Tk 220. Despite this, he expects a loss of Tk 25,000 to Tk 30,000 per kani this season.

HM Shahid Ullah, vice president of the Bangladesh Salt Farmers Association, said that this season has not been favourable for salt farmers due to poor weather conditions and low returns.

However, he expressed hope that if weather conditions improve, farmers will attempt to resume production in the remaining period.

Push for urgent tax reforms to boost revenue: experts

STAR BUSINESS REPORT

Bangladesh needs a decisive push to mobilise revenue by immediately launching reform measures, accelerating automation, and gradually phasing out existing tax exemptions, said economists and policymakers at an event organised by the National Citizen Party (NCP) yesterday.

The national convention on energy, economy, human rights, reform and referendum was held at the Institution of Diploma Engineers in Dhaka.

"Many discussions were held and numerous committees formed, but we saw no meaningful progress in the revenue sector," said M Masrur Reaz, chairman and CEO of Policy Exchange Bangladesh.

"No reforms took place during the Awami League era, and unfortunately, the interim government also failed to act. A new government is now in place and may need time, but if reforms are not launched within the next two to three months, we risk losing this opportunity again," he added.

Reaz described the country's economic challenges as a "four-plus-one dimension"– four domestic weaknesses alongside one global factor.

He said the country's key drivers of employment and growth have stalled, while economic governance had largely collapsed before August 5, marked by banking irregularities, oligarchic control in energy, and mismanagement of public spending.

He also pointed to the absence of revenue reform, failure to formalise the informal economy, and rising dependence on external debt as major concerns.

At the event, Hasnat Abdullah, lawmaker and chief organiser (Southern Region) of the NCP, said that automating tax and customs systems through cashless, paperless processes integrated with NID is now essential.

He noted that complexities in the current manual tax system discourage compliance.

"If we automate the system and integrate it with NID, under-the-table compromises can be reduced to near zero. Many European countries have been practising this for years," he said.

AKM Waresul Karim, dean of the School of Business and Economics at North South University, said governance failures have driven stagnation in the banking sector.

"Corruption, nepotism, politicisation, and prolonged authoritarian practices have undermined institutional integrity," he said.

Confidence in state-owned commercial banks has eroded, he noted. Citing a review of Janata Bank, he said 70 percent of its loans are non-performing. Following recent political upheaval, the boards of a number of banks were reconstituted, and a Bank Resolution Ordinance was introduced, merging five banks.

However, he criticised the provision allowing previous bank owners to reclaim ownership by repaying only 7.5 percent of government liquidity support, calling it a tactic to restore control to specific individuals.

AKM Fahim Mashroor, CEO of Bdjobs, said overall unemployment in Bangladesh remains below 4 to 5 percent, but youth unemployment is three to four times higher. Each year, about 700,000 graduates enter the job market, of whom 50 to 60 percent remain jobless.

"Unemployment is not just an economic issue– it is a social and political one," he said, adding that high interest rates and energy constraints may deter investment in the near term.

He suggested promoting entrepreneurship and facilitating overseas employment through government-backed loans.

Sarjis Alam, chief organiser (Northern Region) of the NCP, chaired the first panel discussion. Shams Mahmud, former president of the Dhaka Chamber of Commerce, Chartered Financial Analyst Asif Khan, and Javed Rasin, joint convener of the NCP, also spoke at the event.

PHOTO: UTTARA BANK

Md Abul Hashem, managing director and CEO of Uttara Bank PLC, inaugurates the new service "Cash by QR" at the bank's corporate branch in Dhaka yesterday.

Uttara Bank launches 'Cash by QR' service

STAR BUSINESS DESK

Uttara Bank PLC yesterday launched a new service, named "Cash by QR", at its corporate branch in Dhaka.

Md Abul Hashem, managing director and chief executive officer of the bank, inaugurated the service as the chief guest, according to a press release.

The service allows account holders to withdraw cash without a cheque using Uttara Bank's mobile banking app. Later, Hashem also inaugurated a newly installed Cash Recycler Machine (CRM) at the branch.

Maksudul Hasan, additional managing director of the bank; Md Rezaul Karim, Khandaker Ali Samnoon, and Md Rafiul Islam, deputy managing directors; along with other officers and staff, were also present on the occasion.

Teletalk gets 10 MHz

FROM PAGE B1

subscribers, giving it about 0.81 MHz per lakh users.

By comparison, Grameenphone has 137.4 MHz for 8.44 crore subscribers (0.16 MHz per lakh), Robi has 124 MHz for 5.74 crore users (0.22 MHz per lakh), and Banglalink has 80 MHz for 3.74 crore users (0.21 MHz per lakh).

Despite higher spectrum per subscriber, Teletalk's voice and data service quality has been weaker than peers in BTRC quality tests over the years, and it has added only about 1 lakh subscribers in five years.

The operator has also not used 30 MHz in the 2300 MHz band acquired in the 2022 auction, despite rollout obligations, which is considered a breach of spectrum utilisation rules.

Teletalk's total liabilities include Tk 120 crore in licence fees, Tk 102 crore in revenue sharing, Tk 5,506 crore in spectrum fees, and around Tk 62 crore in other charges.

EXPERT CRITICISM

"Private operators are required to follow strict rules, but public companies often do not face the same obligations, which creates a market imbalance," said Khondaker Golam Moazzem, research director at the Centre for Policy Dialogue.

He added that large unpaid dues raise doubts about such firms' ability to survive in a competitive market, noting they often rely on government support rather than efficiency.

TIM Nurul Kabir, a telecom expert, said, "Spectrum is a valuable resource and allocating it to an operator that cannot ensure good service or generate revenue is a poor regulatory decision."

"The government needs a different approach to revive Teletalk rather than using up valuable resources. Such decisions are also anti-competitive," he added.

Md Emdad ul Bari, chairman of BTRC, said the allocation was approved on the condition that spectrum charges would be converted into government equity. He said this would not cause revenue loss, as funds would shift between state entities as equity investments.

Remittances top $3b

FROM PAGE B1

The growing trend in remittance inflows is a combined effort of all stakeholders, including the central bank, commercial banks, and Bangladeshi expatriates, they added.

Due to the growing trend in remittance inflows, the central bank has purchased more than $5 billion from the foreign exchange market so far in the ongoing fiscal year to manage liquidity and build up reserves.

As of April 30, the country's forex reserves stood at $30.47 billion (BPM6), up from $22.02 billion during the same period of the last fiscal year, according to the latest data from Bangladesh Bank.

Exports snap 8-month decline

FROM PAGE B1

Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said the April export data may be a bit different from the practical field, as most of the garment exporters are saying that their export situation is not good now because of the Iran war and the volatile global supply chain.

Apart from garments, several sectors recorded growth in the July-April period.

Leather and leather goods exports rose 5.95 percent to $988.06 million, jute and jute goods increased 2.52 percent to $702.76 million, and engineering products grew 20.14 percent to $537.50 million.

In the first ten months of the current fiscal year, home textile exports climbed 3.46 percent to $766.08 million. Frozen and live fish, chemical products, plastic goods, carpets and pharmaceuticals also performed well.

However, cotton and cotton products fell 12.76 percent to $427.83 million, non-leather footwear declined 1.98 percent to $437.38 million, and agricultural product exports dropped 4.69 percent to $818.66 million, according to EPB data.

Low economic diversification

FROM PAGE B1

Asia remains a modest participant in international commerce.

Subhashini Abeysinghe, research director of Verite Research in Sri Lanka, said it is the trust deficit and political commitment that are the binding constraints.

She said that building confidence among people that regional economic integration is beneficial can reduce the deficit.

"Building confidence requires integrity and accountability, ensuring transparency so that people can access information," she added.

"Political actors change when citizens' perception changes and the private sector feels positive."

Li Kouqing, deputy director of the Central Asia Regional Economic Cooperation (CAREC) Institute, said South Asia has opportunities for supply chain reconfiguration, citing countries in Southeast Asia that benefited from this.

"The region also has opportunities to benefit from cost-effective green technologies, as the countries in this region face energy shortages. Ageing is a tough issue we have to address," he added.

South Asia has a growing population, and it provides opportunities to benefit from the demographic dividend. The issue is to seize the opportunity, he stressed.

Discussants said cooperation in energy, transportation and digital infrastructure will be helpful in improving regional cooperation.

Hoe Yun Jeong, deputy director general, South Asia Department and country director for Bangladesh of ADB, said deeper regional connectivity really matters right now more than ever.

"Building up connectivity through cross-border corridors, energy and digital infrastructure, and components like trade facilitation, transparency and integrity, building financial resilience, trust and confidence building, and digitalisation can bring down costs and help countries remove bottlenecks and genuinely lead to productivity and competitiveness," he said.

South Asia does not need to wait for the world to settle down. The case for stronger regional linkages across trade, finance, infrastructure and digital connectivity is already very compelling. The opportunities are real, he added.

The Daily Star | Prime Bank

MONTHLY BUSINESS REVIEW

FUEL PRICES HIT RECORD HIGHS IN BANGLADESH

- Fuel prices rose to a record high on April 18, raising inflation concerns
- First mid-month revision since the 2024 pricing system

Govt reasoning

- Oil price hike in the global market
- Govt cannot afford high subsidy pressure
- Import disruptions amid Hormuz uncertainty

Price update

- Diesel: Tk 100 → Tk 115 (+15%)
- Octane: Tk 120 → Tk 140 (+16.67%)
- Petrol: Tk 116 → Tk 135 (+16.38%)
- Kerosene: Tk 112 → Tk 130 (+16.07%)
- 12 kg LPG cylinder: Tk 1,728 → Tk 1,940 (+12.27%)

Economic impact

- Higher transport, irrigation, and industrial costs
- Rise in commodity prices feared

Logistics sector shock

- ICDs raise charges 8.5% after diesel price hike
- Latest hike follows earlier 20% ICD, 41%+ port tariff increases
- Export container cost up 70%-80% (Tk 14,000 → Tk 23,000)

BANK RESOLUTION ACT UNDER FIRE

- Passed: April 10, 2026
- Allows former owners/directors of merging banks to regain control

Section 18(A) – reclaiming ownership

- 7.5% upfront payment of govt-injected funds
- 92.5% repayable over 2 years at 10% interest

Govt objectives

- Recover public capital
- Stabilise weak banks
- Improve banking sector liquidity

Major criticisms

- Seen as rewarding loan defaulters
- Risk of "looters" regaining control
- Concerns over politicisation, weak accountability

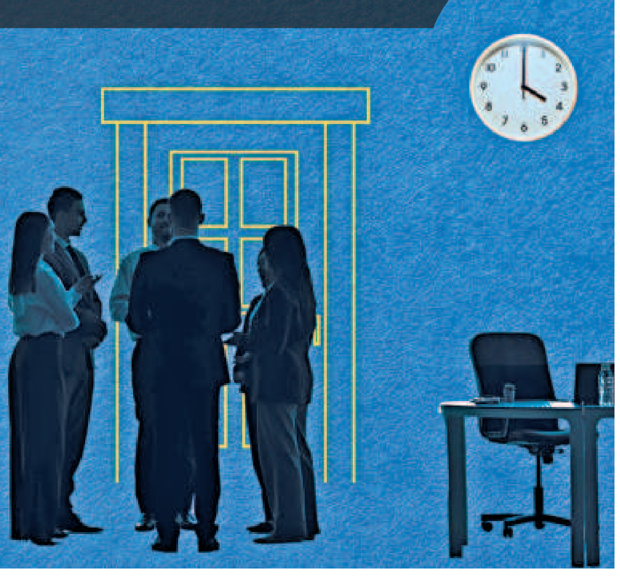
GOVT AUSTERITY CUTS HOURS TO SAVE ENERGY

Working hours

- Govt & private offices: 9am-4pm
- Banks: 9am-4pm (customer service 10am-3pm)
- Emergency services excluded

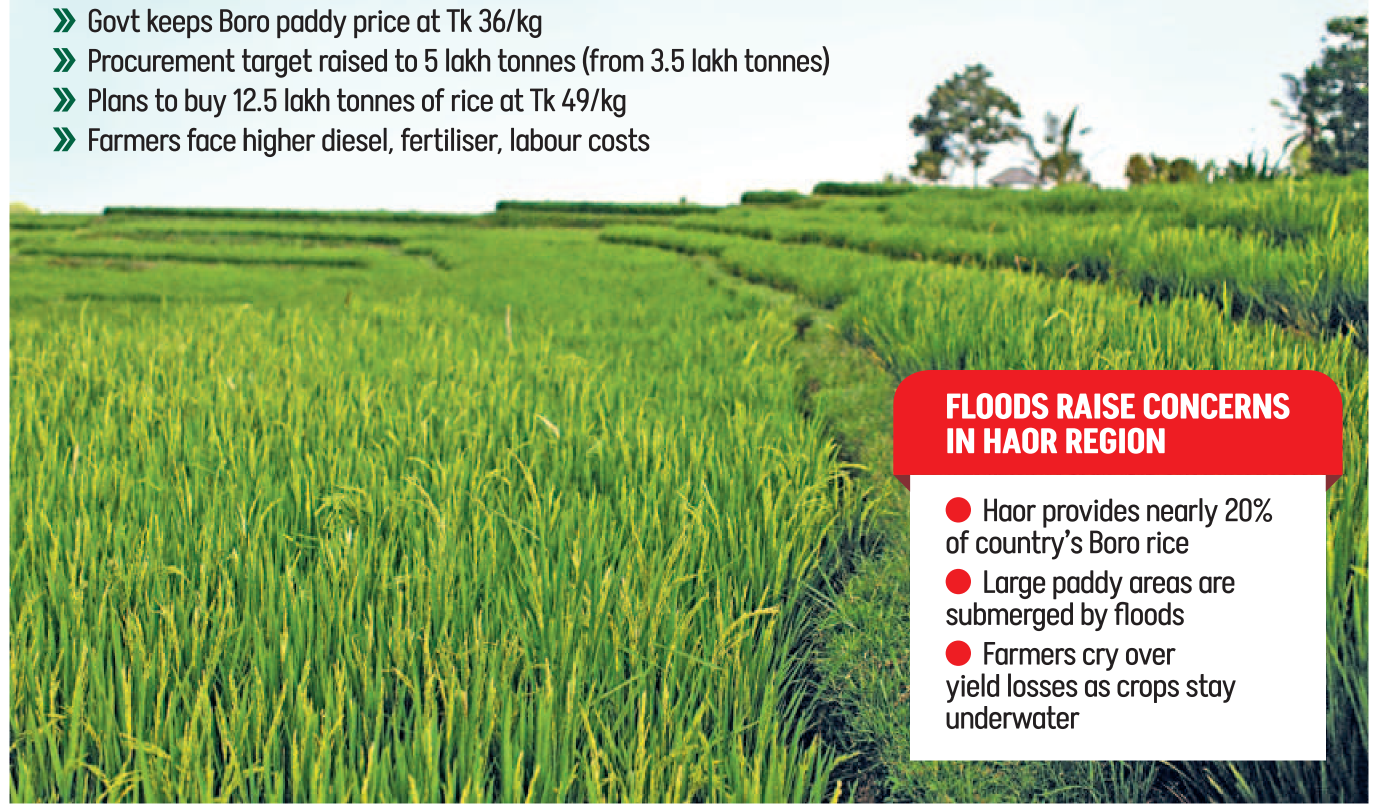
Retail & public rules

- Shops & malls close by 7pm
- Essential shops, eateries, pharmacies exempt
- Decorative lighting for events banned



BORO PROCUREMENT RATE UNCHANGED AMID RISING FARMER COSTS

- Govt keeps Boro paddy price at Tk 36/kg
- Procurement target raised to 5 lakh tonnes (from 3.5 lakh tonnes)
- Plans to buy 12.5 lakh tonnes of rice at Tk 49/kg
- Farmers face higher diesel, fertiliser, labour costs

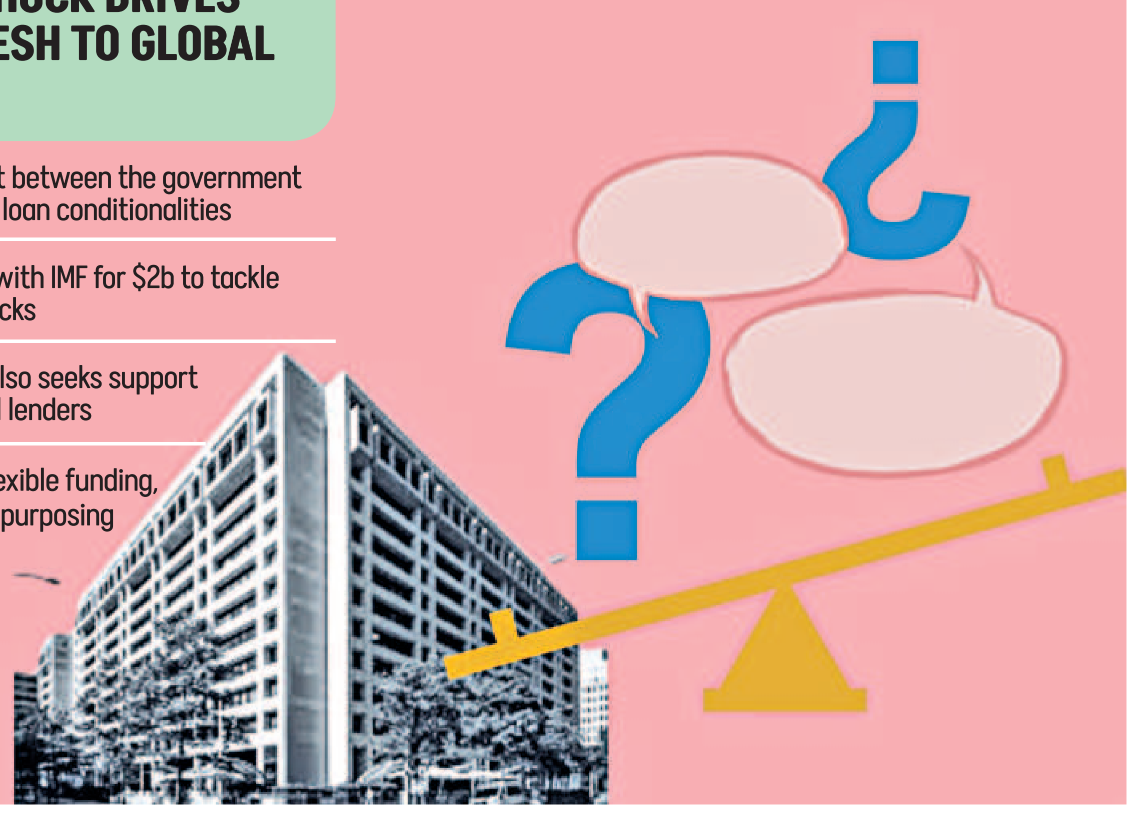


FLOODS RAISE CONCERNS IN HAOR REGION

- Haor provides nearly 20% of country's Boro rice
- Large paddy areas are submerged by floods
- Farmers cry over yield losses as crops stay underwater

ENERGY SHOCK DRIVES BANGLADESH TO GLOBAL LENDERS

- Disagreement between the government and the IMF over loan conditionalities
- Govt in talks with IMF for $2b to tackle energy price shocks
- Bangladesh also seeks support from multilateral lenders
- Govt seeks flexible funding, $1.5b WB fund repurposing



FDI GAP WIDENS DESPITE GROWTH STORY

- Bangladesh lags regional peers in FDI: UNCTAD
- Receives above average LDC inflows, but weak relative to its economy
- FDI = 0.4% of GDP; 1% of gross fixed capital formation
- Avg inflow (2019-24): $1.5b/year
- Inflow less than Cambodia; far below Vietnam, Indonesia
- FDI stock behind ASEAN, RCEP, Vietnam, Indonesia