

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

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%)

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)

Govt reasoning

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

Economic impact

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



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 gov-injected funds
- » 92.5% repayable over 2 years at 10% interest

Major criticisms

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

Govt objectives

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



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

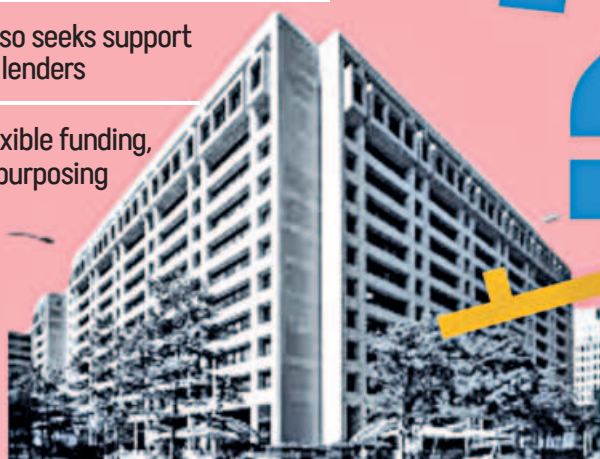


FLOODS RAISE CONCERNS IN HAOR REGION

- » 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



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