

Advancing Bangladesh's energy sovereignty for a resilient future



MACRO MIRROR

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Views expressed in this article are the author's own.

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Over more than five decades, Bangladesh has progressed reasonably well in socioeconomic terms compared to many of its peers among the least developed and developing countries. Strong economic growth over many years—largely driven by export-oriented industrialisation, especially the readymade garments sector, high remittances, and good agricultural harvests—has significantly reduced poverty. At the same time, it has led to accelerated urbanisation and increased energy demand across industries, transport, and households. Despite these achievements, Bangladesh's energy infrastructure remains structurally weak and has not developed adequately to support the long-term needs of a growing economy.

Energy is no longer merely a sectoral concern. It is now at the core of macroeconomic stability, fiscal sustainability, and national security. As Bangladesh is set to graduate from its Least Developed Country (LDC) status in November 2026 and shift towards a more diversified and higher-value industrial base, the resilience of its energy system will increasingly shape the pace and quality of this transformation. The current energy model—characterised by dependence on imports, exposure to volatile global markets, and rising fiscal burdens—is becoming unsustainable fast.

Currently, Bangladesh's energy portfolio is predominantly dependent on fossil fuels, notably natural gas, oil, and imported coal. Domestic natural gas production, once the foundation of the power sector, has been progressively declining relative to national demand. Domestic natural gas reserves are rapidly depleting as well. Consequently, Bangladesh has increasingly relied on imported liquefied natural gas (LNG) to supplement its energy needs. As a result, Bangladesh has become one of the emerging economies vulnerable to fluctuations in global gas prices.

This transition has incurred substantial costs. During the global energy crisis of 2022-23, LNG spot prices rose to unprecedented

levels. Bangladesh was compelled to curtail LNG procurements, leading to gas shortages, loadshedding, and disruptions to industrial productivity. Foreign exchange reserves declined sharply during this period, from over \$46.47 billion on November 3, 2021 to \$26.42 billion on November 1, 2023. This was due to the combined effects of increased import expenses and macroeconomic adjustments. Besides, the fiscal burden increased as subsidies allocated to the power and energy sectors, particularly through the Bangladesh Power Development Board, expanded significantly to mitigate domestic tariff increases.

Recent geopolitical tensions in the Middle East have once again exposed Bangladesh's energy security to renewed fragility. A substantial share of global oil and LNG trade passes through the Strait of Hormuz. Hence, the disruption in this corridor has immediate

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ripple effects on global prices and supply chains. For Bangladesh, which relies heavily on imported fuels from the Gulf region, such disruptions have translated directly into higher import costs, high price pressures, and increased fiscal strain.

These recurring shocks underscore a fundamental truth: Bangladesh's current energy infrastructure is inherently fragile and increasingly unsustainable. The traditional discourse on energy transition, though important, primarily focuses on climate change mitigation and does not fully address the issue's pressing nature. For Bangladesh, the transition must therefore be reframed with an emphasis on energy sovereignty.

diminishes reliance on volatile international markets. Over time, this will reduce import expenses, alleviate pressure on foreign exchange reserves, and enhance fiscal stability.

Third, it can help garner stronger public support. Energy policies in Bangladesh often focus on tariffs and subsidies, but linking renewable energy to price stability and reliability makes its benefits more visible to citizens. Renewable energy is not

Alternative models, such as rooftop solar installations, floating solar systems on water bodies, and the solarisation of public infrastructure, present substantial potential. Industrial zones, export processing zones, and public buildings can serve as significant energy generation centres.

Secondly, it is essential to modernise the grid. As renewable energy sources are naturally variable, a more flexible and responsive electrical grid is required. Investing in transmission infrastructure, smart grid technologies, and energy storage will be key to incorporating higher levels of renewables while maintaining reliability.

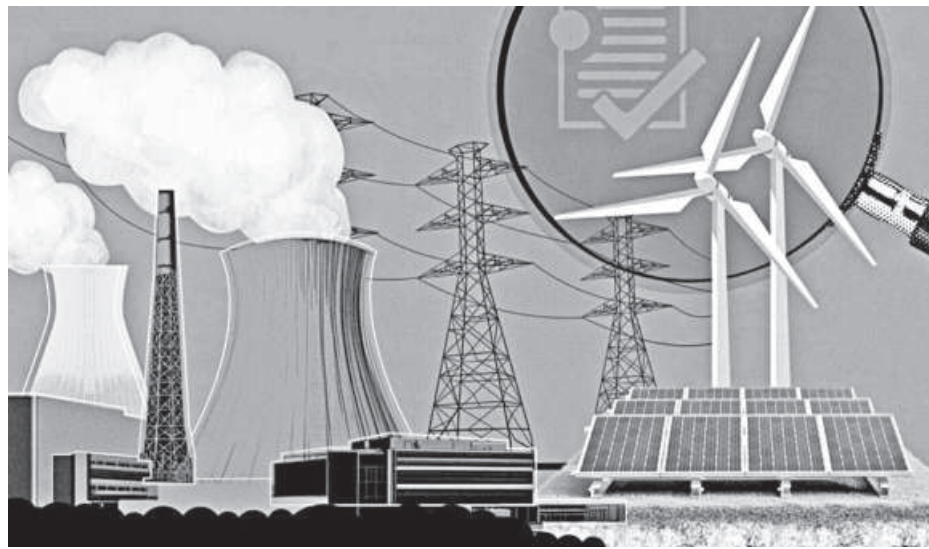
Thirdly, enhancing financing mechanisms is essential. Although renewable energy projects often need large initial investments, their operating costs are generally low. Bangladesh can leverage blended finance, concessional funding, and risk-sharing instruments to attract private sector investment. Institutions such as the World Bank, IMF, and dedicated climate funds can serve as catalysts to facilitate this transition.

Fourthly, consistent policies and clear regulations are crucial. In the past, frequent changes to tariffs, procurement procedures, and contracts undermined investor confidence. Creating a stable and transparent policy environment is essential to encouraging the growth of renewable energy.

Fifthly, regional cooperation should be explored to support domestic initiatives. Trading electricity across borders with neighbouring countries can improve energy security by diversifying supply. Simultaneously, collaboration on regional grid infrastructure and renewable energy projects can realise economies of scale. These initiatives require political will.

Finally, demand-side management should not be ignored. Energy efficiency initiatives—such as upgrading industrial processes, adopting energy-efficient appliances, and enforcing stricter building standards—can significantly reduce total energy demand and ease the burden on the supply system.

While achieving energy sovereignty demands substantial investment, institutional capacity, and political will, the repercussions of inaction will be much more severe. Bangladesh needs to reduce its reliance on imported fuels and accelerate its shift towards locally generated renewable energy to safeguard economic stability, enhance resilience to global disruptions, and ensure a sustainable, self-reliant development path for the future.



FILE VISUAL: ANWAR SOHEL

Energy sovereignty is the ability of a country to secure reliable, affordable, and sustainable energy with reduced dependence on external sources. It requires strengthening domestic energy production and building a resilient system that can withstand global shocks. In today's world of geopolitical tensions, supply disruptions, and climate risks, energy sovereignty has become a strategic necessity rather than a privilege. This reframing of the perspective on addressing the energy crisis offers considerable analytical and policy benefits.

First, it strongly aligns with the principles of political economy. Energy sovereignty is closely linked to national security and economic independence, making it a persuasive narrative across the political spectrum. Unlike climate discourse, which is frequently viewed as externally influenced, the sovereignty approach directly corresponds with domestic priorities.

Secondly, it reinforces the economic justification for renewable energy. From the perspective of sovereignty, each megawatt of domestically generated solar or wind power

only environmentally friendly but also less vulnerable to sudden price shocks caused by global geopolitical crises.

Fourth, it aligns with long-term strategic goals. Bangladesh's aspiration to become an upper-middle-income country will require a more diversified industrial base, including sectors such as electronics, pharmaceuticals, and light engineering. These sectors require reliable, competitively priced energy. A domestically anchored renewable energy system can provide that foundation while also supporting global commitments under the Paris Agreement.

Despite these advantages, Bangladesh's progress in renewable energy remains modest due to structural constraints like limited land availability, grid integration challenges, financing barriers, and policy uncertainty. Addressing these constraints requires the development of a coherent, coordinated policy framework.

First and foremost, land-use planning should be re-envisioned. Given Bangladesh's high population density, large-scale solar parks pose considerable challenges.

As a flood-prone country, Bangladesh needs stronger early flood warning systems



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The world is going through times of high climatic insecurity, exacerbated by unchecked global warming. Low-lying countries, such as Bangladesh, find themselves to be especially susceptible to cyclones, floods, river erosion, and more. In Moulvibazar, recent heavy rainfall has caused flooding, leading to irrecoverable crop losses. Although timely adaptive measures have made Bangladesh adept at cyclone precautions, rescue efforts, and makeshift shelters, early warning and response systems for floods have continued to fall short of expectations. According to a World Bank report in 2020, Bangladesh tops the list of flood-prone countries globally, with an estimated 20 percent of its land area vulnerable to submergence. Additionally, around 60 percent of the country's population is exposed to high flood risk, more so than in any other country in the world besides the Netherlands.

The population density in Bangladesh is 1,319 per square kilometre, and as per the World Bank's April 2026 Bangladesh Development Update, the country's poverty rate increased to 21.4 percent in 2025 from 18.7 percent in 2022, adding 14 lakh more poor people in 2025. Meanwhile, Bangladesh's Human Capital Index score of 0.46 reflects gaps in education, healthcare, and skills, which also limit communities' adaptation capacity.

The northern areas of Bangladesh, such as Gaibandha, Kurigram, and Chilmari, are in close

proximity to major rivers such as Brahmaputra, Teesta, and Jamuna. In 2022, the north and north-eastern regions of Bangladesh were hit by unprecedented flooding, leading to the loss of 12 lives and impacting more than 70 lakh people.

In 2024, flash floods in the country's east destroyed 339,382 hectares of crops and displaced over 500,000 people. According to a 2021

We need to look at our early warning systems through a tech-forward lens. Incoming cyclones or floods should be trackable using mobile phones, satellite images, and waterflow systems. Villages can be assigned colours to signal levels of danger and safety. Each union has a local government information centre that could serve as an early warning hub for that community.

World Bank report, annual losses incurred by floods in Bangladesh amount to around \$2 billion.

Despite extensive data on the issue, early warning systems are still not intensive or community-centric. As of now, demarcated gauge lines, handled by the water resource authorities, are in place to measure dangerous levels of water flow.

When water levels threaten to reach or cross these lines, a warning goes out to state that flooding is possible in surrounding areas. What often goes unnoticed, however, is that these installations are sometimes quite far from the villages. Due to topographical diversity, there is hardly a way to discern when and at what speed the water level will hit the villages, located some distance away from the water level gauges. In Bangladesh, hydrological models for an effective early warning system suffer from a lack of upstream data.

According to one study including respondents from Sirajganj district, during 2015-2020, 71.81 percent of households didn't receive an early warning for flooding. Of the 28.29 percent which received early warning, 82.99 percent households responded by taking preparedness measures.

While early warnings are provided over radio and speaker announcements on regional and union scales, confirmed information on a community or village level is still out of reach. Simply calling for evacuation is often not enough. The ultra-poor residents of these areas spend years saving up for their homes, fields, and livestock. When they hear of a possible evacuation plan, they think of all the losses that await them. Savings and assets go underwater, and they become aid-dependent. However, when aid is discontinued, they do not have any source of income left. Even loans are hard to come by without any assets to show. More often than not, these victims are confused or in denial as to whether evacuation is indeed required.

Decentralising early warning systems

A 2019 United Nations Office for Disaster Risk Reduction (UNDRR) report stated that investment in early warning systems could yield a tenfold return and help avoid losses, save lives, and enhance socioeconomic resilience.

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Instead of waiting to distribute aid during floods, disaster risk financing can be pushed for and demanded early on. This will not only reduce pressure on post-disaster aid but also help people innovate their own solutions to deal with the crisis.

Effective multi-hazard early warning systems

Multi-hazard early warning systems are only effective if they actually reach and are actionable by those who need them. Early warning systems convey critical information on potentially hazardous events and can yield the highest benefit-cost ratio of any adaptation investment. As per a 2019 report by the Global Commission on Adaptation, a 24-hour warning for an imminent storm or heatwave can cut the resulting damage by 30 percent, and spending \$800 million on such systems in developing countries would avoid losses of \$3-\$16 billion per year.

It is evidenced that loss of life can be

reduced if there is better uptake and understanding of necessary actions, as well as better flood forecasting.

A community-based approach is cheaper than a centralised system. While a central system is crucial, balancing the approach with people's engagement and the best technology available can make it all the more beneficial.

An effective multi-hazard community-based early warning system with engagement from the community, civil society and private sector is needed. Finally, the benefits will accrue only if early warnings lead to early action, which can very much depend on the credibility and available lead time of the warning information.



Government of the People's Republic of Bangladesh
Office of the Inspector General
Bangladesh Police
Police Headquarters, Dhaka.

Cancellation of International Tender Notice

Memo No-44.01.0000.058.07.019.25/420

Date: 04/05/2026.

The Invitation for International Tender Notice published in different national dailies as per Invitation tender ref No-44.01.0000.058.07.019.25/07(2025-2026) dated 15/03/2026 for the procurement of Crew Served Machine Gun in FY 2025-2026 is hereby cancelled in accordance with the Standard Tender Document (ITT 54) and Tender Notice (Special instructions 22-b).

This notice is issued with the approval of the competent authority.

Sd/- 04.05.26
(Md. Moniruzzaman, BPM-Sheba)
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