# Govt appoints chairman, MD for Sammilito Islami Bank

STAR BUSINESS REPORT

The government has appointed Quazi Shairul Hassan as chairman and Abedur Rahman Sikder as managing director and chief executive officer of the Sammilito Islami Bank PLC, formed merging five troubled shariah-based banks.

Both appointments are on a contractual basis for three years from their respective joining dates, according to two separate notifications issued by the Financial Institutions Division yesterday.

Hassan, currently a director of Bangladesh Development Bank, will assume the chairmanship subject to obtaining a no-objection certificate from Bangladesh Bank.

Sikder is currently serving as deputy managing director of Dutch-Bangla Bank.

The appointments come after Nabil Mustafizur Rahman, additional managing director of United Commercial Bank PLC, turned down the managing director's post just two days after the interim government approved his appointment on February 17.

# 10-member panel formed to modernise tea sector

STAR BUSINESS DESK

A 10-member committee has been formed to support the development, modernisation, and standardisation of Bangladesh's tea industry through coordinated policy and technical interventions.

According to an official notification, the committee has been constituted with representatives from key government bodies, regulatory agencies, and stakeholders in the tea sector to strengthen research, planning, and institutional capacity within the industry.

The committee is headed by Mamun Rashid, chairman of the publicly traded National Tea Company Limited and president of the business-to-business commerce platform ShopUp, who will serve as its convener.

It also includes representatives from the Bangladesh Tea Board, officials from relevant ministries, and experts involved in tea production, processing, and export.

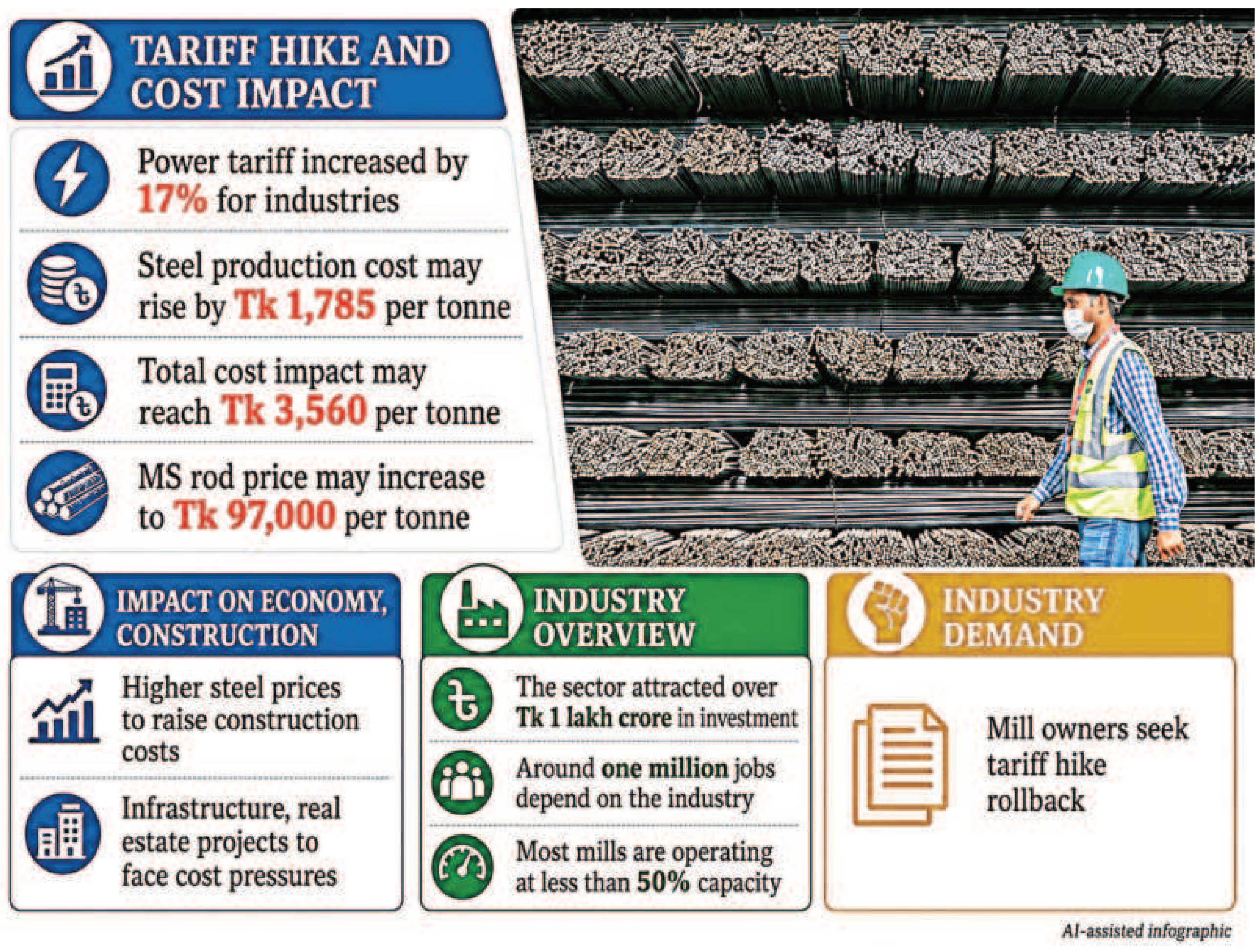
The committee comprises officials from institutions such as the Ministry of Commerce, the Bangladesh Tea Research Institute, and other regulatory and technical bodies linked to the sector.

Representatives from trade and industry associations, including the Tea Traders Association of Bangladesh, have also been included to ensure private-sector participation.

In addition, a representative of National Tea Company has been appointed member secretary.

The committee is expected to provide policy recommendations and help formulate a coordinated roadmap for the sector's long-term development.

It has also been tasked with reviewing existing challenges in the tea industry, identifying opportunities for improvement, and proposing measures to enhance productivity, quality standards, and the global competitiveness of Bangladeshi tea.




# Steelmakers seek rollback of power tariff hike

STAR BUSINESS REPORT

The country's steel manufacturers yesterday urged the government to reverse the recent electricity tariff hike, warning that it will increase production costs, push up steel prices and slow economic activity.

The government raised electricity tariffs for industrial consumers by about 17 percent, effective from June. Industry leaders said the move comes at a time when steelmakers are already struggling with weak demand, high borrowing costs, a weaker taka, gas shortages and difficulties in opening letters of credit.

"The new tariff alone will increase steel production costs by around Tk 1,785 per tonne," said Mohammad Jahangir Alam, president of the Bangladesh Steel Manufacturers Association (BSMA), at a press conference at the Jatiya Press Club in Dhaka.

He added that when VAT, port charges, fuel, transport costs and higher raw material prices are included, the total additional cost could reach Tk 3,560 per tonne, while overall production costs have already increased by nearly Tk 5,000 per tonne.

Alam warned that the price of 60-grade MS (mild steel) rod, the most widely used steel product in construction, is currently Tk 91,000 to Tk 92,000 per tonne at the retail level and could rise to at least Tk 97,000 per tonne.

"The burden will fall directly on the construction and infrastructure sectors. Higher project costs could slow both public and private investment and ultimately weigh on overall economic growth," he said.

The BSMA said the sector has attracted over Tk 1 lakh crore in investment and employs around 10 lakh people.

It added that Bangladesh has about 40 modern steel mills and over 150 re-rolling mills, with a combined annual production capacity of around 1.22 crore tonnes, while domestic demand is only about 50 lakh tonnes a year, meaning mills are operating at less than half of their installed capacity.

Alam also said steelmakers have made significant investments in their own power infrastructure, including 230kV, 132kV and 33kV substations, allowing them to receive electricity directly and avoid adding to distribution losses.

**Industry leaders also called for a review of capacity payments, power contracts and reserve margins, saying lower electricity costs, better energy efficiency and diversified energy sources are essential for sector growth and competitiveness**

Referring to a recent public hearing by the Bangladesh Energy Regulatory Commission, he said the Bangladesh Power Development Board admitted that high-voltage consumers like steel mills face almost no system losses and are profitable customers.

Despite this, electricity tariffs have increased by around 60 percent to 70 percent over the past five years.

Alam urged the government to withdraw the latest tariff hike and gradually reduce annual capacity payments of Tk 40,000 to Tk 50,000 crore, warning that further cost increases could threaten the sustainability of the steel industry.

BSMA Secretary General Sumon Chowdhury also called for a review of recent electricity price hikes and a reduction in capacity payment burdens, saying these measures are weakening the competitiveness of local industries.

"Reducing electricity costs is essential for sustaining industrial growth," he said.

According to Chowdhury, capacity payments to power producers rose from Tk 32,000 crore in the fiscal year (FY) 2023-24 to nearly Tk 42,000 crore in FY2024-25.

He suggested reviewing these costs and renegotiating power contracts to reduce pressure on both industries and consumers.

Chowdhury also proposed revising or cancelling costly power sector agreements, phasing out expired rental and quick-rental power plants, and reducing the country's reserve generation margin to below 25 percent.

He further called for greater energy diversification, including higher investment in renewable energy and reduced dependence on imported fuels and LNG.

He also urged greater transparency in public spending and stronger engagement between policymakers and business leaders to support industrial growth and protect the economy.

BSMA Vice President Maruf Mohsin said ferroalloy is a key raw material used in steel production and has been manufactured locally for the past 17 years, helping the country save millions of dollars in foreign exchange by reducing import dependence.

He said the production process is highly electricity-intensive, and any further rise in power costs would significantly reduce profitability, putting ferroalloy producers under severe financial pressure and potentially forcing some plants to shut down.

Former BSMA president Manwar Hossain, former vice president Sk Masadul Alam Masud, and BSRM adviser Kazi Anwar Ahmed were also present at the conference.

# Piracy and the future of creative economy

TARIQ ALAM

Bangladesh has set itself an ambitious objective: building a creative economy that can generate jobs, exports and investment through media, entertainment and digital content. Policymakers increasingly recognise that film, television, streaming platforms and digital creators can become important drivers of economic growth, employment and the global reach of Bangladeshi content. For this ambition to succeed, Bangladesh must address a growing challenge that threatens the sustainability of the media and entertainment ecosystem. A creative economy can only thrive when creative assets have value. When intellectual property is routinely copied, redistributed and consumed without authorisation, the incentives that drive investment, innovation and content creation begin to erode. Piracy is therefore no longer merely a copyright issue; it is a direct challenge to Bangladesh's creative economy ambitions.

In Bangladesh, illegal access to broadcast and entertainment content is no longer confined to obscure websites. Content is increasingly accessed through illicit streaming services, social media streams and unlicensed platforms carrying broadcast signals over IP-based networks outside established licensing frameworks. An unregulated digital distribution layer is operating alongside, and increasingly replacing, the formal system.

As internet penetration rises and streaming becomes mainstream, piracy is expanding rapidly. Bangladesh, with its growing appetite for sports, entertainment and digital content, is entering a critical phase where piracy risks becoming deeply entrenched. While the immediate impact falls on broadcasters, rights holders and distributors, the broader implications extend across the creative economy.

Every successful creative economy is built on intellectual property. The underlying asset is content that can be licensed, monetised and exported through broadcasters, pay-TV operators, streaming platforms and licensed distribution networks. Piracy directly undermines this model. When it becomes widespread, legitimate revenues decline, weakening incentives to invest in new content and reducing the economic contribution of the formal media ecosystem. Investors become more cautious, content budgets shrink, and creators struggle to capture the value of their work, leading to less content, innovation and opportunity. It can also limit job creation across the media and entertainment value chain.

Bangladesh already has a legal framework. The Copyright Act 2023 prohibits unauthorised distribution and retransmission of broadcast content, including digital distribution over IP networks, and provides both civil and criminal remedies. Yet piracy continues to thrive because the challenge is not legal absence but enforcement. As broadcast and internet-based distribution converge, responsibilities are spread across multiple authorities, including the Ministry of Information and Broadcasting, the Bangladesh Telecommunication Regulatory Commission and agencies responsible for digital governance and cybersecurity. Addressing piracy therefore requires coordinated enforcement rather than isolated action.

Piracy is also evolving. It increasingly occurs through digital and IP-based platforms operating outside established licensing and regulatory frameworks. These networks often rely on foreign-hosted infrastructure and opaque payment channels while exposing consumers to cybersecurity risks and weak protections. Piracy is also a broader question of digital governance and ecosystem integrity.

Digitalisation is often presented as a solution, but not all digital systems are equal. Effective digitalisation requires technologies that enable traceability, content protection, compliance and accurate subscriber reporting. Without these safeguards, digital platforms can simply make unauthorised redistribution more efficient. The challenge is not legislation but execution. More effective enforcement of existing laws, stronger coordination among regulators and a structured approach to digitalisation that prioritises transparency, traceability and accountability are essential.

As Bangladesh seeks to strengthen its position in media and entertainment, the protection and commercialisation of creative assets will become increasingly important. The country's creative economy will depend not only on producing more content but also on creating the conditions that allow that content to generate lasting economic value. Strengthening enforcement, improving coordination and building a digital ecosystem that supports innovation, investment and accountability can help create a more vibrant media and entertainment sector and support the continued growth of Bangladesh's creative economy.

*The writer is a strategic consultant across technology, media and infrastructure industries*

# Oil market calm masks a host of unknowns

REUTERS, *London*

The biggest oil supply shock in decades has entered its fourth month – with no resolution in sight as neither the US nor Iran appears willing to budge – yet the market remains surprisingly calm. This disconnect reflects an uncomfortable reality: the biggest drivers of today's energy market are a host of unknowns.

The renewed strikes between Iran and Israel over the weekend have sent oil prices up over 4 percent to $98 a barrel on Monday, but Brent crude remains well below levels seen only a few weeks ago and comfortably within the range of the past two decades.

This has happened even though the Strait of Hormuz – the world's most critical oil chokepoint – has remained largely shut for more than three months, disrupting flows equivalent to roughly 13 percent of global supply.

A large part of the market's sanguine mood reflects expectations that conditions in the Gulf could change overnight. US President Donald Trump's repeated assertions in recent weeks that a deal with Iran is imminent have helped cool prices.

Yet there is little evidence that Washington and Tehran are moving closer to a durable agreement, with both sides continuing to strike targets across the region.

Even if a formal reopening of Hormuz occurs in the next few weeks – a scenario that is hardly the base case – this would not instantly translate into a full recovery of flows. Shipping is governed as much by risk assessments as by geopolitics. Tanker operators, insurers and traders are likely to remain cautious about re-entering the Gulf, fearing vessels could once again become stranded in the event of renewed hostilities.

While there are increasing indications that more cargoes have been leaving the Gulf in recent weeks using stealth channels, these are short-term solutions being employed by desperate operators, not a long-term strategy for the world's largest energy companies.

What's more, this opacity speaks to the larger problem. Oil traders are mostly operating in the dark, regarding both supply and demand, raising the risk of a nasty surprise if their assumptions prove faulty.

**HOW LONG CAN STOCKS GO?**

The first major unknown is exactly how long global inventories can last. Governments and companies have tapped commercial stocks and strategic reserves at an unprecedented pace since the conflict broke out on February 28.

Global crude and fuel stocks fell at a pace of 5.27 million barrels per day in March, accelerating to 8.62 million bpd in April and likely approaching 9 million bpd in May, according to the US Energy Information Administration. Draws could rise further to around 11 million bpd in June as seasonal demand increases ahead of the Northern Hemisphere summer.

These are extraordinary numbers – equivalent to running down Saudi Arabia's pre-war production every single day.

The United States offers a stark illustration. Total US crude inventories, including the Strategic Petroleum Reserve, have fallen by roughly 10 percent this year to 1.5 billion barrels – the lowest since 2004.

At Cushing, Oklahoma – the delivery point for West Texas Intermediate futures – stocks have dropped to 22.4 million barrels, the lowest since January. If draws continue at the recent average pace, inventories could soon fall below 20 million barrels, a level widely seen as the minimum operational threshold needed to keep the hub functioning smoothly.

**Desh Garima, an Indian-flagged tanker carrying crude oil that transited through the Strait of Hormuz, is seen docked at an offloading terminal along the coast in Mumbai.** PHOTO: AFP/FILE

The market has proven remarkably adaptable in recent months and could continue to find workarounds, but storage systems are not infinitely flexible. Once those "tank bottoms" are approached, prices would typically be expected to shoot up to reflect scarcity.

**THE CHINESE ENIGMA**

Another key unknown is China.

The world's second-largest oil consumer has sharply reduced its seaborne crude imports in response to higher prices, with imports falling in May to 6.36 million bpd, the lowest level in nearly a decade.

That decline has provided significant relief to other importers by easing competition for scarce cargoes. But it has also introduced a new layer of uncertainty.

First, China could decide to go back into the market at any moment.

China does not publish timely or comprehensive consumption data, leaving the market largely in the dark about how much demand has actually been affected.

Chinese refiners may have drawn on commercial inventories to offset lower imports, or Beijing may have begun to tap its vast – but opaque – strategic reserves.

If the latter is true, global supply could be tightening more than traders currently estimate. If not, the drop in imports may signal a sharper-than-expected slowdown in demand.

Either way, this lack of clarity regarding a fundamental driver of the global supply-demand balance at such a precarious moment is troubling – and could leave some suddenly finding themselves on the wrong side of a trade.

**THE INVISIBLE BALANCING FORCE**

The difficulty of gauging China points to a broader problem: demand is inherently harder to measure than supply.

While the industry has developed increasingly sophisticated tools to track crude production, refining activity and tanker movements – often in near real time – consumption remains fragmented across billions of users and is often only reported with significant delays. In some cases, such as China, it is not reported at all.

As a result, estimating the level of demand destruction caused by the current supply shock has become an exercise in inference. In theory, the mechanism is straightforward: tightening supply depletes inventories, higher prices follow, and demand is gradually destroyed. In practice, that process is messy, uneven and difficult to observe in real time.