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AI trails traditional method in poverty targeting B4

Frequent power cuts put small businesses under pressure







PHOTOS: AZAHAR UDDIN, AHMED HUMAYUN KABIR TOPU, HABIBUR RAHMAN

Loadshedding disrupts businesses nationwide. *Clockwise from left*: Idle silk-loom workers at the Rajshahi BSCIC industrial area; an employee sits idle outside a workshop near Pabna bus terminal; a mechanic repairs a generator on Sheikh Russel Road in Khulna amid rising demand for backup power.

SOHEL PARVEZ, DIPANKAR ROY *and* AHMED HUMAYUN KABIR TOPU

Each time the electricity goes out, Abdus Salam's lathes at a workshop in Pabna grind to a halt. Workers at Rezbin Hafiz's small shoe factory in Dhamrai also have to stop work and wait for hours for power to return. At Abul Kashem's engineering unit in Keraniganj, production comes to a standstill, leaving workers battling the heat and falling behind on delivery deadlines.

All of these are small and medium-sized businesses. Unlike large manufacturers and exporters, they cannot afford to run generators to keep their machines going during power cuts. Therefore, frequent outages directly hurt their productivity and revenue.

As load shedding now lasts for around half the day in some areas, these businesses are facing serious disruption.

"We cannot manufacture a shoe properly due to load shedding, and time gets lost, and production is delayed," said Rezbin Hafiz, managing director of Peoples Footwear and Leathergoods at Dhamrai BSCIC Industrial Estate.

She said production costs had already risen over the past three years because of higher raw material prices. "Our buyers have cut their orders," she told The Daily Star over the phone yesterday.

Against this backdrop, repeated power cuts are delaying production and pushing up costs further, said Rezbin.

Similar to her factory, Bangladesh has 1.20 crore cottage, micro, small and medium enterprises. They contribute more than 30 percent of the country's gross domestic product and employ 3 crore people.

From light engineering and agro-processing to welding shops, leather goods makers and neighbourhood laundries, these businesses are widely seen as the backbone of the economy.

But amid the rolling blackouts, some are spending more to produce the same amount of goods, while others are taking much longer to meet delivery deadlines. For some entrepreneurs, the situation has become so difficult that they are dipping into their savings to pay workers' wages.

Abdus Salam, a small entrepreneur in Pabna, said load shedding has sharply reduced his revenue recently. He could earn Tk 2,000 to Tk 3,000 on a normal business day, but load shedding has sharply cut the amount.

"I have four heavy machines, including two lathe machines. But I am unable to run those for 3 to 4 hours on most working days. This is the common picture over the last couple of months due to the excessive power outages," said the entrepreneur.

"I am forced to pay salaries to my workers from my savings," he said.

"It will be tough to sustain the business if the power outage continues this way," added Salam, who has been in the trade for the last 30 years.

The country has 29,500MW of power generation capacity, but fuel shortages mean it can produce only around half of that. The nation has struggled with power and energy shortages for decades, making load shedding common for much of the year, except in winter.

The situation has worsened over the past couple of weeks after gas supplies fell following an accident at a floating liquefied natural gas terminal in Cox's Bazar. As a result, gas-fired power plants have cut production.

On August 11, nationwide load shedding reached 3,007MW, the highest level in recent days.

"We do not get electricity for half the day," said Abul Kashem Titu, owner of Mafia Engineering, a workshop in Dhaka's Keraniganj.

He said they have tried shifting working hours to the night, but even then they could not get an uninterrupted electricity supply. The outages are now simply delaying deliveries.

"We could deliver a packaging machine in 40 days. As the load shedding is severe, we are struggling to finish the same work in two months," Kashem said. "Those of us in production are really in a very bad situation."

"We have to pay Tk 4 lakh in salaries to workers and employees. Now, we are paying salaries while our workers cannot work," said the small entrepreneur.

Small entrepreneurs are facing the power crisis as economic pressures are already mounting, with persistent inflation, falling exports, weak private-sector investment and factory closures adding to their difficulties.

In Khulna, the largest city in the southwest, power cuts are also disrupting small businesses.

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Exporters vulnerable to shipping shocks: HSBC

STAR BUSINESS REPORT

Bangladesh's exporters face rising trade risks as shipping disruptions, US tariff uncertainty, growing protectionism and the loss of LDC trade preferences threaten costs and market access, according to officials of the Hongkong and Shanghai Banking Corporation (HSBC).

The challenges were highlighted at a business forum styled "Navigating Global Trade: Future-Proofing Bangladesh," organised by the bank in Dhaka on Tuesday.

Shanella L Rajanayagam, senior trade economist at HSBC Global Research UK, said global trade was being disrupted on several fronts, with shipping shocks and changes in US tariff policy creating fresh uncertainty for businesses.

She said the challenge is particularly significant for Bangladesh as the country prepares to graduate from LDC status and gradually lose some of the trade preferences it currently enjoys.

"Securing preferential market access through trade deals matters more than ever," Rajanayagam said.

HSBC officials added that businesses are also having to rethink how they manage supply chains and capital as the cost of building resilience rises.

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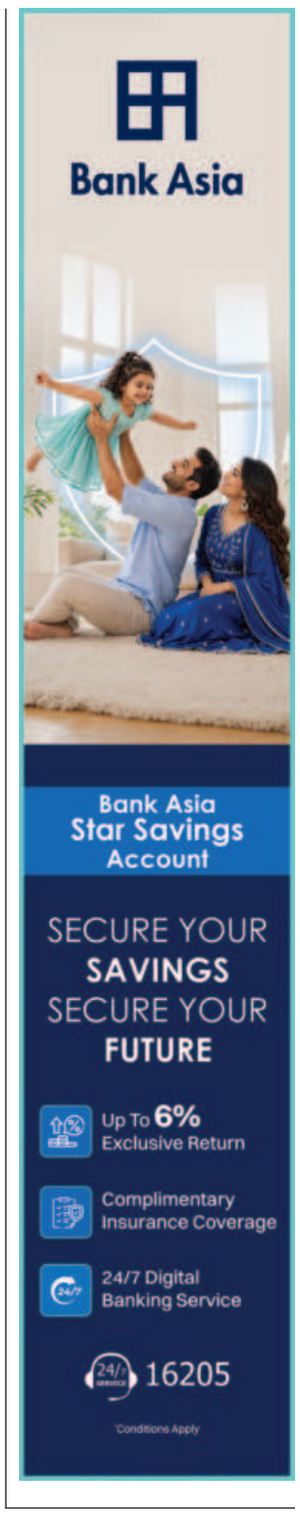
Companies now face difficult choices over supply chains, capital deployment, revenue models and investment in AI, said Aditya Gahlaut, managing director and regional head of Global Trade Solutions for Asia at HSBC.

He said resilience was no longer simply an operational issue but increasingly a balance-sheet decision, requiring companies to commit capital, hedge risks and finance changes to their operating models.

The pressure comes at a time when Bangladesh's export sectors need to remain competitive while adapting to changing trade rules and customer requirements in major markets.

Md Mahbub ur Rahman, chief executive officer of HSBC Bangladesh, said Bangladesh's young workforce, domestic demand and rising trade volumes could create opportunities despite the changing environment.

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Govt didn't distort inflation data: Khosru

STAR BUSINESS REPORT

Finance Minister Amir Khosru Mahmud Chowdhury yesterday denied allegations of data manipulation in the latest inflation figures, saying the decline in inflation in July was primarily driven by lower rice and meat prices.

"This government will by no means distort information. Rather, we want to re-examine past statistical errors or misleading data presented to the public and work based on accurate facts," he said.

"Having correct data is crucial for the government, as policy will be formulated based on those numbers," he added.

The minister was responding to reporters' questions about inflation data and why people do not believe it at the closing ceremony of a three-day conference on the Sustainable Development Goals (SDGs) at the Bangladesh-China Friendship Conference Centre in Dhaka.

He said the government had verified the decline in rice and meat prices, as well as the format and methodology used to calculate the newly released inflation figures.

Authorities are also examining other factors that contributed to the decline, he added.

The Bangladesh Bureau of Statistics (BBS) on August 11 reported that inflation fell to 8.32 percent in July, its lowest level in eight months.

At the same event, State Minister for Planning Zonayed Abdur Rahim Saki said the government would hold a detailed briefing for journalists on how inflation is calculated.

"The entire process will be presented to you, along

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US delegation in Dhaka to explore investment opportunities

REFAYET ULLAH MIRDHA

A 45-member business delegation from the United States, representing 25 companies under the US-Bangladesh Business Council (USBBC), arrived in Dhaka on August 11 to explore investment opportunities.

The USBBC, a wing of the US Chamber of Commerce, is the advocacy body representing American business interests in bilateral trade with Bangladesh.

The delegation includes officials from major American companies such as Chevron, Excelerate Energy, Visa and Mastercard, according to a US Embassy official in Dhaka.

They are targeting technology, AI and digital innovation, cloud and cybersecurity, healthcare and life sciences, renewable energy, advanced manufacturing, and the financial sector, the official added.

The delegation has held a series of meetings with trade bodies and ministry officials to gauge investment potential across sectors, the embassy official said.

MEETING WITH AMCHAM

Following their arrival, the delegation held an informal meeting at a Dhaka hotel yesterday with leaders of the American Chamber of Commerce (AmCham) in Bangladesh, a trade body representing US-affiliated companies operating in the country.

They sought details on trade barriers and priority investment sectors, according to AmCham members.

"We want to bring $5 billion investment from the US entrepreneurs in Bangladesh over the next five years," a senior AmCham member said after the meeting.

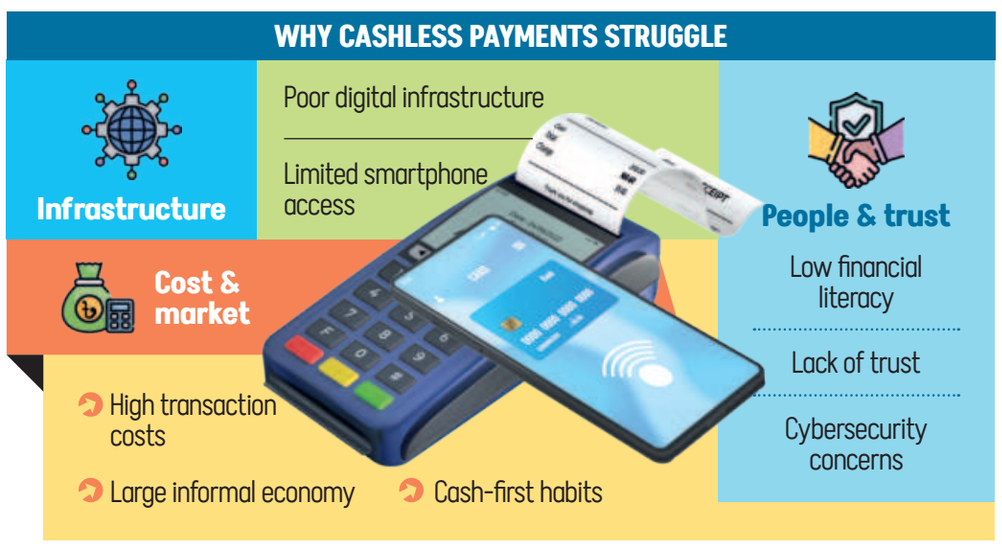
MEETING WITH INDUSTRIES MINISTER

The delegation also met Industries Minister Khandakar Abdul Muktadir at the ministry on the same day.

After the meeting, Muktadir said the government is working to boost export capacity in the jute, leather, shipbuilding and ship-recycling sectors, according to a statement from the industries ministry.

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Cashless push faces infrastructure, trust barriers: BB



STAR BUSINESS REPORT

Bangladesh is seeing rapid growth in card-based transactions, but the transition to a cashless payment system continues to face structural challenges, including inadequate digital infrastructure, low financial literacy, cybersecurity concerns, high transaction costs and a deep-rooted cash-based culture, according to Bangladesh Bank.

The central bank, in its June 2026 report titled "An Overview of Card Usage Patterns Within and Outside Bangladesh", said limited digital infrastructure, particularly in rural areas, remains a major obstacle to wider cashless adoption.

Low financial literacy, concerns over cybersecurity and a lack of trust in digital platforms also discourage many consumers from using electronic payment methods. High transaction costs, limited smartphone access and the country's large informal economy further complicate the shift away from cash.

The challenges persist despite a significant expansion in card usage. The number of debit, credit and prepaid cards issued in Bangladesh increased by 97 percent over the past five years, while transaction volume through the three types of cards rose 91 percent to Tk 44,813 crore in June 2026 from Tk 23,497 crore in July 2021, the report said.

Domestic credit card transactions also increased 43.24 percent year-on-year in June 2026, reaching Tk 4,461 crore, up 4.04 percent from the previous month.

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Disclose public procurement contracts

US urges Bangladesh

STAR BUSINESS REPORT

Bangladesh has clear legal and regulatory procedures for awarding natural resource extraction contracts and licences, but provides only limited information on public procurement contracts, according to a US government report.

The interim government introduced an electronic public procurement system, but access to the system could be improved, said the 2026 Fiscal Transparency Report: Bangladesh, published recently by the US Department of State.

The report recommended that Bangladesh publish basic information on natural resource extraction awards and public procurement contracts to improve fiscal transparency.

It said the interim government made progress by publishing its end-of-year report within a reasonable time and making its proposed and enacted budgets available online.

Budget information was generally reliable, and the government publicly disclosed its debt obligations. The budget also provided a fairly complete picture of planned revenues and expenditures, including income from natural resources.

However, the report said Bangladesh's budget documents were not prepared in line with internationally accepted standards. They did not provide details of spending by executive offices or a complete picture of government revenues and expenditures.

The report also raised concerns about Bangladesh's supreme audit

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