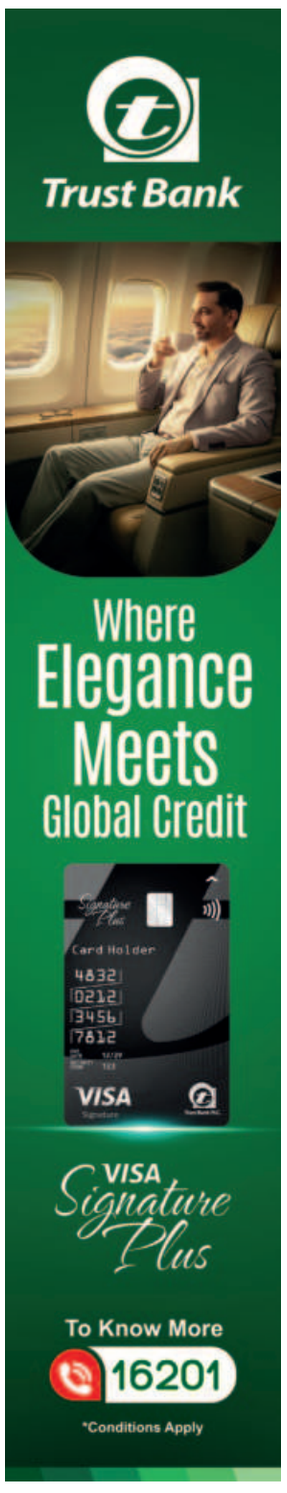
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Business


B4

POST-LARVAE SHORTAGE LEADS TO BAGERHAT HATCHERY CRACKDOWN



Foreign funding cuts put 2,200 NGOs at risk

STAR BUSINESS REPORT

Around 2,200 small and medium-sized NGOs in Bangladesh could be particularly vulnerable as foreign funding declines, with grant-reliant organisations providing social services facing the greatest risk, according to a study by the Bangladesh Institute of Development Studies (BIDS).

Unlike NGOs with microcredit operations, these organisations have no lending income to fall back on when foreign funding declines.

The study says the growth of NGOs without a lending arm is significant because they have no lending surplus to cushion a contraction in foreign grants.

A BIDS survey found that two-thirds of grant-dependent organisations reported significant damage from funding cuts

A BIDS survey found that two-thirds of grant-dependent organisations reported significant damage from funding cuts, with their budgets falling by an average of 40 percent. Among NGOs with microcredit operations, the average decline was 12 percent.

The findings were presented at a seminar titled "Beyond Foreign Dependence: The Future of NGO Financing in Bangladesh" at BIDS yesterday.

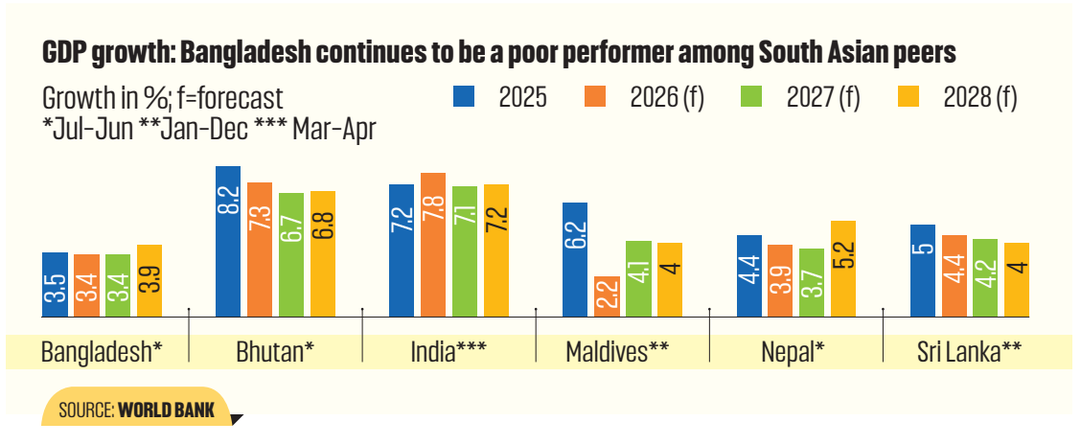
Finance and Planning Minister Amir Khosru Mahmud Chowdhury called for stronger institutional partnerships among the government, NGOs and the private sector to create sustainable financing for the sector.

He urged time-bound measures to help NGOs secure alternative funding as development assistance declines worldwide.

READ MORE ON B3

Growth to stay below 4% until FY28 on energy, banking woes

World Bank forecasts Bangladesh's growth will be South Asia's weakest in 2027, even as the rest of the region accelerates



REJAUL KARIM BYRON *and* REFAYET ULLAH MIRDHA

Bangladesh is yet again set to register weak economic growth of 3.4 percent in the current fiscal year, according to the World Bank, marking a fourth straight year of slowing growth amid a deepening energy crisis, financial sector vulnerabilities and global uncertainties.

The Washington-based lender expects only a slight recovery to 3.9 percent in fiscal year 2027-28, meaning Bangladesh is set to record the weakest growth among its South Asian neighbours in 2027, according to the World Bank's latest economic update on Bangladesh and South Asia released yesterday.

The forecast is a further downgrade from the multilateral lender's April estimate. It also marks a sharp break from past years when Bangladesh was seen as one of the region's fastest-growing economies.

In the report, the World Bank said South Asia is forecast to accelerate from 6.8 percent in 2025 to 6.9 percent in 2026, after it revised up growth projections for most countries from its previous forecast.

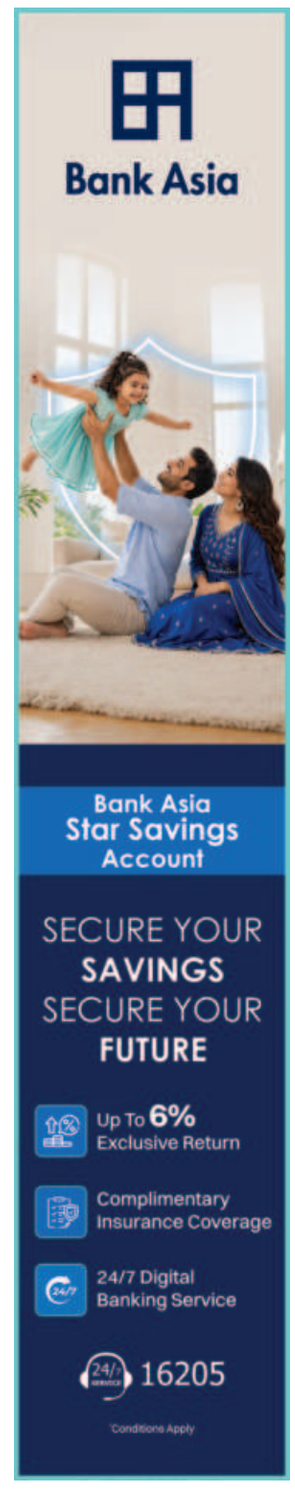
According to the lender, higher energy prices have not interrupted the region's momentum in consumption growth.

"The main exception is Bangladesh, whose forecast has been continually downgraded in recent years," said the report.

Bangladesh's gross domestic product (GDP) growth reached 7.1 percent in fiscal 2022 but began slowing the following year. Growth fell below 4 percent in FY25, and the World Bank now expects the weakness to continue until FY28.

The lender said the return of political stability was expected to support a rebound in economic activity. But that recovery has yet to materialise, prompting it to cut the FY27 growth forecast by 1.2

READ MORE ON B3



Low costs no longer enough: Apparel loses ground in US

STAR BUSINESS REPORT

Bangladesh's apparel exports to the United States fell 5.3 percent in the first half of 2026 as rising demand for compliance, flexibility and supply chain transparency challenged the country's traditional low-cost advantage, according to a World Bank report released yesterday.

By contrast, imports from Vietnam, Indonesia and Cambodia grew 3.0 percent, 3.6 percent and 11.6 percent, respectively, indicating a relative erosion of Bangladesh's competitiveness in the US market.

The World Bank, in its flagship Bangladesh Development Update, noted that overall apparel demand weakened in the US, with imports declining 7.1 percent during the period.

Even so, the report added that Bangladesh's performance lagged behind key competitors.

The US is the largest single market for Bangladesh's ready-made garment exports, accounting for about one-fifth of the country's total apparel shipments.

The US is Bangladesh's single largest apparel market, accounting for about one-fifth of the country's total ready-made garment exports by value

Bangladesh, the world's second-largest apparel exporter, shipped $4 billion worth of garments to the US in the January-June period of 2026, according to data from the US Office of Textiles and Apparel (OTEXA).

The World Bank report, citing the 2026 United States Fashion Industry Association Benchmarking Study, said American fashion companies are operating in an environment increasingly shaped by rising compliance requirements, geopolitical risks and a greater emphasis on supply chain resilience.

"Against this backdrop, buyers are moving away from a strategy centred on shifting production from one large sourcing hub to another and are instead pursuing broader geographic diversification," it said.

The survey indicates that sourcing decisions are increasingly influenced not only by cost but also by flexibility, compliance capabilities, supply chain transparency and the ability to

READ MORE ON B3



One of the textile and garment units at Beximco Industrial Park in Kashimpur, Gazipur, lies unused. The photo was taken yesterday. PHOTO: BEXIMCO

Beximco seeks to reopen factories with $23m investment

British and Chinese firms to make the investment under a five-year leasing arrangement, officials say

REFAYET ULLAH MIRDHA

Beximco Group is seeking government approval for a new leasing model to partially reopen its closed factory operations with investment from British and Chinese firms, according to officials.

British firm Charter HCP Ltd and Chinese company Besting Ltd plan to invest $23 million to partially restart Prefix Fashions Ltd at Beximco's industrial park in Gazipur under the proposed leasing arrangement.

Khalid Shahrior, senior general manager of Beximco's Textiles and Apparel Division, and Huda Mohammed Faisal, CEO of Revival Global, which is acting as an asset manager for the two investors, confirmed the development to The Daily Star in a group phone call recently.

Beximco officials are scheduled to meet the chairman of Invest Bangladesh, the country's apex investment facilitation agency, on October 11 to discuss the proposed business model, Khalid said.

If approved, the plan is to restart the factory in April next year, primarily producing export-oriented jackets, he said. About 90 percent of its production would be jackets, with the remaining 10 percent comprising other products.

Prefix Fashions, one of 16 textile and garment units inside the Beximco Industrial Park in Kashimpur, Gazipur, has been a joint venture with Besting since its inception, according to Khalid.

The factory will initially employ around 2,500 workers if the plan succeeds, according to the officials.

Under the proposed model, the foreign investors would sign a five-year agreement with Beximco Group. Loan repayments would be made directly from the factory's export proceeds through the banks holding liens over the assets, according to Khalid and Huda.

The arrangement is intended to prevent Beximco

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SPOTLIGHT

Trade deficit widens to $3.82b in Jul-Aug

STAR BUSINESS REPORT

Bangladesh's trade deficit widened to $3.82 billion in the first two months of fiscal year 2026-27 as import payments rose faster than export earnings.

Export earnings increased by 5.8 percent to $8.38 billion in July-August of this fiscal year, while readymade garment exports stood at $7.48 billion, according to Bangladesh Bank data.

Import payments, meanwhile, increased by 12.1 percent to $12.20 billion during the first two months of the fiscal year.

Import payments rose partly due to higher petroleum import costs amid tensions in the Middle East.

Among imports, petroleum products jumped 100 percent to $2.49 billion in the two-month period.

The trade deficit stood at $2.09 billion in July alone.

However, the country's current account balance rose to $599 million in the two-month period of this fiscal year, from $197 million in the same period of the previous fiscal year.

READ MORE ON B3

BB to hold Tk 6,667cr bond buyback auction

STAR BUSINESS REPORT

Bangladesh Bank is set to hold a reverse auction tomorrow to buy back two-year government treasury bonds worth Tk 6,666.58 crore.

The central bank announced the move in a press release issued on October 5.

According to the press release, the auction involves treasury bonds issued on November 6, 2024, which carry a coupon rate of 12.30 percent and are scheduled to mature on November 6, 2026.

The buyback will be conducted following a multiple-price-based reverse auction procedure, with the settlement date fixed for October 12, 2026.

Primary dealer (PD) banks can submit bids directly, while non-PD banks and finance companies holding current accounts with Bangladesh Bank can participate through linked PDs.

Participating entities will be allowed to submit competitive bids for their own accounts, as well as competitive or non-competitive bids on behalf of their clients.

READ MORE ON B3

Ctg port plans to go fully digital by December

BSS, *Chattogram*

The Chittagong Port Authority (CPA) is planning to launch massive digital transformation aimed at turning the entire operational activities of Chattogram port, the country's main gateway of seaborne foreign trade, into a fully paperless 'smart port' by next December.

The initiative is to modernise operations, cut transportation costs, ensure transparency and ease chronic traffic congestion around port entrances and exit points.

The drive follows a recent progress review meeting led by CPA Chairman Rear Admiral SM Moniruzzaman.

The meeting focused on expanding existing digital services, integrating inter-departmental platforms and eliminating remaining manual workflows.

Record shows Chattogram port handled a record 3.4 million TEUs (Twenty-foot Equivalent Units) of containers, 138 million tonnes of general cargo and 4,273 vessels in 2025, accounting for roughly 92 percent of Bangladesh's seaborne general cargo and 98 percent of containerised trade.

"Keeping in account the complex and multi-disciplinary chain work of importers, exporters, shipping lines, C&F agents, freight operators, customs and banks, CPA assessed that true efficiency requires unified digital integration rather than piecemeal online solutions," CPA Secretary Syed Refayet Hamim told BSS.

He said the new measures will expand digital automation across every operational layer while 100 percent of shipping billing is already being processed online.

Port sources said through a newly established One-Stop Service Center featuring API integration with Sonali Bank PLC, container and consignee's billing has been transitioning and linking fully to the Terminal Operating System (TOS).

The meeting focused on expanding existing digital services, integrating inter-departmental platforms and eliminating remaining manual workflows.

Importers and their nominated internal service providing agents can make payments in round the clock, including during weekends and holidays. Additionally, an auto-pull payment system will launch in order to settle port charges unpaid after 72 hours through set digital platform, the sources added.

Building on last July's milestone, which synchronised the TOS with the National Board of Revenue's (NBR) ASYCUDA World system to digitise import container delivery orders, importers can now track documents online without physical paperwork, the port sources said.

Refayet said the CPA is implementing 'Time Slot Management', online cart tickets and e-gates passes to eliminate vehicle existing tailbacks at entry and exit points.

Equipment Interchange Receipts (EIR) are being synchronised with e-gate passes, allowing truck entry, cargo loading, and exit schedules to operate within a pre-planned digital framework.

Customs auction deliveries, special delivery assignments and Inland Container Depot (ICD) workflows are being integrated via NBR and Customs APIs, enabling real-time data sharing across all logistics partners, he added.

The port secretary said digital systems will expand up to bulk cargo handling, while plans are underway for the upcoming Bay Terminal feature a slot-by-slot digital parking ticket system to control vehicle flow.

Refayet highlighted that the foundations for this shift are already proven. The port's 'Port Single Window - CPA Sky' platform, launched earlier this year, offers single-login access to port services alongside digital radar and real-time vessel tracking.

Besides, the TOS dashboard currently handles 60,000 to 65,000 gate entries monthly, hitting a single-day record of 7,080 gate passes.



Syed Maruf Ali, head of cards business of ONE Bank PLC, and Azad Shamsi, managing director and chief executive officer of SAMAN International Limited, pose for a photograph after signing the agreement at a ceremony held in Dhaka recently. PHOTO: **ONE BANK**

ONE Bank partners with SAMAN International to offer card benefits

STAR BUSINESS DESK

ONE Bank PLC has signed a partnership agreement with SAMAN International Limited, an authorised partner for corporate and industrial channel of Rock Energy Limited that primarily deals in in Bangladesh that primarily deals in automotive, marine, and industrial lubricants, to offer benefits and special discounts to the bank's cardholders.

Azad Shamsi, managing director and chief executive officer of SAMAN International Limited, and Syed Maruf Ali, head of cards business of ONE Bank PLC, signed the agreement at a ceremony held in Dhaka recently, according to a press release.

Under the agreement, ONE Bank credit and debit cardholders will get flat 15 percent discount on Hyundai XTeer, Apollo, and Veedol lubricants. ONE Bank credit cardholders will also be eligible for equated monthly installment (EMI) facilities for 3 to 6 months on selected products, subject to applicable terms and conditions.

The partnership is expected to strengthen business collaboration between the two organisations while providing ONE Bank cardholders with benefits.

The initiative is also part of ONE Bank's ongoing efforts to expand its partnership network and privileges for its cardholders.

Among others, Azam Khan, Deputy managing director, chief operating officer and chief finance officer of SAMAN International Limited; Masud Parvez, director and chief business officer; Iftekhar Ahmed Zafar, deputy managing director and head of transaction and investment banking of ONE Bank PLC; and Md Mahinur Rahaman, head of business excellence, were also present at the signing ceremony.

Shahjalal Islami Bank promotes Bangla QR in Barishal

STAR BUSINESS DESK

Shahjalal Islami Bank PLC on Sunday conducted a "Bangla QR" distribution and cashless campaign in Barishal to make digital transactions easier, more secure and convenient.

The initiative was carried out at various business outlets in Barishal city under the theme "One Country, One QR; transactions via Bangla QR".

Md Jafar Sadeq, deputy managing director of the bank, attended the event as the chief guest and distributed Bangla QR codes to merchants from various sectors, according to a press release.

Jafar said the initiative was undertaken to further expand modern and digital transaction systems in Barishal. By scanning a single Bangla QR code, customers can easily pay for products using various banks and mobile financial services.

He added that the use of Bangla QR would make transactions faster and more convenient for both merchants and customers, while reducing the risks associated with carrying cash and enhancing transparency and security in financial transactions.

Such initiatives will continue in the future to expand the scope of cashless transactions at Shahjalal Islami Bank and further integrate the general public and businesspeople into the digital payment system, the release added.

Md Mazharul Haque, executive vice-president of the bank's corporate head office; Md Mominul Islam, senior assistant vice-president; and Abul Kalam Azad, manager of the bank's Barishal branch, were also present.



PHOTO: **SHAHJALAL ISLAMI BANK**

Md Jafar Sadeq, deputy managing director of Shahjalal Islami Bank PLC, distributes a Bangla QR code to a merchant in Barishal on Sunday as part of the bank's nationwide "Bangla QR" distribution and cashless campaign.

NRBC Bank holds agent banking business review

STAR BUSINESS DESK

NRBC Bank PLC organised its "Agent Banking Business Review Meeting 2026" in Dhaka on Monday.

Md Shaheen Howlader, managing director and chief executive officer (current charge) of the bank, inaugurated the meeting as the chief guest, according to a press release.

Speaking at the meeting, Shaheen said agent banking has become an important channel for extending banking services to people who have limited access to traditional branches.

"We are committed to strengthening our agent banking network and ensuring accessible and quality banking services for small entrepreneurs, farmers, students and people in underserved areas," he said.

He also stressed the importance of improving customer service, ensuring compliance and maintaining customers' confidence in agent banking services.

Serajul Amin Ahmad, head of agent banking and business unit, chaired the event.



Md Shaheen Howlader, managing director and chief executive officer (current charge) of NRBC Bank PLC, attends the bank's "Agent Banking Business Review Meeting 2026" in Dhaka on Monday. PHOTO: **NRBC BANK**

The meeting was informed that NRBC Bank commenced its agent banking operations in 2014.

Currently, the bank operates approximately 623 agent banking outlets across the country.

Through its agent banking network, NRBC Bank provides banking services to beneficiaries under various government social safety net programmes, as well as to other customers.

As of August 31, the total number of accounts maintained under agent banking stood at 275,425, with total deposits amounting to Tk 68 crore.

The meeting discussed the performance of agent banking booths, business expansion, customer service and financial inclusion. It also focused on expanding banking services among small entrepreneurs, farmers and students through school banking, the release added.



Imtiaz U Ahmed, managing director of Midland Bank PLC, inaugurates the bank's Banani Islami banking branch at Nilufar Heights on Kamal Ataturk Avenue in Dhaka's Banani on Monday. PHOTO: **MIDLAND BANK**

Midland Bank launches Islami banking branch in Banani

STAR BUSINESS DESK

Midland Bank PLC (MDB) has transformed its Banani branch into a full-fledged Islami banking branch, aiming to broaden access to shariah-compliant banking services.

Imtiaz U Ahmed, managing director of the bank, inaugurated the branch at Nilufar Heights on Kamal Ataturk Avenue in Dhaka's Banani on Monday, according to a press release.

The branch will provide a comprehensive range of shariah-compliant deposit, investment and other modern banking services to individual and corporate clients.

Midland Bank's Islami banking operations adhere strictly to shariah principles, guided by its Shariah Supervisory Committee and in compliance with relevant Bangladesh Bank guidelines.

The conversion underscores Midland Bank's commitment to expanding its Islami banking presence and offering customers accessible, modern and shariah-compliant financial solutions.

With the launch of the full-fledged Banani Islami banking branch, Midland Bank aims to meet the growing demand for shariah-based financial services among customers and businesses in Banani and neighbouring areas.

Mufti Muhammad Abu Sayeed Khan, chairman of the bank's Shariah Supervisory Committee, and committee members Abu Yousuf Md Nesar Uddin and Muhammad Shahjahan Madani attended the programme.

Md Zahid Hossain, deputy managing director and chief risk officer of the bank, and Md Nazmul Huda Sarkar, deputy managing director and chief technology officer, along with customers and other senior officials of the bank, were also present.



PHOTO: **UCB ASSET MANAGEMENT**

Sharif Zahir, chairman of United Commercial Bank PLC, inaugurates a celebration programme at the bank's head office in Dhaka recently to mark UCB Income Plus Fund's achievement of the Tk 500 crore milestone.

UCB Income Plus Fund hits Tk 500cr milestone

STAR BUSINESS DESK

UCB Income Plus Fund, a fixed-income open-end mutual fund managed by UCB Asset Management, a wholly owned subsidiary of United Commercial Bank PLC, has crossed Tk 500 crore in size, growing tenfold from its initial Tk 50 crore since its launch in July 2023.

This is a rare feat, as such scalability has not been achieved in the past 15 years, according to a press release.

The bank and the asset management company jointly organised a celebration programme at the bank's head office in Dhaka recently to mark the achievement.

Sharif Zahir, chairman of the bank, inaugurated the celebration as the chief guest.

The fund's growth from Tk 50 crore to more than Tk 500 crore in just three years and three months reflects growing investor confidence in open-end mutual funds managed by credible asset managers.

Established in 2020, UCB Asset Management has become the fastest-growing asset management company in Bangladesh, while UCB Income Plus Fund has become the largest mutual fund managed by a private asset management company.

Only two open-end funds managed by ICB currently have higher assets under management.

The achievement reflects the collective contribution of UCB Asset Management's investors, team, regulators and fellow asset managers. Managing a mark-to-market fixed-income fund through a volatile interest-rate cycle presented significant challenges, while continued investor confidence played a key role in sustaining the fund's performance and supporting its growth.

BSEC eases approval process to speed up market monitoring

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has decided to speed up stock market surveillance by allowing its concerned units to investigate abnormal transactions and price movements without prior approval from the commission.

The concerned units would be able to take necessary action once they identify unusual transactions or price fluctuations, BSEC Chairman Masud Khan said yesterday, while speaking as the chief guest at a seminar organised to mark World Investor Week 2026.

The Bangladesh Association of Publicly Listed Companies (BAPLC) and the Bangladesh Merchant Bankers Association (BMBA) jointly organised the event at the Dhaka Stock Exchange (DSE) auditorium.

Masud said requiring approval from the commission through a meeting before initiating an investigation or inspection often causes delays in surveillance.

"That is why this decision has been taken," he said.

He also said the number of companies listed on the capital market is expected to increase, making it impossible to monitor the entire market through manpower alone.

The commission will therefore establish a technology-driven surveillance system, he said.

Also Speaking at the event, Dhaka Stock Exchange (DSE) Chairman Mominul Islam said stricter surveillance was needed to prevent manipulation of small-cap and weak-fundamental companies.

He said stricter trading restrictions could be imposed on small-cap and weak-fundamental shares by placing them in separate categories.

This would give investors advance warning if unusual price movements occurred in a share, he added.

Mominul also identified the absence of registered financial analysts as a major weakness in the market.

Professional analysis on whether a company's shares should be bought, sold or held would help investors make more informed decisions, he said.

It could also make it harder for manipulators to create confusion in the market, he added.

He said stock exchanges and the BSEC had traditionally focused their surveillance on brokers, investors and issuers involved in trading.

"The scope of that surveillance needs to be expanded further," he said.

In addition to using artificial intelligence to detect manipulation and fraud, initiatives should be taken to identify people using AI to commit fraud through digital platforms and bring them under the law, Mominul said.

Prof Al-Amin, acting dean of the Faculty of Business Studies at Dhaka University, said "pump-and-dump" schemes were one of the major problems in the stock market.

In such schemes, the price of a share is artificially inflated rapidly to create investor interest before manipulators sell large volumes of shares and exit, he said.

If such manipulation is not detected and addressed quickly, it can harm the market, he said.

Institutional investors can also be drawn into such schemes, after which retail investors may suffer losses when large investors exit, Al-Amin said. Such manipulation can both erode investors' capital and create liquidity problems in the market.

The professor also said in cases of unusual price surges, it is not difficult to identify who is buying the shares.

"Analysing transaction data makes it possible to understand who is buying the shares and how trading is taking place," he said, adding that effective intervention and strong resolve from the regulator were essential.

Growth to stay below 4% until FY28 on energy, banking woes

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percentage points to 3.4 percent.

"This deterioration reflects a more protracted drag from energy shortages, banking sector weakness, subdued credit growth, and tighter fiscal constraints than previously anticipated. Export growth is expected to remain weak," said the global lender.

The slowdown is particularly evident in industry. Industrial output grew by just 2 percent in FY2025-26, while the industrial sector contracted in the third quarter for the first time since the pandemic.

Private investment has also been held back by uncertainty over energy supplies and vulnerabilities in the banking sector.

Private sector credit growth fell to a 33-year low of 4.5 percent in June 2026, reflecting weak business confidence, banking sector vulnerabilities and disruptions to energy supplies.

Government investment has also fallen to a historic low amid acute fiscal constraints and implementation challenges, weighing on domestic demand in the short term and the economy's longer-term growth potential, the report said.

The World Bank said the slowdown reflected deeper structural weaknesses that were affecting investment, employment and productivity.

"Longstanding vulnerabilities in the financial sector, chronic weaknesses in domestic revenue mobilisation, persistent energy sector bottlenecks, and declining public investment have reduced the economy's resilience and constrained its growth potential," said the World Bank.

ENERGY CRISIS

The energy shortage has become a major constraint on factories and businesses.

Domestic gas production has declined, while imported liquefied natural gas now meets about a third of gas demand. Failures at floating LNG import terminals in Maheshkhali reduced supplies, forcing many factories to operate below capacity or suspend production.

The gas shortages also contributed to widespread load-shedding. The government ordered shopping malls to close early to reduce peak electricity demand, while petroleum import bills more than doubled in FY2025-26.

The World Bank noted that the outlook remains vulnerable to further shocks.

"The outlook is subject to significant downside risks," it said in its latest Bangladesh Development Update.

Banking sector vulnerabilities, it said, have intensified and pose growing systemic risks.

HIGH INFLATION

Inflation has eased from its peak but remains well above the Bangladesh Bank's target.

Average headline inflation fell from 10 percent in FY25 to 8.7 percent in FY26 and eased further to 8.3 percent in August this year, mainly because of lower food inflation.

The World Bank expects inflation to average 8.6 percent in FY27, citing higher domestic energy prices, supply constraints and continued money supply growth.

Underlying price pressures remain elevated. Despite persistent inflationary pressures, the Bangladesh Bank reduced its policy rate for the first time in six years in July 2026 and introduced targeted liquidity support for industry.

Higher public sector credit growth and stronger foreign asset inflows also supported a recovery in broad money (M2) growth.

Real wages for low-paid workers are still falling, the World Bank said.

JOBS, EXPORTS UNDER PRESSURE

The weak economy has also hit the labour market. Conditions deteriorated further in FY26 as subdued demand and energy shortages constrained hiring, especially in industry.

Factories closed, laid off workers and reduced operating hours, while weaker industrial activity spilled over into the services and agriculture sectors.

Female labour force participation fell from 42.8 percent in 2022 to 38.4 percent in 2024, as women who lost jobs in industry and services largely left the labour force.

Exports also remain a weak point.

The World Bank said ready-made garment exports would be constrained in the short term by weak demand in the European Union and, over the longer term, by greater competition for market share.

Overall exports fell 0.2 percent in FY2025-26. A survey by the United States Fashion Industry Association, cited by the World Bank, showed that US buyers' use of Bangladesh as a sourcing base had fallen to around 78 percent from 88 percent a year earlier.

The World Bank expects the current account deficit to widen to 0.9 percent of GDP in FY27.

Remittances, however, provided some support to the external sector.

They rose 17.3 percent in FY2025-26 to a record $35.6 billion, limiting the current account deficit to 0.3 percent of GDP and helping rebuild foreign exchange reserves to more than $32 billion by August. The taka was broadly stable.

AI OFFERS OPPORTUNITY

The World Bank's broader South Asia outlook sees the region's growth accelerating from 6.8 percent in 2025 to 6.9 percent in 2026, with higher energy prices yet to interrupt momentum in consumption growth.

The report also examines how artificial intelligence could create new sources of growth across the region.

AI adoption in South Asia is rising but remains well behind advanced economies.

Even so, firms are increasingly using the technology to find new markets, while governments are deploying it in areas such as weather forecasting for smallholder farmers in India and AI-assisted retinal screening in Bangladesh.

"The adoption of AI has the potential to transform South Asia's development trajectory by boosting labour productivity, expanding export opportunities, and improving public service delivery," said Franziska Ohnsorge, World Bank Group chief economist for Asia.

"But to reap these benefits, governments need to address the foundational gaps that hold back adoption," she added.

Beximco seeks to reopen factories with $23m investment

FROM PAGE B1

from interfering with the repayment process, as the banks would automatically deduct the agreed amount from the export receipts.

The investors expect the factory to ship garments, particularly jackets, worth around $500 million within two to three years. Besting's position as an international clothing retailer and brand would help generate orders, Khalid said.

If the government approves the plan, Beximco will comply with environmental, social and legal requirements for reopening the factory, he added.

The proposed leasing or profit-sharing model would require approval from Invest Bangladesh and Bangladesh Bank.

If the model proves successful, Beximco plans to reopen the other 15 shut units at the industrial park in phases. The move could create jobs for more than 30,000 workers who lost employment following the closure of the factories, officials estimate.

Revival Group, a Japanese-Bangladeshi venture, has been working with Beximco on plans to restart its shuttered textile operations. The firm was previously involved in a proposed lease arrangement to restart Beximco's wider textile operations, under which it planned to invest $20 million with US-based Ecomilli.

Beximco has been struggling with a massive debt burden. Its total bank debt stands at more than Tk 40,000 crore, including Tk 29,925 crore against 32 factories at the Beximco Industrial Park, according to media reports.

Janata Bank alone is reportedly owed Tk 23,285.42 crore.

Beximco's factories, owned by Salman F Rahman, former private industry and investment adviser to former prime minister Sheikh Hasina, faced disruption after the fall of the Awami League government amid a mass uprising on August 5, 2024, when some of the factories were vandalised and set on fire.

Salman remains incarcerated following his arrest in August 2024, when he was caught trying to flee Dhaka through Sadarghat.

The interim government led by Prof Muhammad Yunus subsequently announced the closure of all 16 units in March 2025 after the group failed to pay workers' wages and dues. The government had earlier provided Tk 526 crore to pay workers' wages and other dues.

Nahian Rahman Rochi, a member of Invest Bangladesh, told The Daily Star that the government would be able to guide Beximco on the proposal after holding a meeting with Revival and discussing the issue in detail.

Foreign funding cuts put 2,200 NGOs at risk

FROM PAGE B1

"We do not just want to listen; we want to provide an effective response," he said, stressing the need for an integrated framework covering human development, local culture and private-sector participation.

He said NGOs play an important role in taking government services to grassroots communities and that their contribution in areas such as the creative economy should receive stronger institutional and policy support.

The BIDS study says the decline in foreign aid is likely to be gradual but lasting. Development assistance from wealthy countries fell 23 percent in real terms in 2025, the biggest annual decline on record.

The full impact has not yet reached Bangladesh as funds for previously approved projects are still being released. Around Tk 10,143 crore in foreign grants was released in 2025-26.

Foreign grant releases peaked at $955 million in 2018-19, fell 31 percent to $655 million, and recovered to $838 million in 2025-26. However, new project approvals fell from 2,061 in 2021-22 to 1,654 in 2025-26, indicating a weakening pipeline.

As funding shrinks, organisations are likely to cut staff and programmes first, potentially causing essential social services to disappear.

The study also warns that grant cuts could push NGOs towards "mission drift", as they shift towards microcredit to generate income while schools, clinics and community programmes are cut.

It argues that the solution is not simply to find new donors. Instead, the government should contract NGOs to deliver services where they can do so more effectively.

NGOs can reach remote households and understand local needs, while the government can provide financing, regulation and infrastructure. Joint delivery could therefore reduce the cost of providing services.

The Public Procurement Rules 2025 allow NGOs to participate in public service delivery, but the provision is rarely used. The study recommends clear guidelines, an open list of qualified NGOs eligible for government procurement and CSR funds, dedicated financing windows through organisations such as the Palli Karma-Sahayak Foundation, clearer CSR rules, and legal recognition and tax benefits for social businesses.

However, alternative financing is unlikely to fully replace foreign grants. Bank CSR spending fell to Tk 345 crore in 2025, while social businesses may cover only 15-25 percent of an NGO's budget. Innovative financing such as bonds is also difficult for smaller NGOs because it generally requires loan portfolios, collateral or strong balance sheets.

At the seminar, the minister also stressed developing local products, saying traditional crafts such as shital pati need modern design, value addition and better marketing to reach international markets.

He also said projects should meet four conditions -- value for money, return on investment, employment or entrepreneurship creation, and environmental protection.

"No project will be approved if these four conditions are not met," he said.

Among others, Zonayed Abdur Rahim Saki, state minister for planning; SM Shakil Akhter, secretary of the Planning Division; AK Enamul Haque, director general of BIDS; and Asif Saleh, executive director of BRAC, also addressed the seminar.

Low costs no longer enough: Apparel loses ground in US

FROM PAGE B1

adapt to a more complex regulatory environment, the World Bank said.

"Within this changing sourcing landscape, Bangladesh remains one of the important apparel suppliers to the US market, but the survey suggests that its relative position may be facing growing challenges," states the bank's report.

Although Bangladesh continues to be viewed as one of the most cost-competitive sourcing destinations and remains among the most widely used sourcing bases for US buyers, its utilisation rate declined from 88 percent in 2025 to around 78 percent in 2026, it said.

Similarly, the share of respondents sourcing more than 10 percent of their apparel from Bangladesh fell from 56 percent to 47 percent, indicating a gradual reduction in sourcing concentration even among existing buyers.

"The survey also suggests that Bangladesh's traditional low-cost advantage may no longer be sufficient to ensure continued gains in market share," said the multilateral lender.

It also said Bangladesh received one of the highest ratings for sourcing costs, but buyers assigned relatively low scores to several factors that are becoming increasingly important in sourcing decisions, including flexibility and agility, minimum order quantities, labour and environmental compliance, and geopolitical and trade policy risks.

"In contrast, competing destinations such as Vietnam continue to outperform Bangladesh on flexibility and responsiveness, while emerging suppliers such as Guatemala, Egypt, Jordan, and Indonesia are attracting growing interest as buyers seek more geographically balanced sourcing portfolios," the report reads.

It said Bangladesh's apparel industry could improve its international competitiveness by strengthening compliance, transparency and integrated supply chain capabilities.

The World Bank, in its flagship Bangladesh Development Update, noted that overall apparel demand weakened in the US, with imports declining 7.1 percent.

The Washington-based lender, however, said Bangladesh could continue to benefit from buyer interest in the near term.

"Looking ahead, Bangladesh is still expected to benefit from continued buyer interest, with nearly half of respondents indicating plans to increase sourcing from the country over the next two years," the World Bank said.

"However, the broader findings imply that future growth may be more difficult to secure than in the past. US buyers appear to be moving towards a more diversified and risk-conscious sourcing model, where low costs alone are insufficient to attract additional orders."

Trade deficit widens to $3.82b in Jul-Aug

FROM PAGE B1

The current account balance in the balance of payments (BoP) measures the net flow of a country's goods, services, income and transfers with the rest of the world.

During July-August of FY27, the financial account deficit widened to $1.14 billion from $197 million in the same period of the previous fiscal year.

The financial account covers claims on, or liabilities to, non-residents concerning financial assets. Its components include foreign direct investment (FDI), medium- and long-term loans, trade credit, net aid flows, portfolio investment and reserve assets.

In the financial account, net FDI fell to $223 million from $243 million, the data showed.

The country's overall deficit increased to $694 million in July-August of FY27 from $53 million in the same period of the previous fiscal year, the data showed.

BB to hold Tk 6,667cr bond buyback auction

FROM PAGE B1

Bids specifying the desired price per Tk 100 face value and the quantity of bonds offered must be submitted electronically via the central bank's Financial Market Infrastructure (FMI) system between 10am and 12pm on the auction day.

Manual submissions in sealed covers will be allowed under special circumstances with prior approval.

The government is buying back the bonds in order to ensure proper debt repayment management and avoid repaying a large amount at once when the bonds mature.

It will provide investors with an additional liquidity window to rebalance or exit their Treasury holdings.

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
নির্বাহী প্রকৌশলীর কার্যালয়, সওজ
সড়ক বিভাগ, কক্সবাজার।
ফোন : ০২৩৩৪৪৬২৪৬০
e-mail : eerhdcox@gmail.com

স্মারক নং-৩৫.০১.২২২৪.১৩২.২৬/৩২৭১ তারিখ : ০৪/১০/২০২৬ খ্রিঃ

"সেতুর ইজারা কোটেশন আহবান বিজ্ঞপ্তি (১৫তম আহবান)"

০১।	ইজারা কোটেশন নং	:	০১/২০২৫-২০২৬ ইং
০২।	ইজারার বিবরণ	:	২০২৫-২০২৬ ইং অর্থ বছরে চকরিয়া-বদরখালী আঞ্চলিক মহাসড়কের ১৭তম কি: মি: এ অবস্থিত মহেশখালী সেতুতে টোল-আদায় কোটেশন বিজ্ঞপ্তি (১৫তম আহবান)।
০৩।	ইজারা চুক্তির মেয়াদ	:	২০২৬-২০২৭ ইং, ২০২৭-২০২৮ ইং এবং ২০২৮-২০২৯ ইং ৩ (তিন) অর্থ বৎসর (১০৯৫ দিন)।
০৪।	ইজারা কোটেশনের সিডিউল মূল্য	:	টাঃ ৫০০০.০০ (পাঁচ হাজার টাকা মাত্র)।
০৫।	বায়নার টাকার পরিমাণ	:	উদ্ধৃত মূল্যের ১০% (শতকরা দশ ভাগ) ব্যাংক ড্রাফট/ পে-অর্ডার আকারে
০৬।	ইজারা কোটেশন বিক্রয়ের শেষ তারিখ ও সময়	:	২৫/১০/২০২৬ খ্রিঃ তারিখ বিকাল-৫.০০ ঘটিকা পর্যন্ত।
০৭।	মুখবন্ধ অবস্থায় ইজারা কোটেশন গ্রহণের শেষ তারিখ ও সময়	:	২৬/১০/২০২৬ খ্রিঃ তারিখ দুপুর ১২.০০ ঘটিকা।
০৮।	ইজারা ডাকে অংশ গ্রহণের যোগ্যতা	:	ভ্যাট ও আয়কর সনদধারী প্রতিষ্ঠান/নাগরিক, সরকারী/বেসরকারী/ স্বায়ত্তশাসিত সকল প্রতিষ্ঠানের ঠিকাদার।
০৯।	যে সকল কার্যালয়ে ইজারা কোটেশন ক্রয়ের জন্য পাওয়া যাবে	:	১। জেলা প্রশাসক, কক্সবাজার ২। নির্বাহী প্রকৌশলী, সওজ, সড়ক বিভাগ, কক্সবাজার/চট্টগ্রাম/ চট্টগ্রাম দক্ষিণ সড়ক বিভাগ/পিএন্ডডি ডিভিশন, চট্টগ্রাম। ৩। উপ-বিভাগীয় প্রকৌশলী, সওজ, সড়ক উপ-বিভাগ-১/২/চকরিয়া, কক্সবাজার।
১০।	যে সকল কার্যালয়ে ইজারা কোটেশন মুখবন্ধ অবস্থায় গ্রহণ করা হবে	:	নির্বাহী প্রকৌশলী, সওজ, সড়ক বিভাগ, কক্সবাজার।
১১।	ইজারা কোটেশন খোলার স্থান, তারিখ ও সময়	:	স্থানঃ — নির্বাহী প্রকৌশলীর কার্যালয়, সওজ সড়ক বিভাগ, কক্সবাজার। তারিখঃ — ২৬/১০/২০২৬ খ্রিঃ সময়ঃ — দুপুর : ১.০০ ঘটিকা।
১২।	ইজারা আহবানকারী যে কোন সময় যে কোন কোটেশন / সকল কোটেশন বাতিলের ক্ষমতা সংরক্ষণ করেন।		

04/10/26
(রোকন উদ্দিন খালেদ চৌধুরী)
নির্বাহী প্রকৌশলী (চঃ দাঃ), সওজ
সড়ক বিভাগ, কক্সবাজার।
টেলিফোন.০২৩৩৪৪৬২৪৬০
ই-মেইল : eerhdcox@gmail.com

GD-2417

Rental power plants added to Bangladesh's fiscal liabilities: WB

STAR BUSINESS REPORT

Heavy reliance on rental and quick-rental power plants and capacity payment arrangements created significant fiscal liabilities for Bangladesh, the World Bank said yesterday.

Despite substantial gains in generation capacity, the structural foundation of the country's energy sector has steadily eroded over the past decade due to weak governance and policy failures, the global donor said.

The energy sector sits at the heart of Bangladesh's development ambitions and challenges.

Domestic gas production, long the backbone of Bangladesh's energy system, has steadily declined as mature gas fields became depleted and exploration activities failed to keep pace with rising demand, the WB said in its Bangladesh Development Update.

"The resulting supply gap was increasingly filled by imported LNG, and Bangladesh, once fully self-sufficient in natural gas in 2017, now relies on imports to meet one-third of its total gas demand."

Over the past decade, power generation capacity expanded rapidly through a growing contribution from private-sector producers, whose share of total electricity generation stood at 43 percent, the WB said.

Although installed generation capacity improved, the sector continues to face critical constraints in fuel and gas availability, as well as transmission and distribution bottlenecks that limit the effective utilisation of available capacity, the report said.

"These structural weaknesses have contributed to the current gas and power crisis. Bangladesh now relies heavily on LNG imports to offset declining domestic gas production, making the sector vulnerable not only to international price volatility and FX pressures, but also to disruptions at a small number of floating storage and regasification units (FSRUs)."

Recent technical failures and operational disruptions affecting FSRU facilities at Maheshkhali significantly reduced gas supply to the national grid, worsening an already sizable gap between demand and available supply, it said.

"The disruption exposed the systemic risk of over-reliance on a small number of domestic gas fields and critical import nodes."

The economic consequences of the crisis have been significant.

Reduced gas supply disrupted production across major industrial zones in Bangladesh, with many factories operating below capacity or temporarily suspending operations due to inadequate gas pressure. Power generation has also been affected, leading to widespread load shedding and periodic electricity shortages that have disrupted households and business activity, forcing many to rely on expensive diesel generators. This has prompted emergency government measures such as mandatory early closures for shopping malls and retail centres to curb peak electricity demand.

Gas shortages have also affected households and transport, with many consumers facing cooking difficulties and long queues at compressed natural gas filling stations, the World Bank said.

"The cumulative effect has been lower industrial output, higher production costs, and increased uncertainty for private investors."

Post-larvae shortage leads to Bagerhat hatchery crackdown

Four out of eight licensed hatcheries remain closed, leaving farmers struggling to secure quality post-larvae at the start of farming

PARTHA CHAKRABORTTY, *Bagerhat*

An acute shortage of post-larvae (PL) is disrupting Golda or freshwater prawn farming in the Khulna-Bagerhat region as several hatcheries and nurseries remain closed, prompting the Bagerhat Fisheries Department to threaten licence cancellations.

Four of the eight licensed Golda hatcheries in Bagerhat are currently closed, according to inspections by the district fisheries department.

The department has launched a drive against inactive prawn hatcheries and nurseries, serving notices on closed facilities and asking them to renew their licences and resume production. Failure to do so could result in permanent cancellation of their licences, officials said.

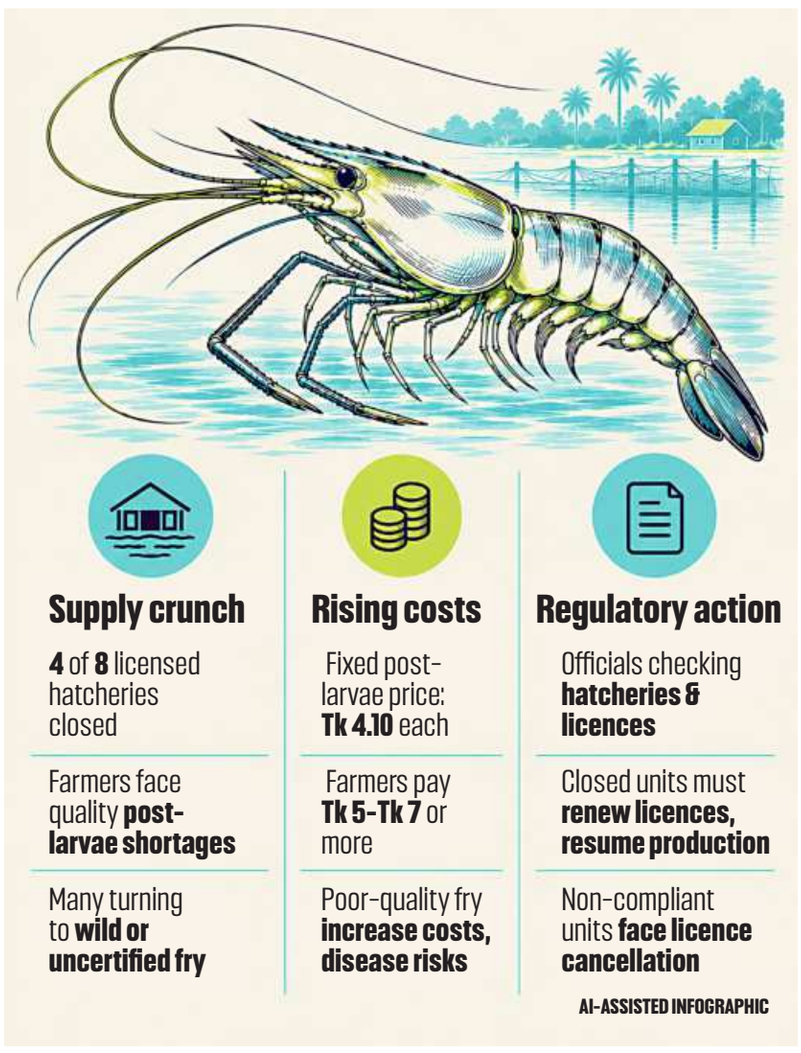
As part of the drive, department officials are inspecting licensed hatcheries and nurseries to check their operational status and licence validity. Several of the closed facilities have remained deserted for long periods, with weeds growing across their compounds.

"We have already served notices to the closed hatcheries instructing them to renew their licences and initiate activities. Failing this, their licences will be permanently revoked," said Raj Kumar Biswas, district fisheries officer of Bagerhat.

The inactive production units include BRAC Hatchery and Bagerhat Prawn Hatchery along the Bagerhat-Khulna highway, Rupa Golda Hatchery in Morrelganj and Rainbow Hatchery at Badhal union in Kachua upazila.

The department's review also found administrative and operational lapses.

Brothers Lab, which obtained its licence in 2018, has applied for cancellation, while the licences of Rupa Golda Hatchery and Bagerhat Prawn Hatchery expired in 2025 and 2023, respectively. Ratna Nursery still holds a valid licence but has stopped operating following the death of its proprietor, officials said.



Officials said Golda hatcheries in the district had previously produced around 10 crore PL annually. However, they said it was too early to quantify the current production shortfall, as the registered production capacities of the affected hatcheries are still being examined.

The closures have left freshwater prawn farmers struggling to secure certified PL at the start of the farming season, forcing some to collect wild fry from open water bodies or buy uncertified supplies from unregulated vendors.

The shortage has also pushed up the price of PL, according to farmers. The Bagerhat district fisheries office said the government-fixed rate for Golda PL is Tk 4.10 per piece. Farmers, however, said they are paying Tk 5 to Tk 7 or more for uncertified fry, which often fail to meet expected quality standards.

"Farmers are struggling to obtain adequate quantities of quality fry," said Abul Hossain Khan, 60, a grower from Sangdia village in Kachua upazila.

Gopal Das, 45, another grower from Sangdia, said a dependable supply of quality fry from local hatcheries was vital for families dependent on freshwater prawn cultivation.

Substandard fry increase production costs and raise the risk of disease outbreaks and poor survival rates, farmers also said.

The closures have also affected the wider local value chain, with skilled hatchery technicians left without work and nursery operators, transport workers and local traders seeing their incomes squeezed as hatchery activities have declined.

Fakir Mahitul Islam Sumon, president of the Shrimp Growers' Association of Bagerhat, urged the government to take immediate steps to reopen viable hatcheries and stabilise the supply of quality fry.

As part of the drive, department officials are inspecting licensed hatcheries and nurseries to check their operational status and licence validity. Several of the closed facilities have remained deserted for long periods.

Farmers said government intervention should go beyond serving administrative notices. They called for strict enforcement of biosecurity protocols, the supply of disease-free certified fry and regular field inspections after hatcheries resume operations.

How to build sustainable digital banks

RASHEDUL ALAM

Last week, I struggled to get change for a Tk 500 note to pay a Tk 30 rickshaw fare.

Seeing me get worked up, the rickshaw puller suddenly asked, "Mama, don't you have a bKash number?" When I asked why, he replied, "You can bKash me the fare instead of giving me the Tk 500 note."

I paused for a moment. What he said was simple, but what it represented was extraordinary: just a decade ago, it would have been almost impossible. This is a clear example of how deeply digital financial services have penetrated everyday life in Bangladesh.

Now, Bangladesh is entering the next chapter of this transformation with digital banks. The question is whether these institutions can create sustainable, trusted and customer-centric models.

Bangladesh's success with mobile financial services is part of the global business case, and its massive MFS adoption, lower operational costs, and focus on underserved populations indicate that its digital bank journey could follow a similar path.

Yet digital banks need to be mindful of six parameters: retaining the best talent, patience when it comes to profitability, understanding customer behaviour, public trust, healthy competition and collaboration with the Bangladesh Bank.



Digital banks can bring millions of underserved people, farmers, small merchants and SMEs into the formal financial ecosystem, creating new opportunities for savings, payments and credit.

Technology can build a digital bank, but human capital will determine whether it succeeds. Institutions that can attract, develop and retain a multidisciplinary talent base will be best positioned to build trusted, scalable and sustainable digital bank models for Bangladesh's next phase of financial inclusion.

Global experience indicates that digital bank profitability is a six-year journey on average. Shareholders should therefore not be impatient for profits, but focus on investment during the first three to four years.

The winners of Bangladesh's digital bank era will not necessarily be those offering the most products, but those understanding their customers the best. So, mining transaction data to offer products customers need will be vital.

With MFS fraud reaching Tk 81.3 crore in 2025, and only 8.7 percent recovered, trust and fraud prevention will be critical to digital bank adoption. Resilience should be designed into the bank from day one, rather than treated as an afterthought.

A healthy competitive environment will also be critical to the sustainable success of Bangladesh's digital banks. A race to the bottom on pricing can destroy value for both customers and shareholders. Digital banks should therefore avoid unsustainable price wars and instead compete through better customer experience, innovation, trust, convenience and, most importantly, market development.

Finally, the success of Bangladesh's proposed digital banks will depend not only on their strategies and technological capabilities, but also on the strength of their partnership with the regulator. A collaborative regulator-industry approach will help build a trusted, resilient and globally credible digital bank ecosystem in Bangladesh.

Bangladesh's economic ambition is moving beyond maintaining growth towards building an investment-led, employment-generating and more inclusive economy, with the government targeting an 8 per cent growth trajectory by 2030 and a $1 trillion economy by 2034. Digital banks can play a bigger role than simply becoming another channel for financial transactions.

Their strategic opportunity is to bring millions of underserved individuals, farmers, small merchants and SMEs into the formal financial ecosystem, converting previously invisible economic activity into trusted financial relationships, savings, payments and responsible credit. The success of digital banks should therefore be measured not only by how many existing banking customers they acquire, but by how many new participants they bring into Bangladesh's formal economy.

The writer is the executive vice president and head of supply chain management of bKash

Oil's new problem isn't supply. It's logistics

REUTERS, *London*

Middle East crude exports recently climbed to their highest levels since the start of the Iran war as more Gulf producers resume transit through the Strait of Hormuz – despite the continued threat of Iranian attacks.

Yet oil prices remain stubbornly elevated, suggesting logistical problems are proving as disruptive as outright supply losses.

Crude flows through the embattled waterway reached 14.2 million barrels per day on a seven-day average on Sept. 26, nearly 80 percent of pre-war levels, according to analytics firm Kpler.

While volumes have declined since, they will likely be revised higher because ships often disable satellite tracking systems while traversing the strait and for several days thereafter.

Either way, the trend is clear: a lot more crude is getting through the strait.

So why is Brent still trading above $100 per barrel? In a word, logistics.

For decades, the global oil industry functioned as a finely tuned system designed to move enormous volumes of crude and fuels over long distances at the lowest possible cost.

The conflicts in the Middle East and Eastern Europe have fractured that model, as a combination of record-high tanker rates, soaring insurance costs and a severe shortage of refining capacity has created bottlenecks across the energy supply chain.

Those problems may take months, if not years, to unwind, leaving consumers facing persistently high energy bills – even if the crude supply squeeze continues to ease.

Iran's blockade of the Strait of Hormuz following the onset of the war with the US and Israel on February 28 rapidly reshaped global oil flows.

Gulf producers diverted supplies through alternative routes, buyers sought barrels from more distant regions and governments released unprecedented volumes of oil from strategic reserves.



PHOTO: AFP/FILE

Tankers unload imported crude oil at a terminal in Qingdao port, China.

One of the biggest changes was that Saudi Arabia – previously the world's largest oil exporter – diverted its exports through its East-West pipeline, which delivers crude to the Red Sea port of Yanbu.

At one point this year, 4 percent of global oil supplies were via this route.

However, after the pipeline came under attack by Iranian-backed Iraqi militias in early September, Saudi Arabia was forced to redirect exports back to the Gulf via Hormuz, which it discovered, could be more easily transited than previously thought.

Saudi exports through Hormuz averaged 3 million bpd in September, the highest level during the conflict, according to Kpler.

While Saudi Arabia's crude exports through Hormuz in September were still only around half of pre-war volumes, the Kingdom's exports could quickly near pre-war levels as the East-West pipeline gradually returns to normal operations.

Ironically, then, the attack on the East-West pipeline, which was intended to cripple Riyadh, may have instead weakened Tehran's most powerful leverage – its purported control of the Strait – by demonstrating that large volumes can still transit Hormuz and other major export hubs despite continued attacks.

Yet the recovery remains fragile.

On the one hand, the increase in Gulf exports has helped reduce the global oil deficit.

Energy Aspects estimates the market now faces a shortfall of around 1.6 million bpd, down from roughly 4 million bpd during the peak disruption in May.

Under normal circumstances, such an improvement in supply would exert significant downward pressure on prices.

Instead, Brent remains above $100 a barrel, more than 40 percent above pre-war levels.

Prices certainly reflect a substantial risk premium linked to the possibility of renewed escalation, as Washington and Tehran have still failed to reach any form of understanding over the future of Hormuz.

But geopolitics is only part of the story.

Freight and insurance costs, once a relatively minor component of the delivered price of oil, have become major price drivers.

This is partly due to the current shuttle system operating around the Gulf.