Business

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Over 2cr LPG cylinders left idle

Consumers and distributors pay extra as major operators lose import capacity, leaving active companies short of cylinders to meet demand

ASIFUR RAHMAN

More than 2 crore empty liquefied petroleum gas (LPG) cylinders are lying idle across the country, either in warehouses owned by distributors or in consumers' homes, as several major operators have lost their ability to import the cooking gas and other companies cannot refill cylinders carrying rival brands.

The problem is adding to costs for both distributors and consumers. People often have to pay for cylinders from different brands even when empty cylinders from other operators remain unused for months.

Market insiders said several major LPG operators had been unable to import the fuel for nearly two years following the 2024 uprising, as financial difficulties and banking restrictions prevented them from opening letters of credit (LCs).

As a result, their market shares have shrunk, while other companies have increased imports to fill the gap.

But the brand-specific cylinder system prevents active operators from refilling cylinders belonging to competitors, leaving lakhs of cylinders outside the regular supply chain.



According to Bangladesh Energy Regulatory Commission (BERC) data, Bashundhara, Beximco, Orion, Greentown, Unitex, JMI and Universal either stopped importing LPG or sharply reduced their imports over the past two fiscal years compared with fiscal year 2023-24.

In FY2023-24, Unitex imported 1.55 lakh tonnes of LPG but brought in none in FY2025-26, according to BERC data. Bashundhara, the second-largest importer in FY2023-24, brought in 1.38 lakh tonnes that year, but its imports fell to just 10,027 tonnes in FY2025-26.

Of the seven companies, all except JMI dropped out of the list of importers in the last fiscal year. JMI imported only 8,800 tonnes in FY26, compared with more than 50,000 tonnes in each of the previous two fiscal years.

LPG companies generally take security deposits from distributors against the cylinders they supply. Distributors and retailers, in turn, collect deposits from customers for their first cylinder and exchange empty ones for refilled cylinders when they buy LPG again.

However, when a particular brand becomes unavailable, consumers may be unable to exchange their empty cylinders for refilled ones from other operators. They may then have to pay for another brand's cylinder, while their original one remains unused.

The country currently consumes around 1.5 lakh tonnes of LPG a month, equivalent to approximately 1.25 crore refills of 12kg cylinders.

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BB autonomy remains elusive amid IMF reform demands

MD MEHEDI HASAN

The IMF-World Bank annual meetings in Thailand ended amid growing pressure on the global economy, particularly on low-income and fragile countries, from conflicts, trade tensions, energy insecurity and the uneven impact of artificial intelligence.

The International Monetary Fund (IMF) stressed the importance of central bank independence for price stability and credible policymaking. Mohammed Aljadaan, chair of the International Monetary and Financial Committee, also called for credible medium-term fiscal plans and structural reforms at a press briefing on October 17.

When the IMF approved a $4.5 billion support programme for Bangladesh in 2023, it included around half a dozen reform conditions, including ensuring central bank independence.

NEWS ANALYSIS

The BNP-led government decided in May this year to leave the programme eight months before its scheduled expiry. It later sought a new package, according to a June 3 statement by Ivo Krznar, the IMF's mission chief for Bangladesh. Central bank independence could again be a condition of the new programme.

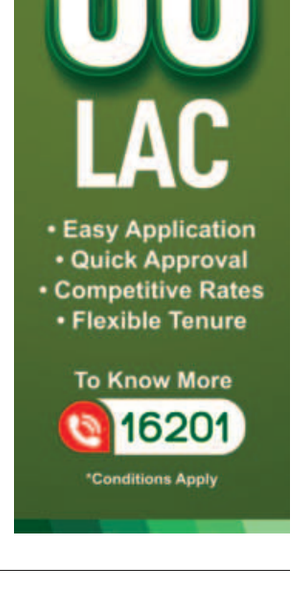
A STALLED REFORM

The political changeover in August 2024 exposed deep-rooted weaknesses in the banking sector, which had been hit by scams during the Awami League-led government's 16-year rule. The central bank's lack of independence was widely seen as a major factor behind the problems.

The interim administration, under then Bangladesh Bank (BB) governor Ahsan H Mansur, moved to amend the Bangladesh Bank Order 1972 to strengthen the central bank's autonomy. BB sent a draft amendment to the finance ministry, but it remained pending until the February 12 national election.

Then finance adviser Salehuddin Ahmed said the next government would pass it.

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WB gives $450m to strengthen financial sector

STAR BUSINESS REPORT

Bangladesh has signed a $450 million financing agreement with the World Bank to strengthen the financial sector's safety net, improve supervision and support banking sector reforms.

The agreement, equivalent to 328 million Special Drawing Rights (SDR), was signed on Friday under the Financial Sector Support Project II.

Special Drawing Rights (SDRs) are international reserve assets created by the International Monetary Fund (IMF) in 1969 to supplement member countries' official reserves.

The SDR is not a currency; its value is based on a basket of five major currencies: the US dollar, euro, Chinese renminbi, Japanese yen and British pound sterling.

Md Shahriar Kader Siddiky, secretary of the Economic Relations Division (ERD), and Jean Pesme, World Bank division director for Bangladesh and Bhutan, signed the agreement on behalf of their respective sides, according to an ERD press release issued yesterday.

The financing carries an annual interest rate of 1.5 percent on the amount withdrawn. A commitment fee of up to 0.50 percent a year may also apply to the undisbursed amount

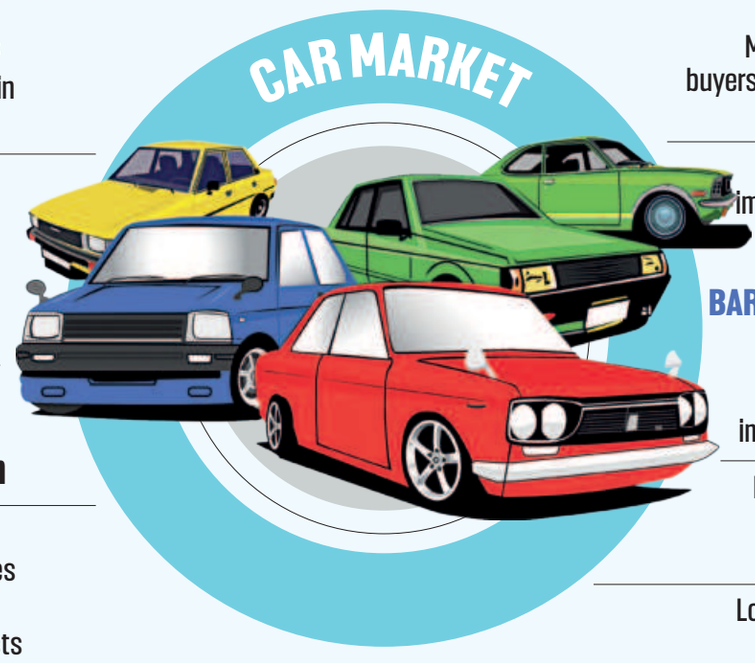
The project will run for five years, from July 1, 2026 to June 30, 2031. Bangladesh Bank will implement it under the Financial Institutions Division of the Ministry of Finance.

The financing carries an annual interest rate of 1.5 percent on the amount withdrawn. A commitment fee of up to 0.50 percent a year may also apply to the undisbursed amount.

However, the World Bank has waived the commitment fee for Bangladesh for many years, including the current fiscal year.

The loan has a repayment period of 25 years, including a five-year grace period.

The World Bank is Bangladesh's largest multilateral development partner. Its financing supports the country's economic and social development, institutional reforms, infrastructure and energy sector development, the ERD said.



Economic slowdown drags down car market

Reduced purchase capacity and taka's depreciation major reasons, say BARVIDA leaders

STAR BUSINESS REPORT

Economic slowdown, rising vehicle prices and the depreciation of the taka against the US dollar have reduced car imports and weakened demand in Bangladesh's Tk 20,000 crore automobile market, according to reconditioned-car importers.

"Vehicle import costs have increased by around 30 percent over the past two years due to currency depreciation," Reaz Rahman, secretary general of the Bangladesh Reconditioned Vehicles Importers and Dealers Association (BARVIDA), said yesterday.

He was responding to a journalist's question at a press conference at the association's office ahead of the BARVIDA Car Expo 2026.

The slowdown is reflected in Bangladesh Road Transport Authority (BRTA) data, which show that only 5,458 private passenger cars were registered between January and August this year, averaging around 682 a month.

At this rate, registrations could reach around 8,187 for the full year, nearly 13 percent lower than the 9,387 recorded in 2025.

Private passenger-car registrations have declined for three consecutive years, falling from 16,695 in 2022 to 10,784 in 2023, 10,499 in 2024 and 9,387 in 2025.

Saiful Islam (Somrat), BARVIDA vice-president-1 and acting president, said the depreciation of the taka against the US dollar had significantly increased import costs.

The dollar had appreciated by nearly 40 percent at one point, he said, adding that the price of an entry-level car had risen from Tk 16 lakh to around Tk 24 lakh.

He also cited the Toyota Axio, a popular choice among middle-income buyers. Importers have to pay around Tk 15 lakh in duties and taxes for a non-hybrid model, compared with Tk 11.5 lakh for a hybrid version.

Higher vehicle prices, coupled with persistent inflation, have made private cars increasingly unaffordable for middle-income consumers, he said.

The slowdown is also reflected in reconditioned-car imports. Bangladesh imported 21,337 such vehicles in FY25, down from 21,519 in the previous fiscal year, Saiful said.

Importers are also facing higher sourcing costs in Japan, where rising auction prices have added to their expenses, he added.

Reaz said lower imports had also reduced government revenue.

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SPOTLIGHT

Toyota Tsusho to invest additional Tk 141cr in Bangladesh

STAR BUSINESS REPORT

Toyota Tsusho Corporation, the trading arm of Japanese carmaker Toyota Group, is investing an additional Tk 141 crore, or 1,815 million yen, in its Bangladesh subsidiary to expand and strengthen its automotive business here.

In a stock exchange disclosure dated October 30, Toyota Tsusho announced that it would inject the amount into Toyota Bangladesh Ltd, raising the subsidiary's capital to Tk 604 crore (7,770 million yen).

The announcement came a day after Prime Minister Tarique Rahman visited Toyota's Motomachi plant in Nagoya as part of his four-day visit to Japan. Earlier in October, a delegation led by Toyota Tsusho Vice Chairman Ichiro Kashitani met the PM in Dhaka and informed him of the company's plan to establish a Toyota vehicle manufacturing plant in Bangladesh, according to a UNB report.



Toyota also informed the PM that it would begin work in 2027 to establish a hybrid electric vehicle manufacturing facility in an economic zone under the development vision of "With Bangladesh, for Bangladesh", with full-scale production targeted for 2029, the report added.

In its stock exchange filing on October 30, Toyota Tsusho did not disclose specific plans for the additional investment but added that, following the investment, Toyota Bangladesh would become a specified subsidiary of Toyota Tsusho, as its capital would exceed 10 percent of the Japanese company's capital.

Toyota Tsusho Asia Pacific Pte Ltd, a Singapore-based subsidiary of the Japanese group, holds 99 percent of Toyota Bangladesh, while Toyota Tsusho directly owns the remaining 1 percent.

Established in August 2025, Toyota Bangladesh serves as Toyota Tsusho's base for expanding its mobility business in the country. Its operations cover the import, wholesale and retail of Toyota vehicles and spare parts, alongside after-sales services.

Toyota Bangladesh reported

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