

Nation On The Brink: Uncertainty Grips Political Arena

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# Business Outlook

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## BAPEX's Suspicious Move Bidding Process In Question

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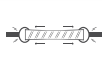
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# Business Outlook

From the Editor

## Ensure Fairness In Bidding Process To Mitigate Energy Crisis

Bangladesh has long been plagued by an energy crisis as its local production has declined and imports have increased. Imports involve a huge amount of foreign currency, the scarcity of which is another major crisis for Bangladesh. Against such a backdrop, after the fall of the fascist Sheikh Hasina regime, an interim government led by Prof Muhammad Yunus assumed office and moved to resolve the problem. As part of the strategy, the government's Energy Advisor, Dr Fouzul Kabir Khan, announced a plan placing the highest emphasis on exploration and drilling for local production enhancement and reduce imports. The state-owned Bangladesh Petroleum Exploration and Production Company Limited (BAPEX) floated a tender to drill a number of wells at different fields. However, the move is likely to fail due to the lack of transparency and fairness in its bidding process. Allegations surface that BAPEX floated the tender aimed at conducting a 2D Seismic Survey over Exploration Blocks 7 and 9 in Bangladesh and initially shortlisted four companies for the project. During the tendering stage, BAPEX set a qualification criterion requiring bidders to have a minimum of 10 years of experience and a record of conducting at least 10,000 LKM of 2D seismic surveys. The report notes that the tender committee did not accept experience related to 3D seismic surveys, despite the fact that companies experienced in 3D seismic surveys can efficiently execute 2D seismic projects. In contrast, firms specialised only in 2D seismic surveys lack the expertise to conduct 3D surveys, critics observed. They pointed out that this criterion seemed designed to benefit specific companies. After the technical evaluation, the companies that appeared to benefit from these selective requirements received the highest technical scores, raising suspicions about fairness and impartiality in the process. The BAPEX board approved the project on September 22, 2024. However, only three members— Nurul Alam (former Energy Secretary), Zanendra Nath Sarker (former Chairman of Petrobangla), and Md. Shoyeb (Managing Director of BAPEX)—attended the board meeting which finalised the approval. Additionally, it was reported that BAPEX provided office space within its premises for the former energy secretary, an act that appears to contravene government rules and regulations.

We expect that the Energy and Mineral Resources Division will intervene in the matter and ensure transparency and fairness in the bid selection process. Otherwise, any good initiative will ultimately fail to deliver results in resolving the country's energy sector crisis. ■



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# Nation On The Brink: Uncertainty Grips Political Arena

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## UNDP Arranges Job Fair For Youth In Cox's Bazar

The United Nations Development Programme (UNDP), in partnership with the Deputy Commissioner's Office in Cox's Bazar, Global Affairs Canada, the International Labour Organization (ILO), and BRAC, organised the Youth Employment Fair & Career Talk 2025 on 27 February at a hotel in Cox's Bazar. Under the "Improving Skills and Economic Opportunities for Women and Youth in Cox's Bazar (ISEC) Project," the fair aims to connect skilled youth with employers and career development opportunities. Over 30 industries will offer more than 2,000 job opportunities, targeting youth, including women, persons with disabilities, and NEET individuals. The event will feature a launching ceremony with key stakeholders from the government, private sector, and development organisations. Job seekers can engage directly with employers through on-the-spot interviews, while industry leaders will share insights on careers in government, entrepreneurship, tourism, and development. UNDP and ILO will also



provide guidance on labour market trends and emerging job sectors. Stefan Liller, UNDP Bangladesh's resident representative, emphasised the importance of youth employment, stating: "The Youth Employment Fair 2025 reflects our collective commitment to connecting talented youth with meaningful job opportunities. By equipping them with the skills and networks needed to thrive, we are fostering a more inclusive and prosperous economy." ■

## Chinese Co To Invest \$3.82m In Ishwardi EPZ

Bangladesh Export Processing Zones Authority member (engineering and investment promotion-additional charge) Md Imtiaz Hossain and M/s Bangladesh Haijintone Hair Products Co Limited chairman Gao Tuanxu sign an agreement at BEPZA Complex in Dhaka on February 24. M/s Bangladesh Haijintone Hair Products Co Limited, a Chinese company, will invest \$3.82 million in Ishwardi Export Processing Zone to establish a wig manufacturing industry, said a press release. Bangladesh Export Processing Zones Authority member (engineering and investment promotion-additional charge) Md Imtiaz Hossain and M/s Bangladesh Haijintone Hair Products Co Limited chairman Gao Tuanxu signed an agreement in this regard at BEPZA Complex in Dhaka on Monday. BEPZA executive chairman Major General Abul Kalam Mohammad Ziaur Rahman, among others, was present. The company plans to produce 6.98 million pieces of hair wigs and hair-related products annually, creating employment opportunities for 1,474 Bangladeshi nationals. ■



## Ramadan Banking Transaction Hours 9:30am To 2:30pm



Banking transactions will begin at 9:30am and continue until 2:30pm during the holy month of Ramadan. However, bank office hours will extend until 4pm, according to a notice issued by Bangladesh Bank on February 25. During Ramadan, a prayer break will be observed from 1:15pm to 1:30pm. Banks must make alternative arrangements to ensure uninterrupted transactions during this period, the notice stated. Currently, banks open at 10am, transactions continue until 4pm, and office hours end at 6pm. The office and transaction hours will revert to the previous schedule after Ramadan, which is set to begin next month. ■



## Mandatory Online Income Tax Return Filing From Next Year

People will have to submit their income tax returns online from July 2026, National Revenue Board (NBR) Chairman Abdur Rahman Khan announced on February 22. The NBR chief made the remark during the inauguration of a trade facilitation hub at NBR headquarters on Sunday. The hub will allow online access to import-export figures and provide information on trade-related duties. By July 2026, all the problems in the online tax submission system will be identified and resolved, Abdur Rahman Khan said. At the event, Bangladesh Investment Development Authority (BIDA) Executive Chairman Ashik Mahmud said the economy has returned to a positive trajectory. Exports have grown 13% in the past six months from the same period the previous year. Container handling activities grew 7% in January on an annual basis. ■



## Inclusive Banking For Disabled People Stressed



A groundbreaking dialogue session on 'Breaking attitudinal barriers: inclusive banking for persons with disabilities' was held at the office of Team Inclusion Bangladesh in Bank Town, Dhaka. The session was a collaborative effort between Monash University Australia, Team Inclusion Bangladesh, and Prime Bank PLC. Prime Bank, as the funding partner, reaffirmed its commitment to digital transformation and inclusive banking. Key stakeholders included ten individuals with disabilities—representing physical, visual, and hearing impairments—who shared their lived experiences. The session featured insights from Shahriar Abu Zafar, Associate Professor at Monash Business School, who provided a global perspective on financial inclusion. Disability rights advocate Sahana Sharmin emphasised the need for sign language support, while banking professionals such as Kazi Reshad Mahboob, Nishat Mobashwera Khan, and Patwary Tanvir Rahman Siddique highlighted the importance of training and mindset change. ■

## Expatriates Send \$1.93b In Remittances In 22 Days Of Feb

Bangladeshi expatriates sent \$1.93 billion in remittances in the first 22 days of February, according to Bangladesh Bank data. In the past seven months, since July, remittance inflows have exceeded \$2 billion per month for six consecutive months. February is also expected to surpass this mark. During January, expatriates sent \$2.19 billion in total remittances. Of the \$1.93 billion received so far in February, \$686.98 million came through state-owned banks, \$144.38 million through one of the two specialised banks (Krishi Bank), \$1,094.29 million through private banks, and approximately \$4.29 million through foreign banks. However, nine banks did not receive any remittances during this period. These include the state-owned Bangladesh Development Bank (BDBL) and the specialised Rajshahi Krishi Unnayan Bank. Among private banks, Community Bank, ICB Islami



Bank, and Padma Bank failed to receive remittances, while in the foreign sector, Habib Bank, National Bank of Pakistan and State Bank of India recorded no inflows. In December 2024, expatriates sent a record-breaking \$2.64 billion in remittances, the highest-ever in Bangladesh's history. ■



# Nation On The Brink: Uncertainty Grips Political Arena

*SMS Hasan*

**B**angladesh finds itself in a state of precarious anticipation. While Chief Adviser Prof Muhammad Yunus and Chief of Army Staff General Waker-Uz-Zaman have publicly affirmed their commitment to holding elections by March next year, a deep-seated uncertainty pervades the political landscape. The crux of the issue lies in the contentious debate over the election sequence: local body polls versus parliamentary elections.

The Bangladesh Nationalist Party (BNP) has been demanding that the parliamentary elections be held first, while the Anti-Discrimination Student Movement (ADSM) has been asking for local body polls first. The ADSM has recently floated a political party- Jatiya Nagorik Party (JNP) which will mainly work to achieve the goals of the ADSM. Those who actively

participated in the student movement against the ousted fascist regime of Sheikh Hasina are at the forefront of the new party. So, it became a political platform of the students who were looking for a new political system in Bangladesh where there will be no scope for any government to become autocratic. Many leaders of the existing student wings of different political parties have also joined the new party.

Some of the leaders are from Bangladesh Islami Chhatra Shibir, while some are from leftist Chhatra Union and like-minded student organisations. But most of the main leadership came from the Gonotantrik Chhatra Shakti, which first launched the student movement against the fascist Hasina regime. A large group of students, once belonging to the banned Bangladesh Chhatra League, the student wing of the fallen Awami League,

who revolted against Hasina and her government and joined the student movement ignoring the party call, also joined the new party. As the new party has no strong footing in the political arena, they want local body elections so that they can create some impact on the people locally and then participate in the national polls. Without creating any impact at the local level politics, it is almost impossible to score better in the parliamentary elections.

Political analysts say the leaders of the new political party want to have seats in the parliament through an understanding with the major political party BNP. That's why they floated the new party to bargain with BNP as it has the biggest chance to come into power if parliamentary elections are held in the current situation where another major party Awami League is on

the run as a fallen party. Bangladesh Jamaat-e-Islami is also in favour of local body elections, almost for the same reason. This party, however, is trying to create a bigger alliance with other Islamic political parties and also ADSM. But so far, this move has seen no substantial progress. On the other hand, the USA and other Western countries also want the BNP in the next government. The neighbouring India, which was the biggest supporter and protector of Awami League, also wants BNP in the next leadership of the country. Until there is a consensus on the issue- which election should be held first- it will

deepen trade and investment ties with Europe's largest economy. The chief adviser made the comments when Zarah Bruhn, a Commissioner of the German government, met him at the State Guest House Jamuna in Dhaka on February 26.

During the talks, Prof Yunus praised the German people and economy, saying the country has been the leader in many areas, including heavy industries, in the world.

"We have close relations with Germany. But we want to have a different relationship- a special relationship- with Germany," he

are expected to take place by December this year or, at the latest, by March next year, according to Shafiqul Alam, press secretary to the chief adviser. He shared this estimate while responding to journalists' questions during a press briefing at the Foreign Service Academy in Dhaka on February 24.

In response to election-related queries, Shafiqul said, "The chief adviser previously mentioned two possible timelines. If political parties seek minimal reforms, the election



Zarah Bruhn, a Commissioner of the German government, met Chief Adviser Prof Muhammad Yunus at the State Guest House Jamuna in Dhaka

be impossible to remove the uncertainty about the election.

### **CA Prof Yunus Seeks Closer Ties With Germany; Says Elections Likely In Dec**

Seeking German help to implement the reform agenda of his interim government, Chief Adviser Prof Muhammad Yunus has said the government is likely to hold the elections by the end of this year. "We need all your support for the New Bangladesh. We are working hard to make the general election a big success," he said, noting that Bangladesh wants a special relationship with Germany in an effort to

said. Zarah Bruhn, who visited Bangladesh to learn more about social businesses and microcredit, lauded the leadership of Prof Yunus, saying Bangladesh would prosper during his tenure. "I am a big enthusiast of your work," she said, adding that she was keen to launch social businesses in Germany. They also discussed the 'Three Zero' theory launched by Prof Yunus, social businesses, poverty reduction measures, and the future of the welfare state.

### **Shafiqul: Polls By December Or March Next Year**

The 13th parliamentary elections

***We need all your support for the New Bangladesh. We are working hard to make the general election a big success***

*Chief Adviser*

***Prof Muhammad Yunus***

will be held by December this year. However, if they prefer that we stay a bit longer, then he (the chief adviser) indicated that it would be in the first half of 2026."

He further said: "But there is a practical issue -- starting from April, the country experiences nor'westers and heavy rain. By June, the monsoon season begins, making those three months less suitable for elections. Therefore, we estimate that the election will be held by December or, at the latest,



by March."

### **BNP Sees Plot To Delay Election, Adopts Cautious Stance**

As the political climate heats up again, the BNP is adopting a more cautious stance, reversing its earlier support for the interim government and student leaders of the ADSM amid suspicions of a plot to delay the national election. Speaking to UNB, some senior party leaders said although the government has assured them that the national election will be held by December

*We have close relations with Germany. But we want to have a different relationship- a special relationship- with Germany*

*Chief Adviser*

**Prof Muhammad Yunus**

this year, they are becoming sceptical that the promise may not be kept due to influence from the students, Jamaat and a group within the government. They, however, said their party leaders and activists will demonstrate the utmost patience and tolerance to avoid any clashes unless they are pushed into a corner.

Given the strained relationship between their party and Jamaat, the BNP leaders said they are now working out their political strategy

considering the Islamist party as a potential political opponent in the upcoming election. They said they are closely monitoring the formation of a political party by the ADSM leaders. A BNP Standing Committee member, speaking on condition of anonymity, observed that a group within the government, influenced by the students and Jamaat as well as driven by their personal interests, is trying to prolong their hold on power by creating obstacles to the national election under the guise of reforms and local body elections.

He said the students want the election to be delayed until they can

But if they don't change their stance, there will be a problem with us. We're also moving forward thinking of Jamaat as our political opponent in future politics." Another BNP Standing Committee member said they began holding rallies at the district level from February 12 as part of a strategy to put pressure on the government regarding the election issue. "Through this, we also want to create an electoral atmosphere in the country."

The party held an extended meeting on February 27 to revitalise the party's rank and file, ensuring they remain active in pressuring the



*Chief Adviser's Press Secretary Shafiqul Alam has said the next parliamentary elections might be held by December next or March 2026*

organise their party and give it a strong national presence. "Jamaat is backing the students because they, too, want to delay the election in order to prepare their party. Jamaat believes that the longer the election is delayed, the more BNP's popularity will decline, creating an opportunity for their party to perform better in the polls."

In such a situation, the BNP leader said, they are taking a very cautious approach towards both the government and the students. "We'll try to bring the students out of Jamaat's influence and may consider including them in our electoral alliance.

government to hold the election by December this year. The BNP leader also said they will focus on mass communication and Iftar-centric politics in their respective constituencies during Ramadan. "We'll also plan our post-Eid programmes to remain active on the streets."

"Our Standing Committee still has confidence in the chief adviser's commitment to hold the election by December. But we're observing a negative attitude towards the election from certain quarters. Therefore, we are sceptical about whether the government will

ultimately stick to its decision. That's why we'll intensify our pressure on the government to present an election roadmap," he said. The BNP leader, however, said

movement and engage in clashes with law enforcers to realise their demand for the election. "We brought this government in with respect, and we want to see it off

BNP standing committee member Iqbal Hasan Mahmud Tuku said the government has assured their party that the election will be held by December. "If they are sincere about their commitment, they should immediately announce the election roadmap. The people of this country have entrusted them with the responsibility of restoring democracy through a credible election. They should now do their duty, instead of engaging in any underhanded tactics," he said.



*Gayeshwar warned the government not to create a situation where the people are forced to wage a fierce movement for the election*

they want to avoid any kind of clash or violence ahead of the next parliamentary election to maintain the party's image and prevent a third party from taking advantage. "We want to realise our demand for a swift election by protecting the 'honour and dignity' of the interim government's Chief Adviser Prof Muhammad Yunus. So, we'll continue to apply pressure on the government, but we won't do anything that would disrespect him," he said.

BNP Standing Committee member Gayeshwar Chandra Roy said they have been cooperating with the government since its formation, hoping it will arrange a credible national election that reflects the hopes and aspirations of the people. "Before our patience runs out, we hope the interim government will take steps towards the election. The election will determine who the people choose to hold power," he said.

Gayeshwar warned the government not to create a situation where the people are forced to wage a fierce

movement with respect. So, the government should fulfil its duty of organising the election," he said. The BNP leader said they sometimes criticise the government's shortcomings but clarified that this does not mean they are no longer cooperating. "We are still cooperating with



*Chief of Army Staff General Waker-Uz-Zaman said that his only desire is to return to the cantonment after ensuring the country's stability*

them, but time will tell whether BNP will have to take a stricter stance in demanding elections."

### ***Want To Return To Cantonment Making Bangladesh Stable: Army Chief***

Chief of Army Staff General Waker-Uz-Zaman on February 25 said his only desire is to return to the cantonment after ensuring the country's stability. "I have no other ambition; my only desire is that I want to return to the cantonment after making the country and the nation stable," he said at an event at Raowa Club in the capital, marking the National Martyred Army Day. About the election, he said, "I believe we are moving towards polls. As many times as I talked to Dr Yunus, he completely agreed

that there should be a free, fair and inclusive election, and the election should be held within December or

close to that which I earlier mentioned as within 18 months." Emphasising the need for unity, he said, "At the end of the day, we must prioritise the country and the nation instead of engaging in conflicts. If you resort to mudslinging among yourselves, the independence and sovereignty of the country and the nation will be at stake. I am issuing a warning- you cannot say later that I did not caution you." "We are going through a chaotic situation, and criminals are taking advantage of it," he said.

"There are some reasons behind the deterioration in the law-and-order situation. One is: If we are busy fighting, it's a suitable situation for criminals. They know well that if they do the crimes this time, they will be able to easily escape. If we remain united, then it will be possible to face these in a united way," he said. The army chief said that along with some controversial actions in the past, law enforcement and intelligence agencies such as the police, Rapid Action Battalion (RAB), Border Guard Bangladesh (BGB), Directorate General of Forces Intelligence (DGFI), and National Security Intelligence (NSI) have also contributed positively. "The reason the country remained stable for so many years is that members of the armed forces and civilians collectively kept these institutions effective. That is why we have had a stable environment for so long," he said. General Waker-Uz-Zaman said those involved in crimes must be held accountable. "Otherwise, such incidents will recur. However, we must ensure that our actions do not undermine these institutions," he cautioned.

"Today, many police officers are hesitant to perform their duties because cases have been filed against them, and some are in jail. RAB, BGB, DGFI, and NSI are in a state of panic due to ongoing investigations into allegations of enforced disappearances and extrajudicial

killings," he said. "Investigations must take place, and those responsible must be brought to justice, but this should be done in a way that does not weaken these agencies. If you think peace can be restored in the country by undermining these institutions, that will not happen," he added.

Stressing that maintaining law and order is not solely the responsibility of the army, the army chief said,



*The activists of the July Movement are set to announce their new political party named Jatiya Nagorik Party*

"There are 200,000 police personnel, along with BGB, RAB and Ansar-VDP. The army has only 30,000 troops. How can I fill this void with just 30,000 soldiers? Troops are deployed in rotation- one group goes to the cantonment while another takes their place. We are working tirelessly, but if reversing actions continue, peace and order will never be restored. This is something you must keep in mind," he said.

### ***July Movement Activists Launch New Party - Jatiya Nagorik Party***

The activists of the July Movement announced their new political party, named Jatiya Nagorik Party (National Citizens Party), on February 28.

Leaders of the Jatiya Nagorik Committee and the ADSM officially

declared the party's formation on Manik Mia Avenue. Nahid Islam has been made convener of the youth-led political party, while Akhtar Hossain is member secretary.

Besides, Nasiruddin Patwari has been made party's chief coordinator, Abdul Hannan Masud joint coordinator, Hasnat Abdullah chief organiser (southern region), Sarjis Alam chief organiser (northern

region) and Salehuddin Sifat office secretary.

The new party would uphold the spirit of the July uprising in its political course.

Meanwhile, Information Adviser Nahid Islam resigned from his position on February 25 to join the new party.

Ahead of the party's formation, students affiliated with the July Movement launched a new student organisation named 'Gonotantik Chhatra Sangsad' on February 26. However, the move sparked protests from a faction of activists who had also participated in the movement. ■





# We Have Taken Responsibility, Not Power

## *Business Outlook Report*

**F**inance Adviser of the interim government and former governor of Bangladesh Bank Dr Salehuddin Ahmed has discussed his current role, mentioning that they (interim government) did not take power; rather only assumed responsibility.

Salehuddin made these remarks during the unveiling of his book, "Governor Smriti Katha" (Memories of the Governor), organized by Bonik Barta. The event took place on February 22 at the ICAB auditorium in the CA building in the capital. Ahmed, speaking about his current role, stated: "We have not taken power; we have taken responsibility. Only those of us who have been involved can understand the dire state of the Bangladesh economy. We are pulling the economy

back from the brink." He also pointed out a common trait among Bangladeshis: "We often criticize ourselves in the presence of foreigners. It is almost instinctual for us to hold back anyone attempting to excel. When speaking with foreigners, it is important to proceed with caution while upholding our self-respect. Ultimately, we aim to work cooperatively and advance together."

Regarding his book, he commented: "I have not only spoken about my time as governor but also shared various memories from my life. The first edition was released in 2019, and this edition has been expanded with additional content." Bonik Barta Editor Dewan Hanif Mahmud said in his speech: "We published the first edition of the book in 2019. This

year, we have released an expanded edition. There is much about Bangladesh that remains unknown. It is important to hear from those who have worked in public service in Bangladesh to understand the country. This book is a significant document in that respect."

Prof Rashed A Titumir from the Development Studies Department of the University of Dhaka said: "Without understanding politics, one cannot be a governor. Dr Salehuddin Ahmed had a realistic understanding of the country's politics, which served him well as governor. Governors around the world who have published books typically discuss how they handled political issues. One of the biggest challenges for a governor is to assert their position in front of political leaders. There is a significant disconnect

here in our country between governors and politicians. Dr. Ahmed is currently serving as an economic advisor, and I hope he will set an example of how to harmonize fiscal and monetary sectors and stabilize an economy on the brink."

Prof Mostafizur Rahman, fellow at the Centre for Policy Dialogue (CPD), noted: "The book highlights how Dr Ahmed rose from a lower middle-class background to a policy-making level through education. The story of his rise is told without any reservations. Another aspect is that while he faced many challenges in his career, the book highlights the positive aspects of everyone mentioned. Additionally, he discusses inclusive and environmentally friendly development in the book and dedicates it to the working people." ■



# Address High Import Tariffs To Sustain Export-Led Growth

## *Business Outlook Report*

**C**ommerce Adviser Sk Bashir Uddin and other guests at a Conference on 'Recommendations by the Task Force on Re-strategising the Economy,' organised by the Centre for Policy Dialogue (CPD) in the city on February 24. Commerce Adviser Sk Bashir Uddin and other guests at a Conference on 'Recommendations by the Task Force on Re-strategising the Economy,' organised by the Centre for Policy Dialogue (CPD) in the city on Monday.

Economists have warned that following Bangladesh's graduation from the least developed country (LDC) status, it will face significant challenges in sustaining the export-driven growth, unless it particularly addresses the high import tariffs. While the potential benefits of import liberalisation are clear, they cautioned that this should not happen before strengthening the nation's institutional

capacity. As Bangladesh approaches its LDC graduation, they agree that a strategic overhaul, coupled with sound policy reforms and a stronger institutional framework, is essential for the country's continued economic progress. Their observations came during a discussion titled "Conference on Recommendations by the Taskforce on Reshaping the Economy" and organised by the Centre for Policy Dialogue (CPD) on Monday.

CPD's Distinguished Fellow Dr Mustafizur Rahman highlighted the contrasting experiences of import liberalisation in Singapore and Haiti as examples. "Singapore, with its strong export and institutional capacity, has benefitted from liberal imports, while Haiti's lack of such capacity has led to economic challenges," he explained. He emphasised that Bangladesh still faces significant institutional capacity gaps, particularly in areas of revenue

collection, policy formulation, and implementation. "Without addressing these weaknesses, import liberalisation could pose risks to the economy," Dr Mustafizur warned. He also noted that while average import tariffs in the US and Europe are below 4 per cent, they still impose tariffs ranging from 11-18 per cent on apparel imports. Since Bangladesh primarily exports lower-value products, he argued that the country needs to strengthen its export strategy rather than rely on tariff reductions from foreign markets.

Dr Selim Raihan, executive director of the South Asian Network on Economic Modelling (SANEM), pointed out that Bangladesh lacks a coordinated industrialisation strategy and has struggled to attract significant investment. He noted that the country's fragmented policies have hindered its ability to capitalise on its economic potential. Former

commerce minister Amir Khasru Mahmud Chowdhury said Bangladesh must recalibrate its economy. He noted that the government has pursued policies focused solely on revenue generation, often at the expense of long-term growth. "Revenue should come from a developed private sector and large-scale businesses, not just from VAT and regulatory duties," he said.

He also emphasised that without liberalising imports, export incentives would only push exports so far, thus limiting future growth. Commerce Adviser Sk Bashir Uddin outlined the

country (LDC) graduation on the readymade garment sector, which has long benefitted from duty-free access to global markets. "After 2027, this benefit will no longer apply. So it is urgent to negotiate with the European Union to maintain these privileges," he said.

He also criticised Bangladesh's failure to establish bilateral free trade agreements, calling for immediate action to sign a free trade agreement (FTA) with Japan. Dr Razzaque noted that 75 per cent of Bangladesh's exports currently depend on LDC benefits, which will no longer be available

investors, citing Unilever's global ambition to achieve net-zero emissions. "However, the current energy mix in Bangladesh makes this goal unachievable, forcing companies like ours to find alternative solutions, which increases our costs," he said.

He also pointed out that while Bangladesh faces these challenges, countries with government support to address similar issues are giving their industries a competitive edge. Zaved noted that even a struggling economy like Myanmar remains attractive to multinational companies



challenges of Bangladesh's macro-economy, including corruption in the banking sector and money laundering during the previous government's term.

He stressed the need for continued improvements in energy supply, labour productivity, and logistics to strengthen the economy and move forward. Dr Mohammad Abdur Razzaque, chairman of Research and Policy Integration for Development (RAPID), expressed concern about the impacts of the least developed

after graduation, while subsidies for exports will also end. He emphasised the need for reforms in trade policy, noting that since the 1990s, there have been no significant changes in that domain. "Urgent reforms and actions are needed to navigate the challenges ahead," he added.

Foreign Investors' Chamber of Commerce and Industry President Mohammad Zaved Akhtar, who is also the Unilever Bangladesh chairman and managing director, highlighted a key challenge for

due to its access to the Association of Southeast Asian Nations (ASEAN) market. Abdullah Hil Rakib, managing director of Team Group, concluded the discussion by stressing the importance of a comprehensive strategy that aligns Bangladesh's export goals with global market demands.

"Top exporters like our company will follow such a roadmap, but the government must create the conditions for private sector investment to thrive," he said. ■



# Summer Power Crisis Looms



*2-3 hours of daily outages feared as demand set to soar by over 4,000 MW*

## *Business Outlook Report*

**T**he country faces a daunting challenge in ensuring adequate electricity supply this summer, with demand projected to rise sharply, particularly during Ramadan. Estimates suggest demand could surge by over 4,000 MW, peaking at around 18,000 MW in April.

Despite having a total power production capacity of nearly 27,000 MW, the country struggles to meet demand due to fuel shortages, maintenance issues, and unpaid bills. To

mitigate the crisis, the government is increasing imports of Liquefied Natural Gas (LNG) and coal while enforcing energy-saving measures, including restrictions on air conditioner usage.

Power, Energy, and Mineral Resources Adviser Muhammad Fouzul Kabir Khan has warned that air conditioners set below 25°C could result in power disconnections.

### *Load Shedding Inevitable*

Although the country has numerous power plants,

many remain underutilised, and rolling blackouts have already begun in some areas. Last year, production ranged between 12,000 MW and 14,000 MW, whereas this year, it is expected to be between 13,000 MW and 15,000 MW, making power cuts inevitable.

Adviser Fouzul Kabir has cautioned that load shedding of up to 1,400 MW is likely this year, with peak summer demand potentially forcing even more outages. Fuel shortages and overdue payments could

add a further shortfall of 2,000-3,000 MW, leading to daily outages of two to three hours.

### *Underutilised Power Capacity*

Although Bangladesh's power plants have a total capacity of nearly 27,000 MW, actual output rarely exceeds 16,000 MW.

Gas-based plants currently generate around 4,500 MW, with plans to increase production to 6,500 MW next month, provided gas supplies are secured. However, the ongoing dollar crisis

continues to pose a significant challenge.

### **Struggles With Coal Power**

To bridge the supply gap, the government plans to rely more on coal-fired power plants during Ramadan, but these facilities are plagued by technical faults, fuel shortages, and unpaid bills. Bangladesh has an installed coal power capacity of about 8,000 MW, yet current production is below 3,000 MW. The Barapukuria Coal Power Plant, for instance, is producing less than 100 MW due to dwindling coal supplies, while Adani's plant and

with a combined capacity of around 6,000 MW, are typically used to meet peak demand, particularly at night. However, soaring fuel costs have made plant owners hesitant to import fuel, increasing uncertainty over their operation and exacerbating the load shedding crisis.

### **Government's Response**

With both summer and Ramadan approaching, the government is scrambling to stabilise power supply. It has sought Tk8,000 crore from the Finance Division to import primary fuels and is ramping up LNG and

2,900-3,000 million cubic feet per day (mmcf) of gas, aiming to raise power plant supply from the current 825 mmcf to 1,200 mmcf. Additionally, Petrobangla plans to contribute 60-70 mmcf from newly worked-over wells. Coal imports are also being ramped up to support the country's seven coal-fired power plants, with a targeted import of 250,000-300,000 tonnes for March alone.

### **Managing Electricity Consumption**

The government is focusing on demand-side management to curb

warned that air conditioners must not be set below 25°C, with violators facing potential power disconnections or legal action. To enforce this, formal notifications will be issued to businesses and government offices, while mosque imams will also be urged to comply. However, financial constraints continue to hinder efforts to secure electricity imports. The government has requested private banks to provide foreign currency to settle outstanding energy payments. A high-level committee, led by the finance adviser, is currently working on solutions.



others face shutdowns over similar issues. The Rampal power plant is also struggling, frequently shutting down due to fuel shortages and mounting debts.

### **Fuel Dependence And Financial Woes**

Oil-fired power plants,

coal imports. Md Shah Alam, general manager (LNG division) of Ruptarita Prakritik Gas Company Limited (RPGCL), confirmed that the government has increased its planned LNG procurement from five to six cargoes. Each cargo carries approximately

excessive power use. Air conditioners, which account for nearly 4,000 MW of national electricity consumption, are a key target. Officials believe that setting AC temperatures to 25-26°C could cut demand by at least 2,000 MW. Adviser Fouzul Kabir Khan has

With peak summer demand expected to reach 17,000-18,000 MW, the government has committed to supplying 1,200 mmcf of LNG for power generation during Ramadan, scaling it back to 1,100 mmcf thereafter. ■



# Japan Provides \$3.2m For Bangladesh's Flood Recovery

## *Business Outlook Report*

Japan has provided \$3.2 million to the International Organization for Migration (IOM) for a comprehensive plan to assist the flood-affected communities in Noakhali, Lakshmi-pur, and Feni. An exchange of notes was signed by Saida Shinichi, ambassador of Japan to Bangladesh, and Lance Bonneau, chief of mission, IOM Bangladesh in Dhaka on February 24.

The project will reach approximately 500,000 displaced people in total and repair evacuation shelters, create livelihood opportunities, and strengthen community resilience as well as capacity to deal with disasters and associated displacement, read a press release of the Embassy of Japan. Ambassador Saida expressed his hope that the support from Japan would improve the living conditions of displaced people in Bangladesh. "I'm hopeful for this comprehensive plan to improve the living conditions for

displaced people who were affected by the Cyclone Remal and series of floods. This plan is fundamental to protect populations, enhance service delivery for populations in temporary displacement and promote durable solutions for populations in protracted displacement. Japan will continue to work towards sustainable solutions and will cooperate with international organizations such as IOM," said the ambassador.

"The unprecedented flooding in eastern Bangladesh last year left millions facing hardship and loss of livelihoods. As we work towards recovery, IOM remains committed to supporting the most affected communities in Noakhali, Lakshmi-pur, and Feni by structurally reinforcing evacuation shelters, enhancing capacity of shelter committee members to coordinate evacuation responses, restoring livelihoods, and enhancing community resilience," said Lance Bonneau.

"Through this partnership, we aim to ensure that the affected population, including those displaced, receive the necessary assistance to rebuild their lives. We are grateful for the support of the Government of Japan and our partners in advancing sustainable solutions for those impacted by this disaster."

Since last September, Japan provided assistance worth \$1 million to the flood-affected areas through UNHCR and UNICEF, and provided emergency humanitarian aid worth \$2 million to the Japan Platform, a platform of Japanese NGOs, to launch a programme to provide emergency relief in eastern Bangladesh. The Japanese Commerce and Industry Association in Dhaka and the Japanese Association in Dhaka donated a total of Tk2,00,000 to Bangladesh Red Crescent Society to support individuals and families affected by the floods. ■



# Savings Certificate Sales Decline In Oct–Dec

*Business Outlook Report*

**D**ue to rising inflation, the demand for savings certificates has significantly declined over the past six months. According to Bangladesh Bank data, net investment in savings certificates recorded a negative growth of Tk2,244 crore in the first half (July–December) of the current fiscal year (FY25).

However, in the first three months—July, August, and September—net sales of savings certificates stood at Tk8,333 crore. In contrast, the following three months saw a downturn in net sales. Experts attribute this decline to the diminished real returns on

savings certificates due to high inflation. Traditionally, savings certificates offer a fixed return over a set period, making them a low-risk investment.

However, with inflation rising sharply, real returns have turned negative. For example, if the interest rate on a savings certificate is 4% annually while inflation is at 8%, the real return becomes negative, eroding purchasing power. Consequently, investors are shifting towards alternative investment options such as stocks, bonds, or real estate, which offer better potential returns. Food inflation has remained above 10% for ten consecutive months. According

to the Bangladesh Bureau of Statistics (BBS), food inflation slightly decreased to 10.72% in January, down from 12.92% in December. However, it has not dropped to single digits since March of last year. Meanwhile, overall inflation fell to single digits in January at 9.94%, down from 10.89% in December.

Mustafa K Mujeri, executive director of the Institute for Inclusive Finance and Development (InM) and former chief economist of Bangladesh Bank, said that inflation erodes purchasing power, leading individuals to seek investments with higher returns. This shift has contributed to the declin-

ing popularity of savings certificates. Dr Zahid Hussain, former lead economist at the World Bank's Dhaka office, highlighted the economic distress caused by inflation.

“In times of inflation, many people are under immense stress. Over the past six months, political unrest has further strained all sectors of the economy, forcing many to withdraw their savings to sustain their livelihoods,” he said. Since October, customers have been cashing in previously purchased savings certificates instead of buying new ones. In October alone, net sales fell by Tk3,225 crore. The trend continued in



# National Savings Certificates

November and December, with net investments at negative Tk3,430 crore and negative Tk2,204 crore, respectively. Interestingly, the first three months of FY2024-25 witnessed an unusual surge in savings certificate sales. Net sales stood at Tk2,188 crore in July, Tk2,036 crore in August, and Tk4,109 crore in September—nearly the combined total of the previous two months.

The net sale of savings certificates represents the amount remaining after paying interest and principal on previously sold certificates. Economists consider this a form of government borrowing, reflecting the state's

financial reliance on public savings. For FY25, the government's net borrowing target from savings instruments is set at Tk15,400 crore, down from Tk18,000 crore in the previous fiscal year.

However, in FY24, the net investment was negative at Tk21,124 crore, meaning the government did not borrow any amount from this sector. Consequently, the borrowing target has been reduced for FY25. By regulation, after covering interest and principal payments on previous savings bonds, the remaining amount—net sales—is deposited into the government treasury for use in various projects. To

counteract declining sales, the government has raised interest rates on all types of savings certificates effective from January. Additionally, the Ministry of Finance now considers savings certificates a tool for addressing budget deficits and reducing dependence on bank loans.

As part of this strategy, the government is encouraging investment in savings certificates. Under the revised rules, the interest rate on the five-year Bangladesh Savings Certificate is now 12.4% for investments up to Tk7.5 lakh and 12.37% for amounts exceeding that threshold. For the t h r e e - m o n t h l y

profit-bearing Sanchayapatra, the interest rate ranges from 12.3% to 12.25%, while the Family Savings Instrument offers rates between 12.5% and 12.37%. Pensioners' savings schemes now have interest rates ranging from 12.55% to 12.37%.

Meanwhile, banks are currently offering interest rates of 9% to 11% on fixed deposits, with some liquidity-strapped banks going as high as 13%. In comparison, savings bonds now offer rates between 11% and 11.5%. This shift marks a significant decline in the advantage savings bonds once had over bank deposits and treasury instruments. ■



# Tariff War: Implications For Bangladesh

*Apu Ahmed*

**E**ver since US President Donald Trump announced that he would maintain a reciprocal tariff policy with main trading partners at the beginning of his second stint at the White House, it has almost forced the whole world, including Bangladesh, to ponder over the much-talked-about debatable issue.

## *Trump's Proposed Tariff Rates*

Politicians, economists and businesses across the world are calculating the impacts to be faced by different countries and regions because of Trump's tariff threat. In fact, tariffs are the central part of Trump's economic plans. He promised to impose more duties against some of America's main trade partners during his election campaign. He says tariffs will boost US manufacturing and protect jobs, as well as raise tax revenue and grow the economy. India, the biggest economy

in South Asia with an overall 80 per cent share against the combined share of Bangladesh, Bhutan, the Maldives, Nepal, Pakistan, Sri Lanka and Afghanistan, has already faced hiccups.

## *India Faces Risks*

Hundreds of reports, articles and opinions have already appeared in the mainstream Indian newspapers speculating outcomes after less than expected treatment from the point of view of Indian intelligentsia to its Prime Minister Narendra Modi by the US President in a recent meeting in Washington. The treatment drew protests from India's opposition, which accused Modi of sacrificing the dignity of citizens to please Trump. Vikatan Plus, the digital magazine of Tamil Nadu-based Vikatan Group, published a cartoon of Narendra Modi in chains, highlighting the issue of Indians being handcuffed and deport-

ed from the United States. The magazine website has been blocked while the threat of higher tariffs on India is looming large.

## *Many Nations Worried*

Not only India but also Canada, Mexico, European Union countries, China and Vietnam are closely monitoring Washington's moves after the US President announced a 25 per cent tariff on all steel and aluminium imports. Trump has already introduced a 10 per cent tariff on all products from China - which has responded with its own measures - and has threatened to introduce tariffs on products from Canada and Mexico. The escalating trade war and growing tariff threats from the US President are prompting the EU and the United Kingdom to fast-track the long-delayed free trade agreement negotiations with India. Indian Trade Minister Piyush Goyal said India and



the UK had decided to resume talks on a proposed trade agreement during a recent visit by him to the UK.

### ***Discussion In Bangladesh, Too***

Discussion over Trump's tariff war has also started in Bangladesh. While the exporters project a positive outlook for Bangladesh, economists signal mixed outcomes. Businesses said the new US tariff policy could create business opportunities for Bangladesh as its impacts on China could redirect export orders to Dhaka from Beijing. Ready-made garment exporters calculated that the US trade policy towards China – one of Bangladesh's main competitors in the global apparel market – would be crucial for their industry in the coming years. Since the US is the largest single export destination for Bangladeshi apparel, this policy shift is particularly significant for Bangladesh, the world's second-largest apparel producer after China. RMG exporters say Trump's plan to impose higher tariffs on imports from China could boost Bangladesh's garment exports. Policy Exchange Bangladesh Chairman M Masrur Reaz highlighted another opportunity: more foreign direct investment from Chinese manufacturers seeking alternative production bases to avoid US tariffs on Chinese goods.

### ***Challenges And Opportunities***

Research and Policy Integration for Development Chairman Mohammad Abdur Razzaque finds both opportunities and challenges for Bangladesh out of the proposed tariff hikes. Trump's intention is to increase the tariffs and decrease the US military wars, which may contribute to global stability. It is positive for Bangladesh since the war in Ukraine increased the prices of many imported products and put the country's import-driven economy on a tightrope. However, an escalation into a full-scale trade war between the US and China would likely inflict damage to the global economy. During Trump's previous term, his administration's trade

policies contributed to a slowdown in global trade, with Bangladesh witnessing five months of negative export growth from July 2019 to January 2020, said Razzaque, adding that renewed protectionist measures by the Trump administration could signal a broader resurgence of restrictive trade policies worldwide posing significant implications for countries like Bangladesh. This challenge coincides with Bangladesh's upcoming graduation from Least Developed Country status, potentially intensifying competitive pressures on its exports.



### ***Delhi Explores Experts' Views***

On February 24, a report by the Hindustan Times on its website tried to explore Trump's announcement of matching the tariffs India and China impose on American goods soon as the 'reciprocal tariffs as it can shake up global trade affairs, as India's steel exports to the US face an 85 per cent share while the Indian currency has sunk to a record low. Quoting Lord Jim O'Neill, the economist who coined the term BRIC (Brazil, Russia, India and China), led Goldman Sachs in his prime, and shaped Treasury policy in the Second David Cameron Ministry, it said 'Trump's tough talk on India is more of a tactic than a true trade war. "Trump has been openly aggressive toward almost every country in the past four weeks, but I don't

think he truly means it. It seems more like a tactic to pressure others into making concessions," said Jim O'Neill.

### ***New Trading Regime In The Offing***

Economists in Bangladesh at a seminar held on 24 February in the capital echoed Lord Jim O'Neill while discussing Trump's tariff threats. Centre for Policy Dialogue Chairman Rehman Sobhan said the world of liberalisation and globalisation was now in retreat amid weaponising the tariff by powerful nations, causing concerns for Bangladesh. "Now tariffs and a whole variety of other economic

and trade sanctions are being used as political instruments by particular countries which are really the powerful ones," he said. Rehman Sobhan, however, said bilateral deals with countries from the European Union to the United States to China to India were going to determine the new trading regime that had to be dealt with carefully by Bangladesh. He observed that the US might put a 30 per cent tariff on China before cutting it to 10 per cent on the back of a political deal.

### ***Prudence Needed***

The critical view by Rehman Sobhan over the impending changes in geopolitics makes it imperative that Bangladesh needs to be very careful in dealing with the US tariff policy and its consequences. ■



# Competition Commission Fines Farm For Egg Price Manipulation

*Business Outlook Report*

**T**he Bangladesh Competition Commission has fined People's Poultry and Hatchery Ltd Tk 7,202,973 for conspiratorial collusion, limiting or controlling the production, supply, and market system, and abnormally determining the purchase or sale price of eggs.

According to an investigation based on reports from the Directorate of National Consumer Rights Protection (DNCRP) in 2022 and various media sources, the company collaborated with other major poultry firms, including Kazi Farms Group, CP Bangladesh, Diamond Egg Ltd, and wholesalers such as Tejgaon-based traders'

cooperatives — to artificially inflate egg prices and control supply. Earlier, the Competition Commission also fined Kazi Farms Limited, CP Bangladesh Company Ltd, Diamond Egg Ltd, Saguna Foods and Feeds Bangladesh Private Ltd, and a number of wholesalers with various amount of money under the similar charges.

According to a statement issued by the Competition Commission on Monday, it found that People's Poultry and Hatchery Ltd used to send trucks with eggs to wholesalers with a message fixing the price of eggs at 30-40 paisa higher than the market price. Evidence suggested that this pricing was fixed through collusion with

the abovementioned firms. If traders refused to comply, the company cancelled egg supplies. The traders, in fear of being deprived of business, had to buy at the dictated price because the other big companies also demanded the same price in collusion with one another.

It is also alleged that the company mixed hatching eggs with commercial red eggs and sold them at the price of commercial eggs. The wholesale price per egg in the market ranged between Tk 11.60 and Tk 11.80. People's Poultry and Hatchery Ltd sold eggs at Tk 12 each, exerting excessive influence on the market and contributing to price hikes. Following a hearing where the

company's legal representatives presented their arguments, the commission ruled that People's Poultry and Hatchery Ltd had violated multiple provisions of the Competition Act, 2012. Since this was the company's first case before the commission, it was fined Tk 7,202,973 based on its average turnover over the past three years.

Moreover, the company has been directed to deposit the fine within 30 working days. Failure to comply will result in an additional penalty of up to Tk 100,000 per day under the Competition Act. However, the statement added that the company retains the right to seek a review or appeal against the decision. ■



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# BAPEX's Suspicious Move

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## Bidding Process In Question



File Photo: Petrobangla Officials talking to media while visiting a gas field

### *Business Outlook Report*

**A**llegations of serious irregularities have emerged regarding the tender process conducted by Bangladesh Petroleum Exploration and Production Company Limited (BAPEX) for selecting an international seismic service provider.

According to official sources and industry insiders, the state-owned BAPEX, a subsidiary of Bangladesh Oil, Gas and Minerals Corporation-Petrobangla, floated a tender aimed at conducting a 2D Seismic Survey over Exploration Blocks 07 and 09 in Bangladesh, raising concerns about transparency and compliance with procurement regulations.

BAPEX initially shortlisted four companies for the project. Of these,

three—Geofizyka Torun (Poland), Sinopec International Petroleum Service Corporation (China), and BGP Inc., China National Petroleum Corporation—submitted proposals. Officials stated that the tender process followed the Quality and Cost-Based Selection (QCBS) method.

#### ***Questionable Qualification Criteria***

During the tendering stage, BAPEX set a qualification criterion requiring bidders to have a minimum of 10 years of experience and a record of conducting at least 10,000 LKM of 2D seismic surveys. However, sources said the tender committee did not accept experience related to 3D seismic surveys, despite the fact that companies experienced in 3D seismic surveys can efficiently

execute 2D seismic projects. In contrast, firms specialized only in 2D seismic surveys lack the expertise to conduct 3D surveys, they alleged.

Critics pointed out that this criterion seemed designed to benefit specific companies.

After the technical evaluation, those companies that appeared to benefit from these selective requirements received the highest technical scores, raising suspicions about fairness and impartiality in the process.

#### ***Concerns Over Committee Composition And Decision-Making***

The BAPEX board approved the project on September 22, 2024. However, only three members—Mr. Nurul Alam (former Energy Secretary), Mr. Zanendra Nath Sarker (former Chairman of Petrobangla),

and Md. Shoyeb (Managing Director of BAPEX)—attended the board meeting that finalized the approval. “This is a clear departure from standard procurement practices, as such committees usually consist of at least 7 members to ensure broader oversight and accountability,” a source said, pointing to alleged ill motives within BAPEX management. Additionally, it was reported that BAPEX provided office space within its premises for the former Energy Secretary, an act that appears to contravene government rules and regulations. Industry insiders stated that the involvement of these key individuals, who were allegedly implicated in corruption within the energy sector during the Awami League’s tenure, has further fueled concerns about the integrity of the

process.

### **Violation Of Public Procurement Rules (PPR)**

Industry insiders also highlighted another major violation concerning the timeline for issuing the Notification of Award (NoA). According to the Public Procurement Rules (PPR), specifically Clause No. 35(1) and 36(4)(Ka), the NoA must be issued to the lowest bidder within seven working days after the final decision by the procurement committee. However, BAPEX issued the NoA on January 20, 2025—nearly four months after the board’s approval—constituting a direct breach of procurement regulations.

### **Call For Tender Cancellation And**

### **Re-Evaluation**

Given these significant procedural violations and transparency concerns, stakeholders and industry experts are urging BAPEX to cancel the current tender and initiate a fresh process. They stated that a re-tendering process would allow globally reputed seismic survey companies to participate, ensuring that Bangladesh’s energy sector benefits from the best available expertise and technology. As Bangladesh seeks to strengthen its energy exploration capabilities, ensuring fair and transparent procurement processes remains critical. Addressing these irregularities will be essential to maintaining public trust and attracting high-quality international investments in the sector, they said. ■

## **BEA Interim Committee Demands Arrest Of Office Attackers**



The interim committee of the Bangladesh Economic Association (BEA) has demanded the immediate arrest of those who attacked and vandalised the association’s office.

Mohammed Helal Uddin, member secretary of the interim committee, made this demand at a press conference held at the Economic Reporters’ Forum office in Dhaka on February 24. He claimed

that the self-proclaimed and unauthorised ad-hoc committee carried out attacks on 12th and 17th February in an attempt to disrupt the association’s election—an incident unprecedented in BEA’s history.

Helal Uddin stated that any member of the association can discuss their demands with the current interim committee and seek a logical resolution. Howev-

er, resorting to unprofessional means, such as launching attacks or taking officials hostage to fulfil demands, is unacceptable, he added.

Prof Abu Ahmed, chairman of the Investment Corporation of Bangladesh, emphasised that distinguished economists have always led the BEA throughout its history. He noted that Prof Mahbub Ullah of Dhaka Universi-

ty—one of the most respected and widely recognised economists in the academic sphere today—has been requested to serve as the convener of the interim committee, and he has agreed to do so. “Now, everyone should support Prof Mahbub Ullah in restoring the lost prestige of the association,” he said.

Meanwhile, Prof Mahbub Ullah has urged the so-called ad-hoc committee to participate in the next election and take the opportunity to lead the BEA legally. Earlier, following the political changeover after the July-August uprising, the previous executive committee, in accordance with the association’s constitution, handed over responsibilities to a 29-member interim committee. ■



# Massive Rice Import To Bolster Food Supply

*Apu Ahmed*

**I**n a decisive move to safeguard food security, the interim government has approved the import of 50,000 tonnes of non-Basmati rice through an Indian company. Bagadiya Brothers Private Limited will supply the rice at \$434.55 per tonne.

## *Target To Import 1 Million Tonnes*

This purchase is part of the government's broader strategy to import a total of 1 million tonnes of rice in the current 2024-2025 financial year ending on June 30. The decision was taken by the interim government, which assumed power with an abrupt end to the Awami League regime in the face of an uprising against the backdrop of growing discrepancies in every sphere of society. The present interim government, led by Prof Muhammad Yunus, has been facing multiple challenges, including maintaining the country's food security,

on the way to its foremost task of arranging a credible election to hand over the power to an elected government by the next year. Food security has become a concern after the losses of Aus and Aman, the third and second largest harvests, because of the two rounds of flash floods in the late rainy season.

## *Other Steps*

The finance ministry in a recent report titled 'Bangladesh Economy: Recent Development and Tasks Ahead' calculated a decrease in the production of rice by 1.3 million tonnes from the estimate in the current FY25. To ensure food security, the decision to import an additional 1 million tonnes of rice has been made in the wake of losses of Aus by 3.58 lakh and Aman by 9.55 lakh tonnes. Besides importing rice, the finance ministry report said it had kept Tk 18,000 crore in the revised

budget of the current financial year for the interrupted supply of fertiliser for the upcoming harvest of Boro, the single largest rice crop. The government's food stock until January was calculated at 13 lakh tonnes by the finance ministry. The amount is 23.6 per cent less than the stock during the same time of the past financial year and also almost 8 lakh less than the government's overall capacity.

## *High Rice Prices*

Of the projected one million tonnes of rice import, the government has been able to clear purchase orders for around 6 lakh tonnes from India, Vietnam and Myanmar through international tenders and government-to-government deals. Against the backdrop of supply shortage, the prices of rice have remained at an elevated level in the local market over the past six months. Rice of different qualities is available on the market at



prices ranging from Tk 55-100 a kilogram. The fine variety of Miniket rice was selling for Tk 80-82 a kilogram throughout the week, maintaining a steady high price. According to the Trading Corporation of Bangladesh, during the same period last year, coarse rice was selling at Tk 50-52 per kg, medium rice at Tk 52-58, and fine rice at Tk 62-75. Prices of coarse varieties, mainly consumed by low-income earners, have not risen much. But coarse rice is hard to find in the market.

### **Inflation**

The high prices of rice have had a significant impact on inflation. According to the Bangladesh Bureau of Statistics, the country's inflation rate in December was close to 11 per cent, slightly lower than in November but still alarmingly high. While rice prices remain high, the winter vegetable market has provided some respite. Increased supply has reduced prices for several items. Potatoes are now selling for Tk 35-40 per kg, down from Tk 45-50 last week. Large cauliflower and cabbage are priced at Tk 20 each. However, chicken and beef prices have remained stable. Buyers expressed concerns over rising rice prices, stating that their incomes have not increased but prices are rising. Many have cut back on essentials like chicken, fish and milk, relying more on vegetables to manage household expenses.

### **Volatility In Rice Market**

Over the past several years, the rice market has been going through volatility mainly because of supply shortages. The flaws in rice production data and the overall population might lead to an inaccurate market situation. In Bangladesh, the Department of Agricultural Extension and the Bangladesh Bureau of Statistics provide estimates on the acreage and production of rice. The estimates of these two agencies differ by a substantial degree because of the use of different methods. Users and

stakeholders are often confused about these two organisations' methods and which one is better for rice yield estimates. In 2013, BBS tried to uniform the estimation method by the implementation of the Dissemination of Unified Agricultural Production Statistics project. Still, the problem persists. Available data showed that except in the financial years 2023-24 and 2019-2020, the government imported more than half a million tonnes of rice in other financial years from 2018-2019. The ousted AL regime tried to project the country as a rice surplus one. Even in 2014, the country exported rice to Sri

around 4.8 tonnes per hectare, leaving a yield gap of approximately 1.2-2.2 tonnes per hectare. This gap is even higher when compared to newer rice varieties like BRRI Dhan 100, 107, 111, etc. whose yields are considerably higher.

### **Checking Climate Vulnerability**

This gap is attributed to several factors, including suboptimal farming practices, limited access to newer seeds or lack of awareness, inadequate irrigation infrastructure, and the effects of climate stressors such as floods, droughts and salinity intrusion. Poor knowledge dissemi-



Lanka. But many had expressed doubt about the sustainability of such a venture given the fact of suspicion about the estimates of rice production.

### **More Steps Needed**

Economists said apart from correcting the calculation method, the government needs to address some other basic issues identified by the 12-member task force on re-strategising the economy. The rice yield gap in Bangladesh—the difference between yields in experimental farms and actual yield at the farm level—remains significant, particularly for smallholder farmers. While the potential yield of high-yielding rice varieties (HYVs) under optimal conditions can reach 6-7 tonnes per hectare, the national average yield is

nation and extension services also contribute to farmers not fully utilising modern techniques. Addressing this yield gap would require improved agricultural finance, extension, adoption of climate-resilient rice varieties, better irrigation systems, and promotion. The country had become a rice surplus country for a brief period before it reemerged as a deficit mainly because of its vulnerability to the climate shocks. The rice price has already gone to a new high. Although the government policymakers ruled out any food crisis, the existing situation reminded the food crisis in 2008 during the Army-backed caretaker government. In fact, the near-food crisis was a major setback for the Army-backed caretaker administration. ■



City Bank signed an agreement to facilitate IFAD Motors Limited with cash management solution for distribution of Royal Enfield motorcycles in Bangladesh. The signing ceremony was held at the bank's head office. City Bank Managing Director & Chief Executive Officer Mashrur Arefin and IFAD Motors Limited Managing Director Taskeen Ahmed signed the deal. ■



The Investment Corporation of Bangladesh (ICB) organised a day-long in Capital Market of Bangladesh at its head office in the capital. Professor Abu Ahmed, chairman of the ICB board of directors, attended the programme as chief guest, and Md. Abul Hossain, ICB managing director, inaugurated the training session. The newly appointed 33 assistant accountant general officers of the 43rd batch of BCS (audit and accounts) cadre participated in the training. ■



Tareq Refat Ullah Khan, Deputy Managing Director & Head of Corporate and Institutional Banking at BRAC Bank, and Mohammad Tanvir Hydar Pavel, Director (Finance & Commercial) of City Sugar Industries, signed an agreement at the term sheet signing ceremony at the bank's head office recently. Selim R. F. Hussain, Managing Director & CEO of BRAC Bank, and Md. Hasan, Managing Director of City Group, were present at the signing ceremony. ■



MTB Foundation signed an agreement with Quasem Foundation to implement a project titled 'Eyesight Restoration Camps', aimed at providing quality eye care services to low-income communities in the remote areas of Rangpur Division. Tasvir Ul Islam, general secretary, Quasem Foundation; and Samia Chowdhury, chief executive officer, MTB Foundation, signed the deal in the presence of Syed Mahbubur Rahman, managing director & CEO of Mutual Trust Bank (MTB). ■



In a bid to enhance the security of the Mobile Financial Service (MFS) sector and prevent its misuse in criminal activities, the Police Bureau of Investigation (PBI) and bKash have jointly conducted a series of training workshops nationwide. A total of 450 Investigation Officers from 42 PBI district offices participated in 14 workshops. ■



Rupali Bank PLC held a Business Review Conference 2025 with the participation of branch managers under its Rajshahi Divisional Office at Nanking Darbar Hall in Rajshahi. Managing Director of the bank Kazi Md Wahid-ul Islam was present as the chief guest at the conference while Deputy Managing Director Hasan Tanvir was the special guest. Rajshahi Divisional Head and General Manager Md Nizam Uddin presided over the event. ■





Prime Bank Chief Executive Officer Hassan O. Rashid handed over their published Braille books on financial literacy to Dr. Md. Habibur Rahman, deputy governor of the Bangladesh Bank (BB), at a ceremony at the BB. ■



Southeast Bank PLC has recently signed a Memorandum of Understanding (MoU) with Padakhep Manabik Unnayan Kendra, a renowned NGO, to provide banking services, including Payroll Banking Service, Corporate Payment Module, Collection Service and other financial solutions. Nuruddin Md. Sadeque Hossain, Managing Director of the bank, and Md Saleh Bin Sums, Executive Director of Padakhep, exchanged the documents of the agreement. ■



A two-day "Annual Managers' Conference 2025" of Pubali Bank was held at a hotel in Cox's Bazar recently. Monzurur Rahman, Chairman, Board of Directors, was present as the chief guest while Managing Director & CEO Mohammad Ali presided over the conference. All 508 Branch Managers, Regional Managers and Sr. Executives of Head Office took part in the event. Some 51 best Managers were rewarded for their outstanding performance for the year 2024. ■



Shahjalal Islami Bank held the 265th meeting of the audit committee at its corporate head office in the capital recently. The meeting was presided over by Nasir Uddin Ahmed, chairman of the audit committee of the bank. Md. Sanaulah Shahid, director of the bank, was present as a special guest. ■



A training on "Pesticide Residue Analysis in Fish Sample" organised by the Entomology Division of Bangladesh Agricultural Research Institute (BARI) was held at Entomology Division Seminar Room. Technical staff from the Department of Fisheries participated in the training programme. Director (Research) of BARI Dr Munshi Rashid Ahmad was present in the programme as the chief guest while BARI Chief Scientific Officer (Entomology Division) Dr Nirmal Kumar Dutta presided over the session. ■



Agrani Bank PLC held a Business Review Meeting for Faridpur Circle and Managers' Conference 2025 at the BRAC Learning Centre in Faridpur. The bank's Chief Executive Officer Md Anwarul Islam was present as the chief guest and Deputy Managing Director Tahmina Akhter as a special guest. General Manager for Faridpur Circle Suprova Sayeed presided over the event. ■





# Masato Kanda Takes Charge As New ADB President

## *Business Outlook Report*

**M**asato Kanda officially assumed office as the 11th President of the Asian Development Bank (ADB) on February 24. “I am deeply honored to take on the role of ADB President at this important moment for our region,” Kanda said.

“With the trust of our 69 members and strong support of our dedicated staff, I am committed to advancing ADB’s mission to promote sustainable, inclusive, and resilient growth. Together, we will respond to pressing development challenges, ensuring that ADB remains the partner of choice for the region.” Kanda succeeds Masatsugu Asakawa, continuing a legacy of

excellence and innovation. With nearly four decades of experience in international finance and development policy, Kanda is widely recognized for his forward-thinking leadership and his decisive interventions during periods of market volatility.

During his tenure as Japan’s vice-minister of finance for international affairs, he was instrumental in pioneering innovative financial solutions and orchestrating policy actions that helped stabilize markets. “Masato Kanda brings a wealth of experience and a refreshing perspective to ADB. His proven track record in navigating complex financial challenges and fostering international cooperation makes him the ideal leader to guide us as we build

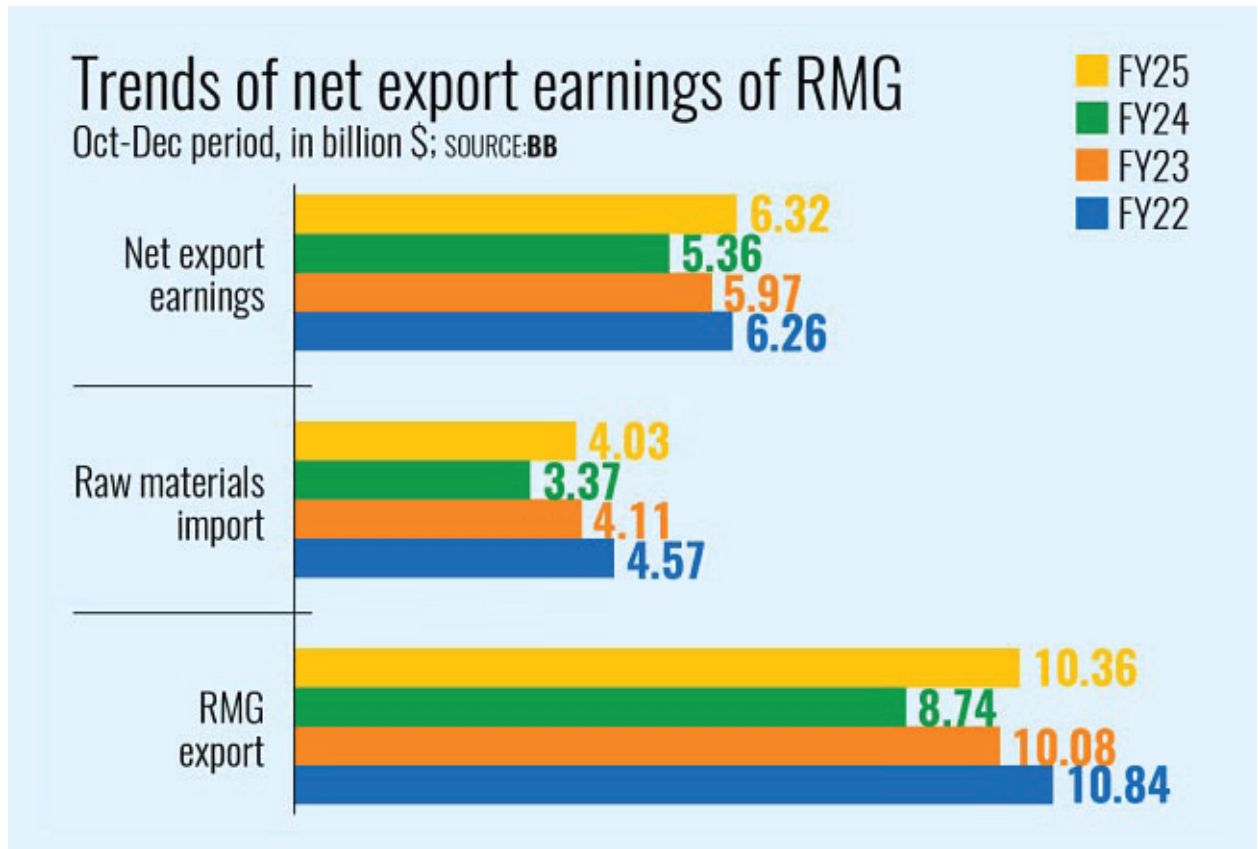
upon our strengths and seize emerging opportunities,” said chair of the ADB board of governors Fabio Panetta. “I am confident that under his leadership, ADB will deliver targeted and impactful solutions for our developing member countries.”

“I am ready to harness the collective expertise within our organization and work closely with our partners to drive transformative change, especially for those most in need,” Kanda added, reflecting on his appointment. “Our focus will be on pragmatic actions that deliver real results, ensuring that our support creates lasting improvements in the lives of people throughout Asia and the Pacific.” Kanda’s appointment underscores

ADB’s ongoing evolution and its commitment to meeting the dynamic needs of its developing member countries. As the bank embarks on a new phase of strategic growth, his leadership will build on ADB’s strong legacy while also positioning the institution to address future challenges and opportunities.

ADB Board of Governors’ decision to elect Kanda was unanimous, reflecting broad confidence in his ability to steer ADB during a time of significant change. His extensive background in managing complex economic policies and his hands-on experience in multilateral settings will be invaluable as ADB continues to adapt to a rapidly changing global landscape. ■

# RMG Exports Grow 18% In Oct-Dec



## Business Outlook Report

**B**angladesh's readymade garments (RMG) industry has continued to expand despite global economic challenges and domestic labour unrest following the fall of the Awami League government last August, according to the latest Bangladesh Bank (BB) report.

Export earnings for the October-December period of fiscal year 2024-25 (FY25) stood at \$10.36 billion, marking a 9 percent increase from the previous quarter. Year-on-year, it was a growth of 18.6 percent. "This growth was attributed to the rebound of economic activities in advanced economies along with the peak holiday shopping season in Western markets," said the central bank's quarterly review of RMG released

on February 25. Major US and European retailers typically increase their orders to meet consumer demand, it said. The report said the apparel sector faced inflationary pressure, disruptions to supply chains, fluctuating fuel prices, and rising transportation costs. However, demand from key export markets remained strong.

Last year, the local garment sector witnessed demonstrations, national election-related movements, factory closures and production halts amid massive labour unrest after the fall of the Sheikh Hasina-led administration on August 5. Goods shipment was severely affected in July, August, September and October due to a student-led mass movement culminating in Awami League's ouster and widespread labour unrest

demanding wage hikes and an end to workplace discrimination. On the international front, high inflation has persisted over the past few years because of the far-reaching implications of the Russia-Ukraine war that began just after the pandemic, affecting consumer demand. But Western economies have been rebounding gradually with rising demand, for which retail sales have also been growing with the clearance of inventories of previous years in Europe and the US.

"Over the years, Bangladesh has established itself as one of the world's leading apparel manufacturers," it said. "The growth of this sector can be attributed to competitive labour costs and a robust supply chain network," the report added. The RMG sector contributed 11.68

percent to the gross domestic product (GDP) during the quarter. The BB report said nine countries -- namely the US, Germany, the UK, Spain, France, the Netherlands, Italy, Canada, and Belgium -- were the primary destinations for Bangladesh's RMG exports. These countries enabled roughly 70 percent of total RMG earnings in the second quarter of FY25.

Earnings from these markets increased by 7.13 percent compared to the preceding quarter. Of the shipments, knitwear exports grew by 2.61 percent quarter-on-quarter to \$5.48 billion. The growth was 18 percent compared to the same quarter of the previous year, driven by strong demand from the US and European Union. Woven garment

exports rose by 17.23 percent to \$4.88 billion, supported by increased consumer spending in the European and US markets. The BB report said woven garment exports experienced notable growth, leading to a resurgence in consumer spending in major markets, particularly in Europe and the US.

"This uptick was influenced by economic recoveries and a renewed interest in apparel. Moreover, a competitive edge through cost-effective production has been maintained, offering quality woven garments at attractive prices," it said. The report said the RMG sector continues to be affected by supply chain disruptions and increased raw material costs. The import value of raw materials such as cotton,

synthetic fibres, yarn, and textile fabrics reached \$4.03 billion in the second quarter of FY25, accounting for 39 percent of total RMG export earnings. Net export earnings stood at \$6.32 billion, a 12.67 percent rise from the previous quarter. The BB report said Bangladesh's RMG sector demonstrated strong resilience and steady growth during the October-December period of FY25, driven by increased global demand and production efficiency.

"Looking ahead, the significant performance of the RMG sector will be reaffirmed during the whole of FY25, setting a positive outlook for the coming years and positioning Bangladesh as a leading apparel exporter on the global stage," the report said. ■

## Forex Reserve Nears \$21b Amid High Remittance



Bangladesh's gross foreign exchange reserves, calculated under International Monetary Fund guidelines, neared \$21 billion again, driven by strong remittance inflows. According to Bangladesh Bank data, reserves stood at \$20.9 billion on February 20 compared with that of 19.96 billion on January 30. Bankers said that high remittance inflow and export earnings contributed most to the

surge in reserve balance. According to BB data, remittance inflow was \$15.96 billion in July-January period in FY25 compared with that of \$12.91 billion in the same period in FY24. Besides, export earnings soared by 11.58 per cent to \$28.96 billion in July-January period in FY25 compared with that of \$25.96 billion in the same period in FY24. In addition, according to

conventional valuation by the Bangladesh Bank, the foreign exchange reserve increased to \$26.1 billion on February 20 from \$25.30 billion on January 30. The reserve level had previously declined from \$21.6 billion on January 7 to \$20 billion the next day following a \$1.67-billion payment to the Asian Clearing Union (ACU) for November-December import bills. Additionally, the BB repaid

\$3.3 billion, or nearly 90 percent, of foreign overdue payments between August 5, 2024, and December 30, 2024, following a political change. The BB follows the IMF's Balance of Payments and International Investment Position Manual, 6th edition (BPM6), for calculating gross and net international reserves. Meanwhile, the Bangladeshi taka has continued to weaken against the US dollar, reaching Tk 122 per dollar due to a dollar shortage and pressure on banks to settle import payments. The trade deficit stood at \$9.76 billion during July-December of FY25, down from \$10.87 billion in the same period of FY24. However, import payments rose by 3.5 per cent year-on-year to \$32 billion, reflecting growing demand for dollars. ■





# Tariff Weaponising By US, Others Concerning For Bangladesh

## *Business Outlook Report*

**E**conomist Rehman Sobhan said that the world of liberalisation and globalisation was now in retreat amid weaponising the tariff by powerful nations, causing concerns for Bangladesh.

‘Now tariffs and a whole variety of other economic and trade sanctions are being used as political instruments by particular countries which are really the powerful ones,’ he said while taking part in the first day of a two-day conference on the ‘Recommendations by the task force on re-strategising the economy’ in the capital Dhaka. Arranged by the Centre for Policy Dialogue and the 12-member task force, the inaugural session titled ‘Strategic policy realignment to boost investment

and achieve export’ was, among others, participated by commerce adviser Sk Bashir Uddin and former commerce minister Amir Khosru Mahmud Chowdhury on February 24. Moderated by task force chief KAS Murshid, keynotes were presented by task force members Selim Raihan and Mohammad A Razzaque at the session with calls for implementing the task force’s recommendations aiming at further trade liberalisation.

Rehman Sobhan, however, said that bilateral deals with countries from the European Union countries to the United States to China to India were going to determine the new trading regime that had to be dealt with carefully by Bangladesh. He observed that the US might put a 30 per cent tariff on China

before cutting it to 10 per cent on the back of political deal. He said that reform proposals should be based on ability of the government bodies to operationalise and activate those. While highlighting the major reform proposals of the task force, Murshid identified the lack of implementation capacity as a major problem. He was surprised when the commerce adviser during his speech said he was yet to receive a copy of the task force report.

The task force, formed on September 10 past year, submitted strategies to boost the economy and mobilise resources for equitable and sustainable development on January 30. The commerce adviser criticised the ousted Awami League regime, saying that every sector of the economy had been

criminalised in the past decade. ‘Unnecessary projects and money laundering caused a significant damage to the country’s economy,’ he said, adding that manufacturing raw materials for the readymade garment sector could ensure the much needed diversification of the sector. Amir Khosru Mahmud Chowdhury said that he supported liberalisation of trade policy and easing doing business without which Bangladesh could not go forward.

‘We will go for deregulation,’ he said adding that the economic diplomacy should be given priority. Economist Mustafizur Rahman and Foreign Investors’ Chamber of Commerce and Industry president Zaved Akhtar, among others, took part in the discussion. ■

# Textile Millers Seek Yarn Import Ban Via Land Ports, Gas Price Cut



## Business Outlook Report

**T**he leaders of the Bangladesh Textile Mills Association (BTMA) have urged the government to immediately ban yarn imports through land ports and reduce gas prices to protect the local textile industry. At a press conference held at the Gulshan Club in the capital, BTMA President Showkat Aziz Russell warned that the country's textile industry could face the same fate as jute mills due to flawed policies.

He alleged that domestic textile mills are suffering losses as Indian yarn is being imported through land ports at dumping prices, severely impacting local production. Showkat recalled that the BNP government had previously banned yarn imports

through land ports to protect local industries, which led to growth and job creation. However, he criticised the Awami League government for reversing the policy, allowing unrestricted imports. "We urge the government to ban yarn imports through land ports. Indian textile mills are dumping yarn and fabric in the Bangladesh market as part of a conspiracy to weaken our textile sector. As a result, our heavily invested industry is now in crisis," he stated.

He further claimed that the Indian government provides significant incentives to its textile mills, while the Bangladesh government is doing the opposite by withdrawing incentives, increasing gas prices without ensuring an uninterrupted supply,

and imposing high bank interest rates. "Such decisions will destroy our industry," he warned. Showkat also revealed that yarn worth Tk8,000-10,000 crore remains unsold in domestic mills due to illegal imports through land ports. He argued that Indian mills pose a serious threat to Bangladesh's industry by selling yarn and fabric below production costs, facilitated by smuggling and unauthorised imports.

Speaking at the press conference, BTMA Vice President Md Saleudh Zaman Khan urged the government to reduce gas prices to below Tk20 per unit from the current Tk31 to sustain the industry. "We are operating factories at half capacity due to low gas pressure. We need sufficient

gas to run our factories at full capacity to lower production costs. The government should provide us with incentives now," he added. BTMA Director Engineer Razeeb Haider warned that industry leaders might submit factory keys to the Bangladesh Energy Regulatory Commission (BERC) during the upcoming hearing on Wednesday if their demands are not met.

This follows a proposal by the state-owned gas company, Petrobangla, to increase gas prices for industrial and captive power users. If approved, the new rates would

require industries exceeding their sanctioned load to pay Tk75.72 per cubic meter, up from the current Tk30.75 per cubic meter. "Our industry is being deliberately destroyed. Our neighbouring country has a master plan to ruin Bangladesh's textile sector," Razeeb claimed. He also urged the government to adopt fair policies to encourage young entrepreneurs.

BTMA Vice President Md Abul Kalam demanded that bank interest rates be reduced to single digits and fixed at that level for the next three years to promote investment. "Our

trade relations with India will not be negatively affected if imports through land ports are banned," he assured. Currently, Bangladesh's textile sector comprises 1,852 industries with a total investment of \$22 billion. The sector's annual production capacity stands at 4.5 billion kilograms of yarn and nine billion metres of fabric.

The BTMA leaders emphasised that without immediate policy changes, the industry faces severe risks, urging the government to act promptly to safeguard local manufacturers. ■



# Telecom Regulator Itself Being Regulated

## Business Outlook Report

**T**he Bangladesh Telecommunication Regulatory Commission (BTRC) is struggling to implement

various initiatives due to a lack of coordination as well as legal constraints that limit its independence, its chairman Md Emdad Ul Bari said. Speaking at a

two-day conference titled "Recommendations by the Task Force on Restrategizing the Economy" at BRAC Centre Inn Dhaka, he highlighted the regula-

tory challenges faced by the telecom regulator. Although the commission was initially formed as an independent entity, a legal amendment made it neces-



sary for the regulator to seek government approval before making decisions. This effectively means the regulatory body itself is regulated by the government, making decision-making and implementation difficult.

The conference, organised by the Centre for Policy Dialogue (CPD), focused on inclusive economic development through digital transformation and the growth of micro, small and medium enterprises.

cantly drive up costs. He said internet services reach consumers after passing through several stages, each deducting a substantial amount. This is one of the main reasons why internet prices remain high.

However, he said efforts are underway to simplify the network system, with expected progress by March-April. He also mentioned that BTRC is currently working on regulating Starlink's potential entry into the market.

address financing challenges. He said the SME policy mentions a separate SME bank, but it has not been implemented. Government banks have SME divisions, but they are not fully SME-friendly. Given the sector's expansion, a specialised SME bank is necessary.

Hossain proposed that Palli Sanchay Bank could be transformed into an SME bank, given its experience in working with small businesses. However,

bank accounts. A related circular will be issued soon, he said. He also revealed that startups securing foreign investment could receive matching funds from Bangladesh Bank. SME Foundation General Manager Nazim Hasan Sattar pointed out a major inefficiency in SME development efforts.

Experts at the conference urged the government to revise taxation policies to make digital services more accessible. Mahtab Uddin



Speakers also pointed out that internet costs in Bangladesh remain high, primarily due to heavy taxation. They argued that unless the government reduces the tax rate, internet prices will not decrease, limiting internet access among the general population.

BTRC Chairman Bari explained that the fact that there are multiple intermediaries in the internet distribution chain signifi-

Bdjobs CEO Fahim Mashroor, who presented a keynote paper, highlighted that internet usage is significantly lower in rural areas compared to urban regions.

He attributed this to excessive taxes, a complex supply chain, and high data transmission costs. Monzur Hossain, research director at the Bangladesh Institute of Development Studies, suggested establishing a dedicated SME bank to

Bangladesh Bank's SME & Special Programs Department Director Nawshad Mustafa opposed the idea, suggesting instead that the Karmasangsthan Bank be converted into an SME bank.

Mostafa further mentioned that Bangladesh Bank is working to make SME financing easier. He said SME entrepreneurs can now avail loans of up to Tk 5 lakh taka without collateral, based on their business

Ahmed, president at Institute of Cost and Management Accountants of Bangladesh, criticised the high tax on mobile data and call rates, which currently exceed 40 percent.

"On one hand, we promote 'Digital Bangladesh', while on the other, we impose heavy taxes that discourage digital adoption," he said. ■

# German Businesses Urge ‘New Beginning’ After Election

## Business Outlook Report

**G**erman business leaders called for the swift formation of a new ruling coalition to usher in a ‘new beginning’ for Europe’s crisis-wracked top economy after the conservatives won election.

The eurozone’s traditional powerhouse is facing an existential crisis amid a manufacturing slowdown and a host of deep-rooted problems, with the threat of US president Donald Trump’s tariffs adding to jitters.

After political paralysis under the last government, there are hopes that conservative election winner Friedrich Merz can quickly build a more stable coalition capable of driving much-needed reform.

‘The German economy needs a new government capable of acting very quickly,’ said Peter Leibinger, president of leading industry federation BDI.

‘The longer uncertainty persists, the more companies and consumers hesitate to invest.’

He added that ‘a real new beginning is needed — we need far-reaching structural reforms for the economy.’

Economic policymaking had come to a near standstill after the collapse of Chancellor Olaf Scholz’s fractious, three-party coalition in November, which precipitated Sunday’s polls.

Even before that, constant feuding in the coalition prevented serious reforms to boost the economy, which has been mired in recession for the past two years. Merz has vowed measures to get the economy



moving again, from lowering business taxes to slashing red tape, and markets cheered his victory, with Frankfurt stocks up 0.8 per cent at open.

He has also indicated he will prioritise boosting the economy over policies to tackle the climate crisis, which have increasingly faced criticism for burdening households with excessive costs.

But he will first need to form a coalition government — a process that could take weeks or months, meaning policymaking will be on hold for a while longer.

Having ruled out working with the second-placed far-right AfD, Merz’s CDU/CSU alliance will have to reach out to their campaign trail foes — Scholz’s centre-left SPD, which crashed to third place with just 16 per cent.

After a bitter election battle marked by rows over immigration and security, the talks could however prove tricky. There is no time to waste, critics argue, pointing to challenges ranging from dilapidated infrastructure to a shortage of skilled

workers, impenetrable bureaucracy, hefty taxes and high energy prices that dent manufacturers’ competitiveness.

The international climate has also weighed on the export-driven economy. As well as the threat of new duties from the United States, which the central bank has warned could dent growth by one per cent, demand has also weakened in key export market China.

A steady stream of bad news has emerged from top companies in recent times, with hefty job cuts announced in sectors ranging from car manufacturing to steelmaking.

‘A government vacuum is something we cannot afford,’ Joerg Dittrich, president of the ZDH skilled crafts federation, which represents about one million businesses.

‘The geopolitical situation and structural weaknesses in the country’s competitiveness force Germany to act immediately’. ■

# Expedite Gas Exploration, Shift To Renewables To Reduce Expenditure



## Business Outlook Report

**B**angladesh should expedite gas exploration and place emphasis on renewable energy to reduce excessive expenditure on the energy and power sector, speakers said at an event on February 25.

To lower energy bills, they suggested the government ensure primary energy before setting up new power plants and renegotiate electricity prices with private power producers. At the same time, analysts suggested the government strengthen the Bangladesh

Energy Regulatory Commission and shape it as the supreme authority in power and energy supply. These remarks came during a discussion session titled "Building Sustainable Futures: Connectivity and Energy" during a conference on "Recommendations by the Task Force on Re-Strategising the Economy" at the capital's BRAC Centre Inn yesterday.

Presiding over the session, Prof M Tamim, vice-chancellor of Independent University of Bangladesh, said there would be hard times ahead. He added that

trouble might start sooner if the production at the Bibiyana gas field reduces. "We are paying around \$13 billion a year to import all types of energy sources and it may stand at \$20 billion by 2030, by when estimates say Bangladesh will have more than 90 percent dependence on imported energy sources. Given the way the local gas production is going down, we will be in big trouble," he said.

"If even two or three wells in Bibiyana somehow fail to produce, what is the backup?" he asked, adding that though Bangladesh

has committed to an energy transition, there are around 15,000 megawatts (MW) of fossil fuel-based power generation contracts. He added that the previous Awami League government's aim of generating 40 percent of total power from renewable sources was made without doing any homework.

"We need a comprehensive plan engaging all stakeholders, including engineers of power grid companies. This would help us set a realistic target," he added. Muhammad Fouzul Kabir Khan, adviser to the





Ministry of Power, Energy and Mineral Resources, said the government is trying to reduce power generation costs to minimise the huge subsidy burden in this sector.

"We have set up a benchmark tariff with the Matarbari coal-based power plant and will try to renegotiate other coal-based plants accordingly. In the same way, we will renegotiate prices with the gas-fired power plants," he said. Responding to a query, he said they would monitor cooling demand during the summer season based

on the load of feeders managed by distribution companies. "If we find a feeder's load unjustifiably high, then we will go for load-shedding in that area," he said, urging people to follow the government's instruction to set air conditioners at 25 degrees Celsius or above.

Bangladesh Energy Regulatory Commission Chairman Md Jalal Ahmed criticised the keynote paper for focusing mainly on the power sector. "We are short on primary energy only. The current situation has arisen due to focusing

solely on power generation. We have increased power generation capacity but neglected transmission and distribution," he said. He added that the state-owned gas exploration company BAPEX has surveyed only 5,000 square kilometres, although there were plans in 2007-09 to survey 20,000 square kilometres within a year.

"Offshore exploration was all set and a company won the tender, but they weren't awarded the work. Gas exploration was not a priority for the previous government and as a result, we don't know

if we have gas reserves or not," he said. Former professor of the Bangladesh University of Engineering and Technology (BUET) Ijaz Hossain said gas production has been declining since 2017. "At least 10 drillings should be done every year," he said, adding that renewable energy should also be prioritised.

"It is ridiculous that we are using furnace oil to produce electricity, which costs Tk 25 per unit, when we could harness solar energy at the lowest cost while the sun is shining," Hossain commented. ■







**Weekly basis commodity Statement of LCs Opened and Settleed for the month of August/2022**

In million US \$(Provisional)

Sl. No.	Name Of The Commodity	First week		Second week		Third week		Fourth week		Fifth week		Total	
		Opened	Settled	Opened	Settled	Opened	Settled	Opened	Settled	Opened	Settled	Opened	Settled
1.	Rice	6.54	2.75	6.74	6.05	16.40	4.26	8.36	3.21	4.98	0.51	43.03	16.78
	i) Private Sector	6.52	2.75	6.74	6.05	16.37	4.26	8.36	3.21	4.98	0.51	42.97	16.78
	ii) Public Sector	0.02	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.06	0.00
2.	Wheat	35.70	11.42	0.91	12.04	0.68	6.45	18.73	10.57	119.26	3.62	175.29	44.10
	i) Private Sector	13.28	11.42	0.91	12.04	0.68	6.45	18.73	10.57	119.26	3.62	152.87	44.10
	ii) Public Sector	22.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.42	0.00
3.	Sugar	3.36	10.09	0.07	10.78	0.02	5.27	2.53	24.36	0.04	10.33	6.02	60.83
	a. Raw	0.00	5.09	0.04	5.78	0.02	5.27	2.53	14.36	0.00	10.28	2.59	40.78
	i) Private Sector	0.00	5.09	0.04	5.73	0.02	5.27	0.00	14.36	0.00	10.28	0.06	40.73
	ii) Public Sector	0.00	0.00	0.00	0.06	0.00	0.00	2.53	0.00	0.00	0.00	2.53	0.06
	b. Refined	3.36	5.00	0.03	5.00	0.00	0.00	0.00	10.00	0.04	0.06	3.43	20.04
	i) Private Sector	0.00	5.00	0.00	5.00	0.00	0.00	0.00	9.98	0.04	0.06	0.04	20.03
	ii) Public Sector	3.36	0.00	0.03	0.00	0.00	0.00	0.00	0.02	0.00	0.00	3.39	0.02
4.	Milk Food	10.02	10.82	3.15	6.34	1.93	1.75	4.01	8.15	0.09	0.53	19.21	27.60
5.	Edible Oil (Refined)	47.55	36.81	49.28	51.78	91.38	46.41	57.07	17.37	0.00	4.03	245.29	156.40
	a) Soyabean	2.93	18.50	14.18	0.00	4.81	2.49	0.00	8.66	0.00	0.00	21.92	29.65
	b) Palm Oil	4.77	13.76	0.01	28.85	19.57	16.25	57.07	4.86	0.00	4.03	81.42	67.75
	c) Others	39.85	4.55	35.09	22.93	67.00	27.67	0.00	3.85	0.00	0.00	141.95	59.00
6.	Edible Oil (Crude)	39.50	40.14	9.36	15.78	44.59	54.37	51.72	23.16	0.01	17.45	145.17	150.91
	a) Soyabean	10.23	13.30	6.52	10.69	17.56	45.18	21.30	22.74	0.00	11.50	55.60	103.41
	b) Palm Oil	0.00	0.00	0.00	5.10	0.00	9.17	30.40	0.37	0.00	0.00	30.40	14.63
	c) Others	29.27	26.84	2.84	0.00	27.04	0.02	0.02	0.05	0.01	5.95	59.17	32.86
7.	Dry Fruits	0.60	0.32	0.32	0.52	0.41	0.14	0.57	0.24	0.07	0.03	1.97	1.25
	a) Dates	0.09	0.06	0.11	0.29	0.22	0.03	0.40	0.06	0.04	0.01	0.86	0.45
	b) Others	0.50	0.26	0.21	0.24	0.19	0.10	0.17	0.18	0.03	0.03	1.10	0.80
8.	Pulses	0.57	0.82	1.27	0.71	1.06	15.39	8.53	7.58	2.06	2.56	13.49	27.05
	a) Masur Dal	0.44	0.70	1.14	0.71	1.01	15.06	8.43	7.14	2.02	0.58	13.03	24.19
	b) Chola Dal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	c) Others	0.12	0.12	0.13	0.00	0.06	0.32	0.10	0.43	0.04	1.98	0.46	2.86
9.	Onion	3.46	3.32	3.30	3.86	2.78	2.19	3.44	3.55	0.87	0.65	13.85	13.58
10.	Ginger	0.16	0.44	0.64	0.51	0.26	0.21	0.18	0.50	0.03	0.07	1.27	1.73
11.	Drugs & Medicines	2.48	1.72	1.03	2.37	0.20	1.62	1.22	0.81	2.07	0.12	7.01	6.63
12.	Poultry Feeds	7.98	17.10	2.67	22.62	4.17	3.44	3.06	17.58	2.51	3.41	20.38	64.15
13.	Coal	14.98	2.96	13.32	0.59	8.39	0.16	0.45	0.28	0.11	0.21	37.25	4.19
14.	Cement	2.73	4.39	4.33	0.53	1.07	4.29	2.40	4.86	0.00	1.31	10.53	15.38
15.	Clinker	15.81	8.51	24.36	12.69	20.46	4.70	20.95	19.74	2.33	6.72	83.90	52.36
16.	B.P Sheet	2.64	1.11	3.42	1.41	0.29	0.81	0.92	0.57	0.70	0.35	7.98	4.25
17.	Scrap Vessels	12.06	8.88	22.93	2.72	0.00	3.31	1.66	6.09	0.00	11.82	36.66	32.82
18.	Paper	2.11	2.68	1.16	2.31	0.86	2.96	0.83	3.71	0.29	0.93	5.24	12.60
	i) Newsprint	0.01	0.24	0.00	0.09	0.54	0.15	0.00	0.06	0.00	0.00	0.55	0.55
	ii) Others	2.10	2.44	1.16	2.22	0.32	2.81	0.83	3.65	0.29	0.93	4.69	12.05
19.	Zinc Ingot	0.61	0.79	1.91	4.89	0.00	2.11	5.75	0.95	1.85	0.08	10.13	8.83
20.	Raw Cotton	38.87	70.33	42.74	65.53	27.12	63.07	33.07	74.82	6.44	22.88	148.24	296.63
21.	Synthetic/Mixed Yarn	21.65	24.52	13.22	26.10	17.13	20.06	12.57	22.86	3.38	6.47	67.95	100.00
22.	Cotton Yarn	27.29	50.04	29.08	53.21	22.55	42.60	27.32	52.75	7.26	12.68	113.49	211.29
23.	Textile Fabrics	25.43	18.18	23.03	19.82	15.03	16.66	16.59	23.26	1.53	4.19	81.62	82.12
24.	Textile Accessories	18.41	21.01	17.34	16.99	10.97	15.95	22.04	22.73	5.72	8.80	74.47	85.48
25.	Back-to-Back L/Cs	171.73	155.03	131.06	160.80	80.92	117.43	125.50	185.55	18.89	48.03	528.10	666.85
	a. Fabrics	124.44	108.31	89.84	110.88	55.79	81.34	92.85	132.42	11.86	35.42	374.78	468.38
	b. Accessories	42.05	42.33	38.36	42.70	22.42	33.74	31.09	49.26	6.71	11.38	140.64	179.41
	c. Others	5.23	4.39	2.86	7.22	2.71	2.35	1.56	3.87	0.32	1.23	12.68	19.06
26.	Pharmaceutical Raw Materials	19.59	17.20	12.10	12.53	11.21	13.11	14.78	18.77	1.99	3.77	59.67	65.37
27.	Chemicals & Chemical Products	65.36	22.53	78.18	109.53	34.82	54.94	19.88	198.75	3.89	18.13	202.12	403.88
	a. Chemical Fertilizer	39.74	6.19	20.47	88.18	23.53	40.30	3.22	179.42	0.48	3.46	87.43	317.55
	i) Urea	33.85	0.21	0.63	0.05	1.40	0.93	0.38	0.13	0.00	0.00	36.26	1.33
	ii) TSP	0.27	0.03	14.14	30.46	0.00	0.00	0.00	28.97	0.00	0.00	14.41	59.46
	iii) MOP	0.00	0.00	0.00	0.04	20.70	29.02	0.04	57.71	0.00	0.11	20.74	86.87
	iv) DAP	2.78	0.62	3.18	50.82	0.09	0.25	0.08	88.78	0.00	0.00	6.13	140.47
	v) Others	2.84	5.33	2.52	6.82	1.34	10.09	2.72	3.84	0.48	3.36	9.89	29.43
	b. Other Chemicals & Chemical Product	25.62	16.34	57.71	21.35	11.28	14.65	16.66	19.33	3.41	14.66	114.69	86.33
28.	P.O.L.	53.95	62.39	48.86	216.24	48.89	49.31	46.46	104.75	44.78	0.00	242.95	432.69
	i) Crude	2.50	0.09	0.04	0.00	0.01	0.12	0.06	0.20	0.00	0.00	2.62	0.41
	ii) Refined	51.45	62.30	48.81	216.24	48.88	49.19	46.40	104.55	44.78	0.00	240.33	432.28
29.	Capital Machinery	39.67	60.15	30.44	72.01	18.97	58.71	54.02	62.79	6.14	21.98	149.24	275.64
30.	Machinery For Mize Industries	40.80	38.27	36.40	26.25	33.05	46.50	40.34	48.12	10.81	12.19	161.40	171.34
31.	Motor Vehicle	9.83	15.82	4.24	16.59	1.19	7.30	7.55	9.67	1.18	4.16	23.99	53.54
32.	Computer, Its Accessories & Spares	4.49	4.33	1.11	5.08	3.04	5.07	3.14	2.92	0.06	0.90	11.85	18.29
33.	Medical, Surgical & Dental Equipments	1.62	2.12	2.18	2.20	1.07	2.10	2.28	3.90	0.77	0.57	7.92	10.90
34.	Others	391.39	369.18	331.13	427.49	255.00	403.68	326.46	452.04	76.18	150.14	1380.15	1802.54
	<b>Grand Total</b>	<b>1138.93</b>	<b>1096.19</b>	<b>951.28</b>	<b>1388.85</b>	<b>775.92</b>	<b>1076.34</b>	<b>944.39</b>	<b>1436.97</b>	<b>326.30</b>	<b>379.63</b>	<b>4136.82</b>	<b>5377.98</b>

Data downloaded: on 31.08.22

# CA Urges Sweden To Invest In Bangladesh's Social Businesses



## *Business Outlook Report*

**C**hief Adviser Prof Muhammad Yunus on February 22 urged Sweden to consider investing in social business in Bangladesh instead of providing grants as development assistance. He came up with the call when Jakob Granit, director general of the Swedish International Development Cooperation Agency (SIDA), called on him at the state guesthouse Jamuna in Dhaka.

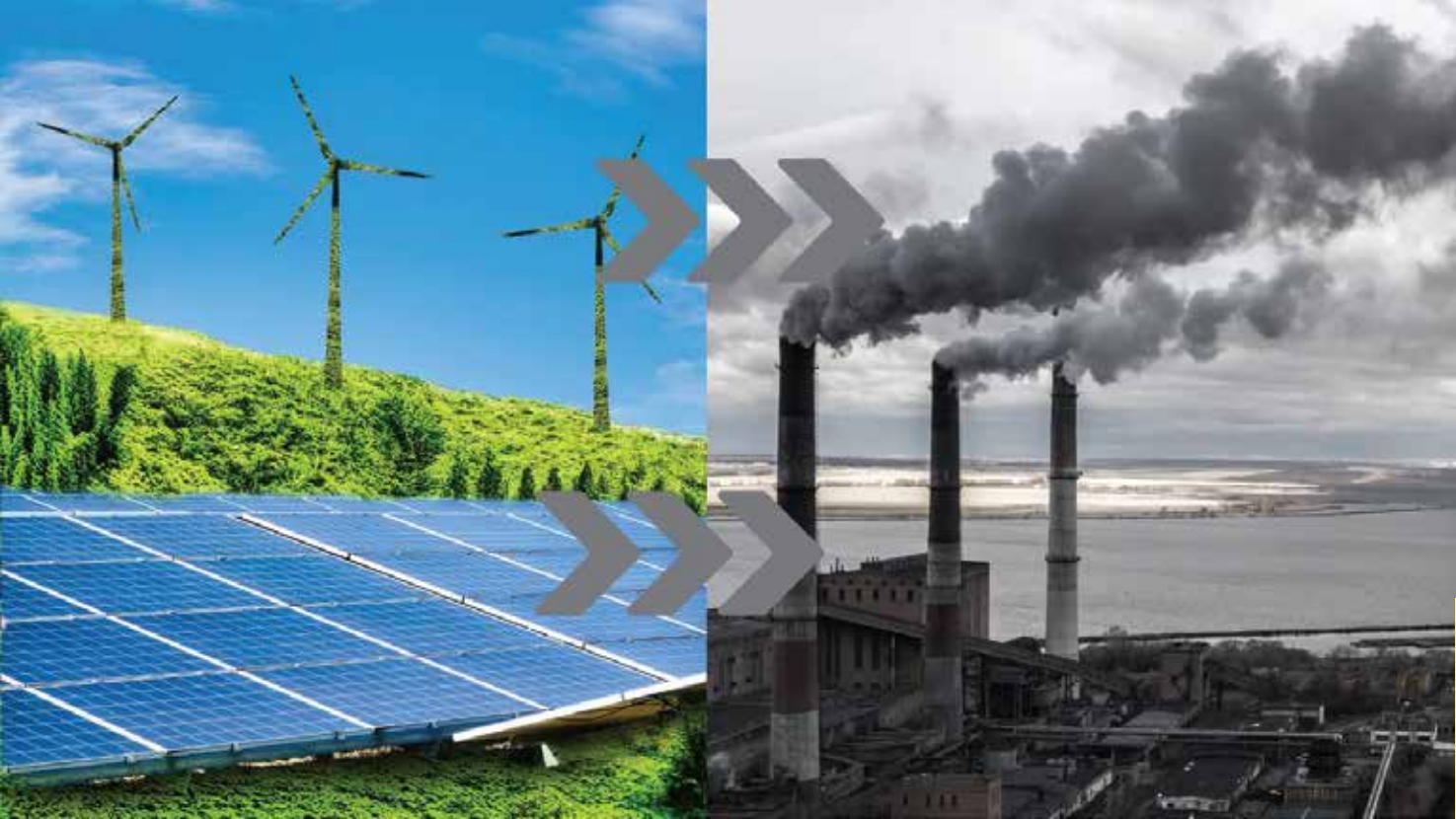
“What I have been promoting is social business as grant money is a charity,” the chief adviser told the Swedish official, underlining health-care as a potential area for social business investment. Prof Yunus also sought Sweden's assistance in resolving Bangladesh's energy crisis by importing hydroelectricity from Nepal, which has immense resources left unused and is ready to export. “We are an energy-starved country. Nepal has a huge resource for

producing hydropower, and we are willing to bring it. SIDA can collaborate with both of us to make that happen,” said the chief adviser. SIDA implements Swedish government policy for global development. Sweden's current cooperation strategy for international development cooperation with Bangladesh covers the period 2021-2025.

SIDA has provided close to one billion SEK in 2024 from various strategies being implemented in Bangladesh. It provided 127.7 million SEK in humanitarian assistance last year, mostly for the displaced Myanmar nationals in Bangladesh and the host community in Cox's Bazar. Jakob Granit said they were looking forward to ways on how to make their assistance “effective in the changed geopolitical situation” and in the “critically important period” for Bangladesh. “Also, we are looking for ways on how we can support the Bangladesh

government and make sure that we have the right type of support.” He enquired about the government's reform initiatives. The chief adviser welcomed the gesture and hoped that Swedish support would help the transformation of the country. “As an interim government, we don't have much time left, but we want to lay down the foundation.” Yunus added that everything collapsed in Bangladesh during the past regime, and the interim government was working to rebuild those “piece by piece.”

Sweden Ambassador to Bangladesh Nicolas Weeks, Senior Secretary to SDG Affairs Lamiya Morshed, and Economic Relations Division Secretary Md Shahriar Kader Siddiky were present among others. Ambassador Weeks mentioned the pressing need to address the situation of the Rohingyas and promised to continue Swedish assistance. ■



# Policy Gaps, Fossil Fuel Reliance Hinder Bangladesh's Renewable Energy

*Business Outlook Report*

**B**angladesh's renewable energy policies suffer from a lack of coordination and clear direction, creating uncertainty for investors, said experts at a press conference. Speaking at the event organised by the Coastal Livelihood and Environmental Action Network (CLEAN) in Dhaka on February 23, Centre for Policy Dialogue (CPD) research director Khondaker Golam Moazzem criticised the rushed formulation of the renewable energy policy, resulting in an incomplete draft.

He noted that conflicting government plans could confuse investors, while fossil fuel policies remain structured and prioritised. "We must recognise that expanding renewable energy within an economy heavily reliant on fossil fuels is impractical,"

he said. Moazzem also stressed the importance of foreign direct investment (FDI) in meeting energy goals, calling for a balanced mix of domestic and foreign financing. He urged the government to move beyond the Integrated Energy and Power Master Plan (IEPMP) and adopt more accurate electricity demand forecasting, warning that unreliable data would hinder renewable energy projections.

Hasan Mehedi, chief executive of CLEAN, argued that the proposed Renewable Energy Policy 2025, with its limited targets, would not ensure energy security but instead increase dependence on fossil fuels, benefiting businesses while burdening the public. He highlighted the persistent lack of policy coordination, which has stalled the sector's growth. Despite taking over four

years to draft the policy, the government has yet to establish a comprehensive energy and power master plan. Moreover, only 21 days were provided for expert and civil society feedback—an insufficient timeframe. Mehedi criticised the draft's unrealistic renewable energy targets—6,145MW (20%) by 2030 and 17,470MW (30%) by 2041—without a clear decarbonisation roadmap.

He pointed out the absence of a green taxonomy, inter-ministerial coordination, an implementation strategy, and a financing or investment plan. Additionally, he noted the disparity in tax benefits: while renewable energy companies enjoy full tax exemptions for a decade, ordinary citizens receive no incentives. In contrast, other countries provide up to 30% direct financial



support for rooftop solar installations, a provision missing from the draft policy. Bareesh Hasan Chowdhury, coordinator of Friends of the Earth Asia Pacific, noted that Bangladesh has yet to set a net-zero target.

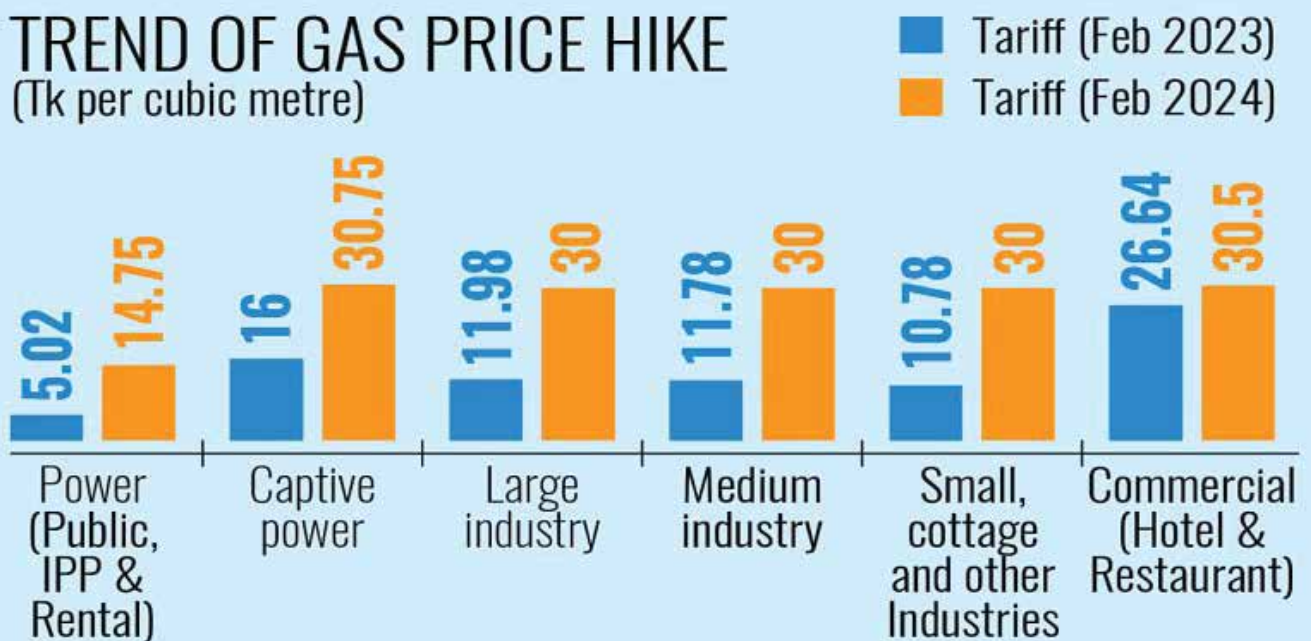
He criticised the policy for vague definitions and an ambiguous approach to carbon emission reductions. “Without clear targets, this policy is like a rudderless boat,

unlikely to deliver meaningful results,” he said. Shahriar Ahmed Chowdhury, director of the Centre for Energy Research, highlighted that Bangladesh’s renewable energy targets lack specificity, making implementation difficult.

Meanwhile, countries like China, Pakistan, India, and Vietnam are advancing rapidly in the sector. He argued that Bangladesh’s continued protection of the fossil fuel industry

is hampering renewable energy development, despite global declines in renewable technology costs. He emphasised that funds allocated for fossil fuel imports over the next two decades could instead develop a renewable energy capacity ten times greater. “With proper policy support, the private sector alone could drive significant progress,” he concluded. ■

## TREND OF GAS PRICE HIKE (Tk per cubic metre)



SOURCE: BERG DATA COMPILED BY CPD

# Is This The Right Time To Hike Gas Prices?

## Business Outlook Report

**T**he Bangladesh Energy Regulatory Commission (BERC) is going to hold a

public hearing on February 26 on the proposed hike in gas prices for industrial use. In a proposal submitted in January this

year, gas suppliers suggested the government, through the BERC, hike gas prices by 150 percent for new gas connections

and 50 percent for expansion of existing industrial units to Tk 75.72 per unit. Businesses have expressed concern on different

occasions over the issue, saying such an increase would kill industries by doubling the cost of production at a critical time. The government's reason for hiking gas prices is to minimise subsidies to the energy sector and to cover the import price of liquefied natural gas at higher prices.

Industry insiders say the country is becoming increasingly reliant on expensive imported energy -- with estimates suggesting the country will have more than 90 percent dependence on imported energy sources by 2030 -- instead of exploring domestic gas reserves. Industry owners, especially entrepreneurs in the primary textile sector, which has investment amounting to around \$23 billion, said that they are already overburdened by the abnormal hike in gas prices in February 2023, which caused prices to double from Tk 16 to Tk 32 per unit with a commitment to providing an adequate supply of gas. However, industry owners complain that the gas supply did not increase, forcing them to run units at half of their capacity.

At the same time, around Tk 10,000 crore worth of unsold yarn has been stockpiled at different mills due to an influx of cheap Indian yarn, which is cheaper due to the subsidies provided by its government. In case of Bangladesh, the government reduced the subsidy to 1 percent and Indian government gives more

than 3 percent subsidy. Of total gas consumption, captive power plants, including those in the primary textile sector and other industries, use 37 percent, according to data from the Bangladesh Textile Mills Association (BTMA), which added that gas prices were hiked by 256.5 percent over the past five years.

So, industry people and economists say that this is not the proper time to increase gas prices as it would not improve gas



supply to industries. Alongside the perennial gas crisis, the industrial sector has been struggling to survive in the face of the severe fallout of the Covid-19 pandemic, Russia-Ukraine war, high inflationary pressure and nationwide political upheaval last year.

A good number of work orders of the garment sector were shifted to neighbouring countries because of the political and labour unrest in Bangladesh last year. The

export-oriented textile and garment sectors are also facing a working capital shortfall owing to the devaluation of the taka against the US dollar and a shortage of US dollars in the banking system. Moreover, the bank interest rate varies between 15 percent to 16 percent, making capital harder to access.

Anwar ul Alam Chowdhury, president of the Bangladesh Chamber of Industries, said if there is no growth in industries, they ultimately fall sick.

The proposed price hike will not be viable now as the industries are going through a tough time, he added. Khondaker Golam Moazzem, research director at the Centre for Policy Dialogue, echoed Chowdhury's views.

Moazzem said incidents of gas leaks are also higher in Bangladesh, which indicates that the sector lacks governance. The gas price hike may not increase the gas supply, he said adding that even hiking prices may not be

enough to end the crisis. So, it is a lame excuse that LNG supply will be increased by hiking the gas price, he said. Masrur Reaz, chairman of the Policy Exchange of Bangladesh said the textile, garment and steel sectors will be hit hardest by the price hike.

He also believed the gas supply may not increase even prices are hiked. Razeeb Haider, managing director of Outpace Spinning Mills Ltd, urged the government to explore gas in order to reduce the

dependence on expensive imported LNG. In the upcoming fiscal year, which begins on July 1, the subsidy allocation is likely to be Tk 112,000 crore, up from Tk 100,174 crore in the outgoing fiscal year.

The power sector is likely to get Tk 42,000 crore in FY25. The government had earmarked Tk 35,000 crore in FY24. Before FY22, the subsidy allocation for the power sector was between Tk 7,000 crore and Tk 9,000 crore. ■

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