MONTHLY ECONOMIC DIGEST

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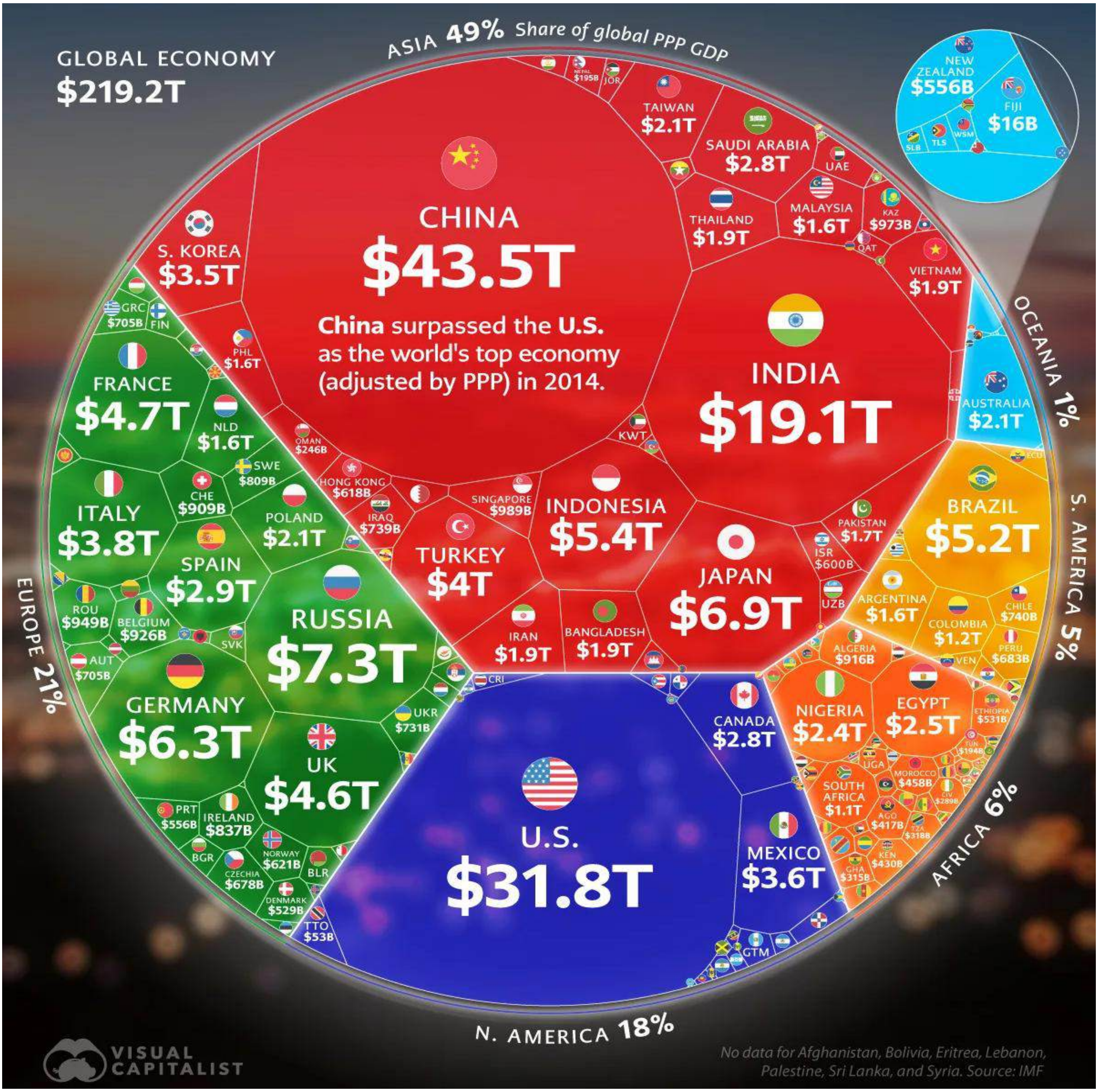
GLOBAL ECONOMY & ENERGY LANDSCAPE

RISING ENERGY RISKS AND SHIFTING DYNAMICS RESHAPE ECONOMIC STABILITY

Global Economy Reaches $219 Trillion in 2026 (PPP Basis)

March 05

A new global economic snapshot highlights the scale and shifting dynamics of the world economy in 2026, measured using purchasing power parity (PPP). This approach provides a more realistic comparison of economic output by adjusting for differences in cost of living across countries.



When comparing economies using PPP, the global ranking looks very different from nominal GDP.

Rank	Country	GDP (PPP, Billions of $)
1	CN China	43,491.5
2	US United States	31,821.3
3	IN India	19,143.4
4	RU Russia	7,340.8
5	JP Japan	6,923.3
6	DE Germany	6,323.5
7	ID Indonesia	5,358.3
8	BR Brazil	5,161.1
9	FR France	4,657.2
10	GB United Kingdom	4,592.1
11	TR Turkey	3,976.1
12	IT Italy	3,815.9
13	MX Mexico	3,552.7
14	KR South Korea	3,486.5
15	ES Spain	2,935.7
16	SA Saudi Arabia	2,845.7
17	CA Canada	2,814.5
18	EG Egypt	2,533.2
19	NG Nigeria	2,392.0
20	PL Poland	2,120.6
21	TW Taiwan	2,068.9
22	AU Australia	2,060.7
23	VN Vietnam	1,942.5
24	IR Iran	1,933.9
25	TH Thailand	1,917.3
26	BD Bangladesh	1,902.9

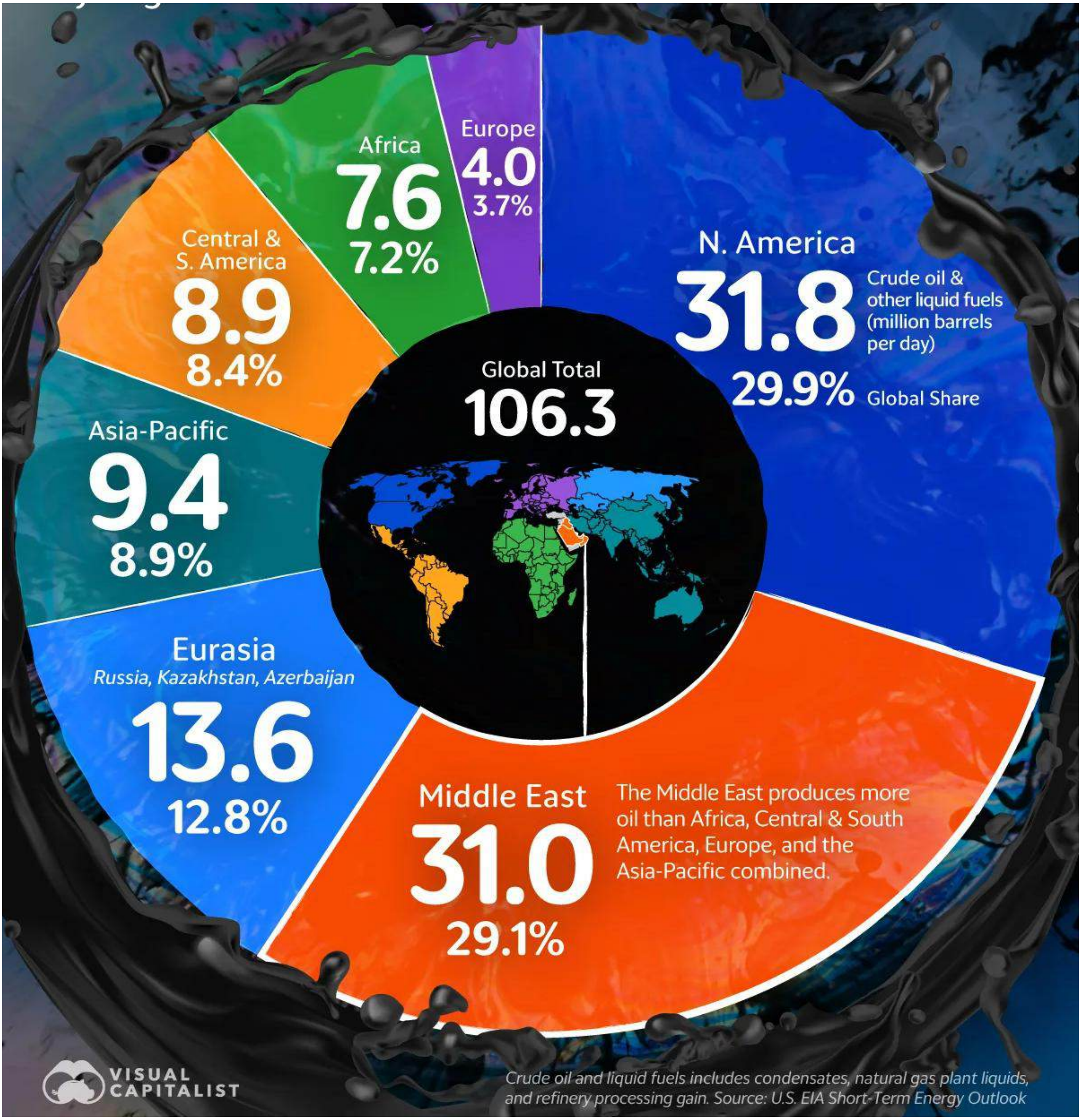
Sources

The Entire Global Economy in 2026 in One Chart (GDP, PPP)

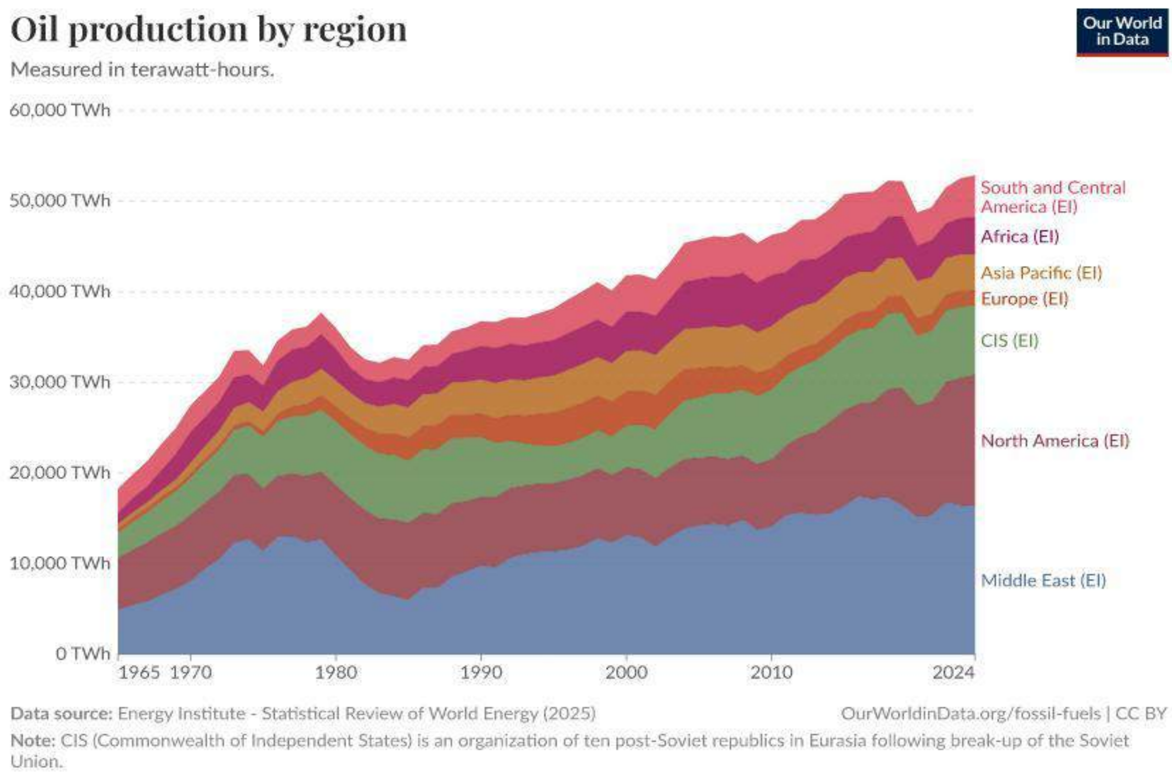
Global Oil Production

March 10

Global oil production continues to be dominated by a few key regions, highlighting the strategic importance of energy geography in shaping global markets and geopolitics. A recent visualization provides a clear breakdown of where the world's oil supply originates.



The global oil landscape in 2025 remains heavily concentrated in a few dominant regions, with North America and the Middle East at the core. This concentration not only shapes global energy markets but also underscores the geopolitical and economic significance of energy security in the years ahead.



Sources

Charted: Where the World's Oil Comes From by Region

Global Energy Crisis Deepens, Raising Risks for Bangladesh

March 28

Bangladesh is increasingly exposed to a worsening global energy crisis triggered by geopolitical conflict, with mounting pressure on fuel supply, fiscal stability, and broader economic resilience. The situation highlights the urgent need for both short-term crisis management and long-term energy strategy.

1. **Global crisis and supply disruptions:**
    a. The ongoing US–Israel conflict with Iran has disrupted oil and gas flows through the Strait of Hormuz, a critical global energy route.
    b. Major suppliers, including Gulf-based energy firms, have declared force majeure and deferred shipments, forcing countries like Bangladesh to seek alternative supplies.
    c. The International Energy Agency (IEA) has warned that this could become one of the worst energy crises in decades, surpassing previous shocks.
2. **Impact on Bangladesh's energy system:**
    a. Bangladesh has been compelled to purchase fuel from expensive spot markets, significantly increasing import costs.

   b. Despite global price surges, the government has avoided raising domestic fuel prices, instead absorbing the shock through higher subsidies.
   c. Early in the crisis, fuel rationing measures were introduced to manage the limited supply, though some restrictions were later eased.
3. **Fiscal and economic risks:**
   a. Rising subsidies and import costs are placing significant strain on public finances, increasing fiscal vulnerability.
   b. The crisis also poses risks to foreign exchange reserves, remittance inflows, and fertiliser imports, all of which are critical for economic stability.
   c. Bangladesh's heavy dependence on imported fuel leaves it highly exposed to global price volatility and supply disruptions.
4. **Regional responses and global context:**
   a. Countries across Asia have adopted varied responses, including fuel price hikes, rationing, reduced working hours, and energy conservation measures.
   b. Some governments have declared energy emergencies, while others are attempting to shield consumers from price shocks at the cost of fiscal pressure.
   c. Emergency measures, including the release of strategic oil reserves, are being deployed globally to stabilize supply.
5. **Policy implications and outlook:**
   a. The crisis underscores the need for Bangladesh to diversify energy sources and suppliers, reducing reliance on a single region.
   b. Building strategic fuel reserves and improving supply chain resilience will be essential for future stability.
   c. Long-term solutions will require investment in renewable energy and domestic capacity to reduce exposure to external shocks.

In conclusion, the ongoing global energy crisis presents a severe test for Bangladesh's economic resilience. While short-term measures have helped manage immediate disruptions, sustained stability will depend on structural reforms, energy source diversification, and stronger fiscal management to withstand future shocks.

Sources

Global energy storm: Let's hope for the best, prepare for the worst

S&P Warns of Heightened Energy Risks for Bangladesh

March 29

Bangladesh is facing rising vulnerability to global energy shocks, with S&P Global Ratings cautioning that prolonged geopolitical tensions could significantly impact the country's economic stability. The warning highlights structural weaknesses in Bangladesh's energy system and limited policy flexibility to absorb shocks.

1. **Key risk factors identified:**
   a. Bangladesh is among the countries at "greater risk" due to heavy dependence on imported fuel and weak external buffers.
   b. The ongoing Middle East conflict—particularly involving Iran—could trigger supply disruptions and sustained high energy prices, amplifying risks.

c. Unlike previous crises, energy availability—not just price—is emerging as the biggest threat, with potential shortages affecting multiple sectors.

2. **Energy system vulnerabilities:**
   a. Nearly 50% of Bangladesh's electricity generation is gas-based, with about a quarter of the gas supply imported.
   b. The country is almost entirely dependent on imported crude and refined oil, exposing it to global volatility.
   c. Fuel reserves are limited, with stocks likely to last less than one month, increasing the urgency of continuous imports.
3. **Macroeconomic implications:**
   a. Prolonged energy price shocks could raise inflation and slow economic recovery, reversing recent improvements.
   b. Higher import costs may strain foreign exchange reserves and widen external imbalances.
   c. There is a risk of stagflation-like conditions, combining slower growth with rising prices if disruptions persist.
4. **Policy constraints and response measures:**
   a. Bangladesh has limited fiscal space, with government revenue at around 9% of GDP, restricting its ability to subsidize energy prices.
   b. Authorities have introduced measures such as fuel price caps, rationing, and prioritizing gas supply for power generation.
   c. Additional steps include reducing industrial gas usage (e.g., fertilizer plants) and implementing energy-saving measures like adjusted school schedules.
5. **Broader economic risks:**
   a. Disruptions could impact power generation, industrial output, and export sectors, particularly garments and manufacturing.
   b. Potential shortages in fertilizer and petrochemical inputs may also affect agricultural production and food prices.
   c. While foreign exchange reserves and current account balances have improved, a prolonged crisis could reverse these gains.

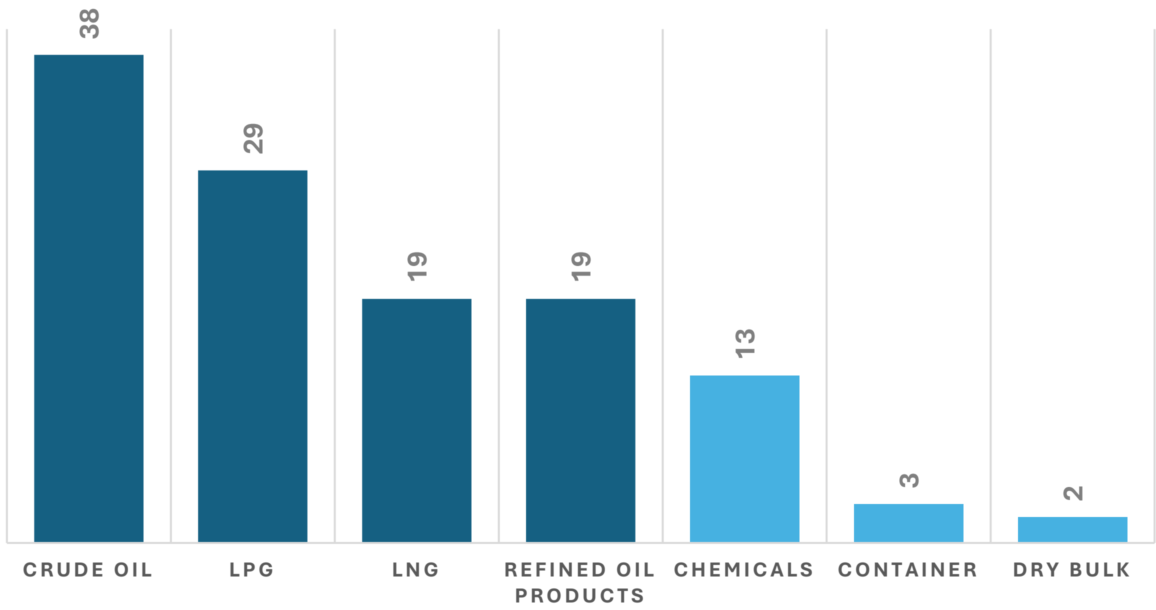
In conclusion, S&P's warning underscores that Bangladesh's energy vulnerability is not just a short-term issue but a structural challenge. While current buffers may help absorb immediate shocks, sustained global disruptions could significantly impact growth, inflation, and external stability—making energy diversification and resilience-building critical priorities going forward.

Sources

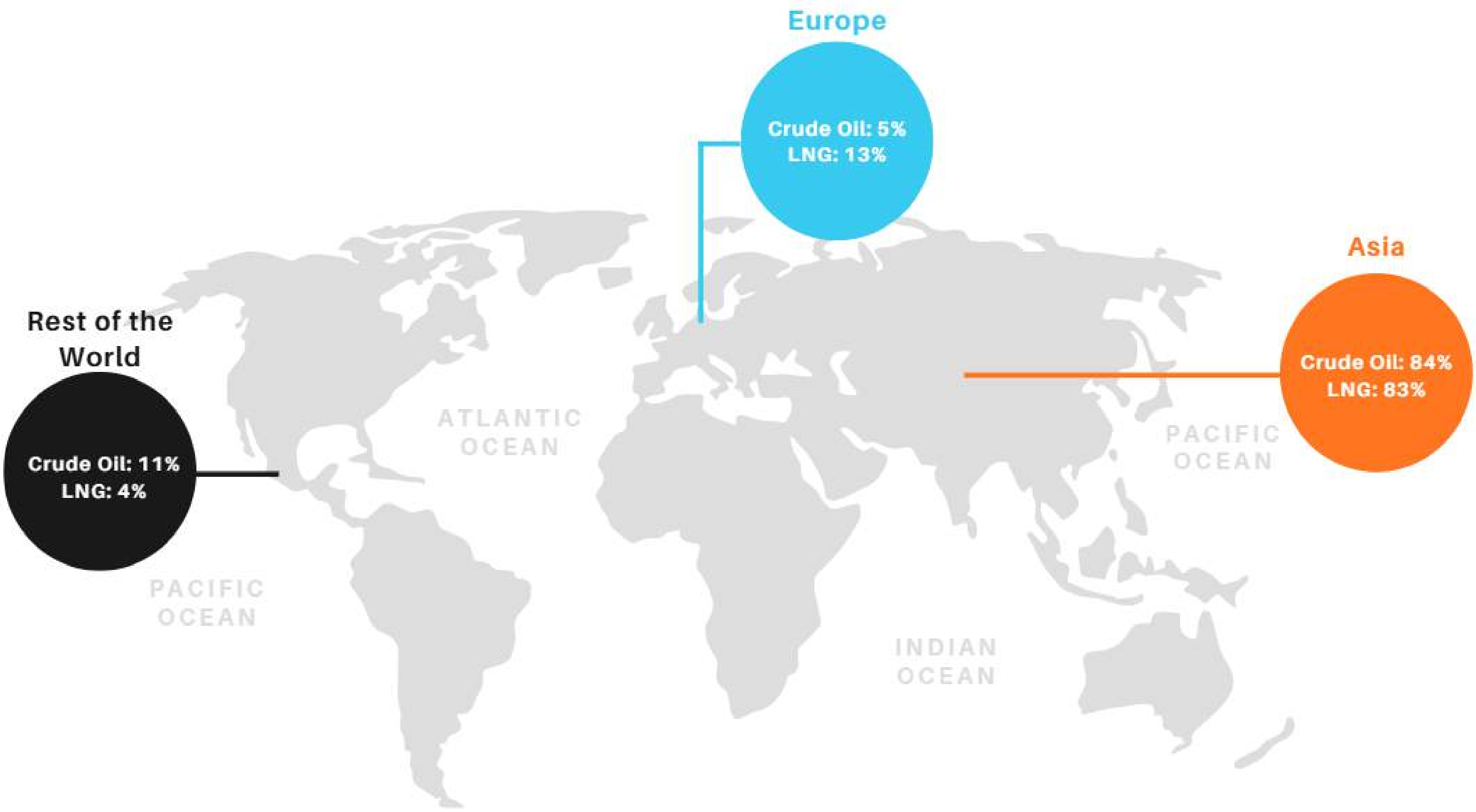
S&P warns of heightened energy risk for Bangladesh

Hormuz Strait: Cornerstone of the Global Energy Market

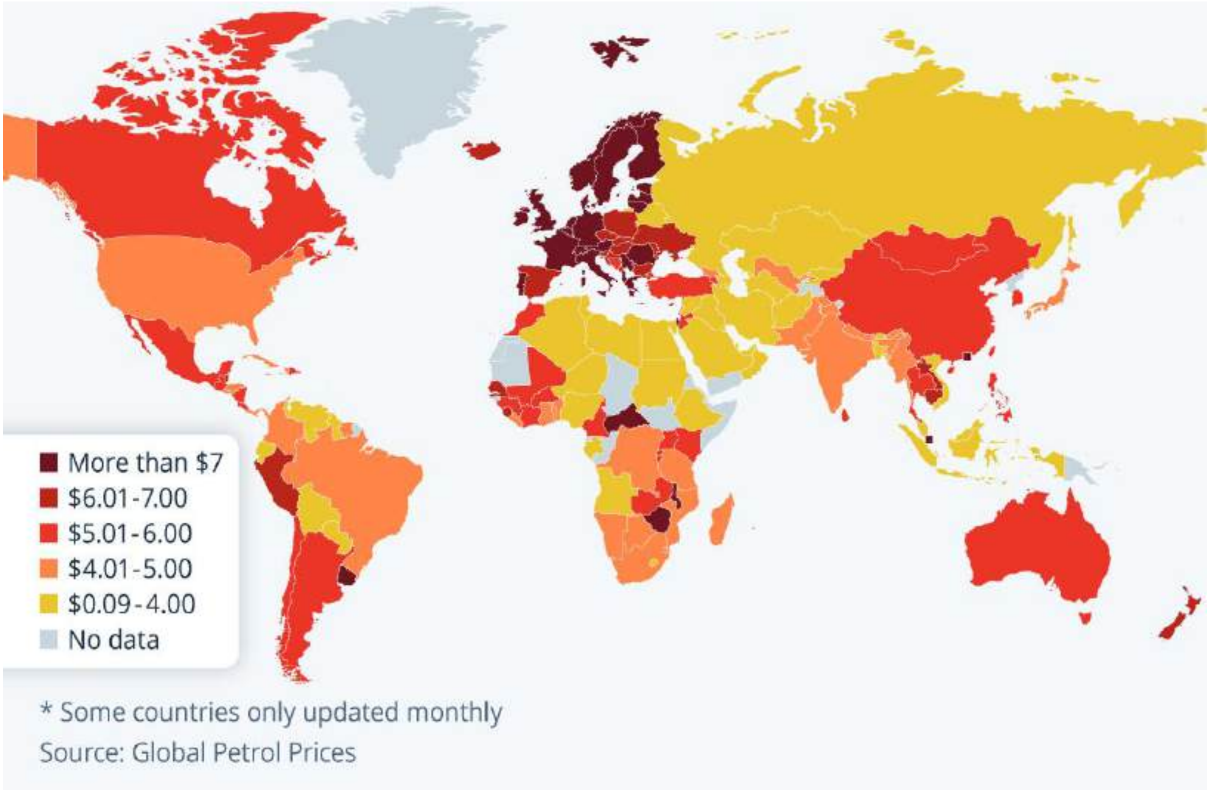
March 31



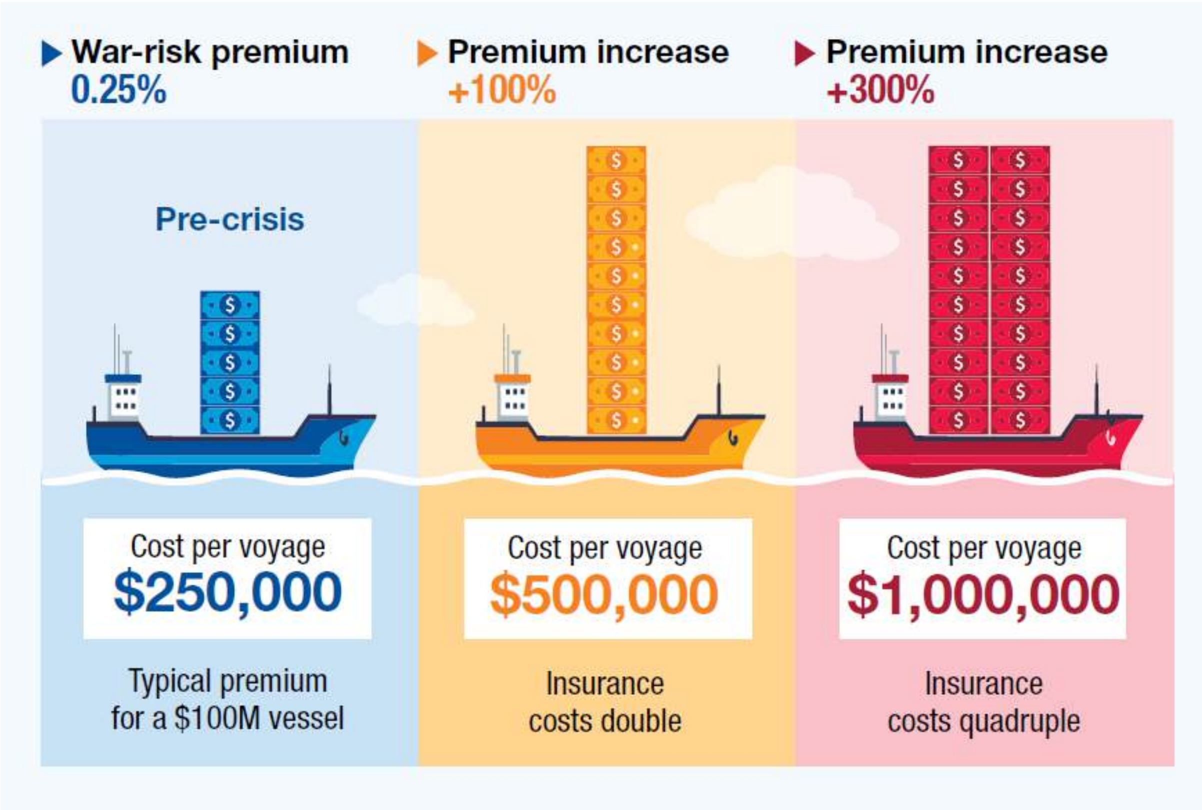
Share of global seaborne trade volume passing through the Strait of Hormuz
One week prior to the conflict, per cent



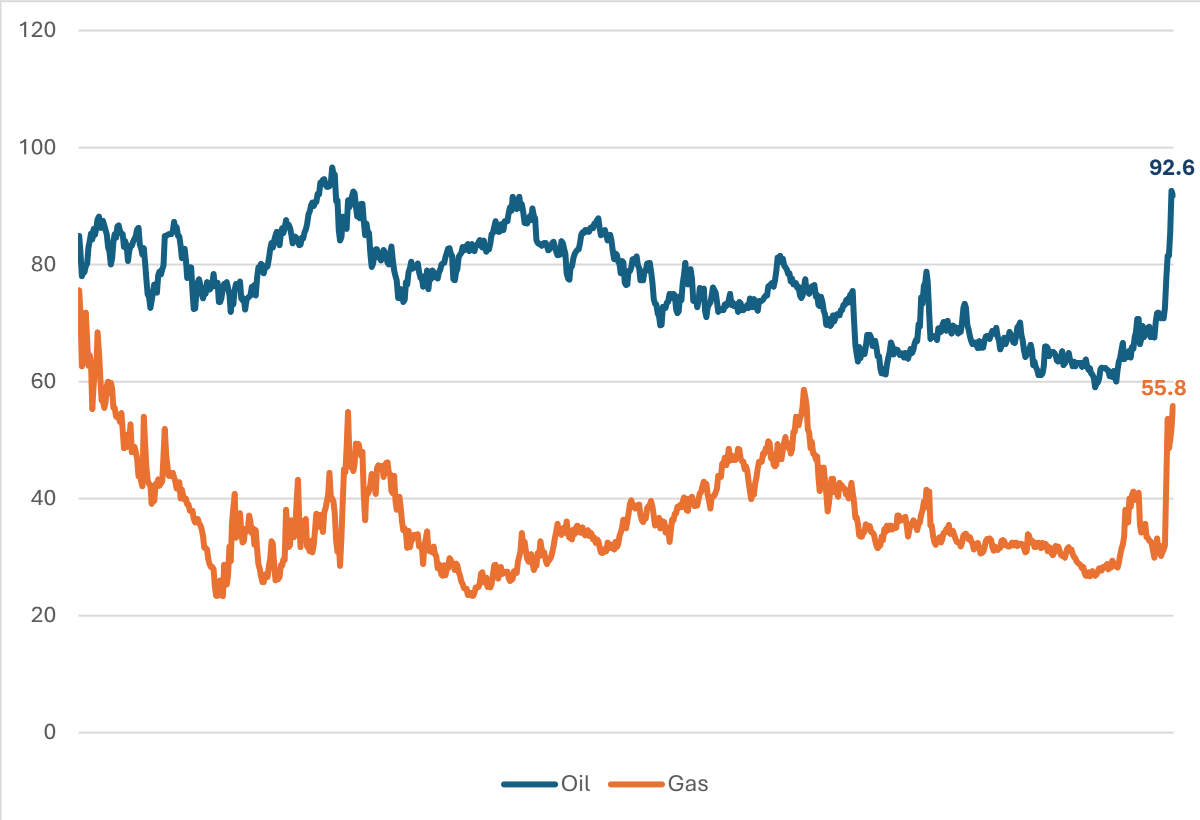
Volume of crude oil and LNG transported through Strait of Hormuz in 2024
(per day, by destination)



How Gas Prices Compare Around the World
price of one gallon of gasoline, by country/territory (as of March 23, 2026)



War risk insurance premiums are surging, adding to the shipping cost
(Ship value used for calculation: $100 million)



Daily oil and gas prices (1 January 2016–9 March 2026)

$ per barrel & **€/megawatt hour**

Sources

From gas to grain: Fertilizer disruptions raise risks for food security and trade
How Gas Prices Compare Around the World

Japan Sets Record with 1.02 Petabits-Per-Second Internet Speed

March 31

Japanese researchers have achieved a world-record internet speed of 1.02 petabits per second, using advanced multi-core optical fiber technology, marking a breakthrough in data transmission. This speed—equivalent to over 1 million gigabytes per second—is fast enough to download massive datasets like the entire Netflix library or thousands of copies of Wikipedia in just one second. The experiment, conducted over 1,800 km, demonstrates the potential for next-generation communication infrastructure capable of handling the explosive growth in global data demand, although it remains a laboratory achievement rather than a consumer-ready service.

Sources

Japan Achieves World Record 1.02 Petabits per Second Internet Speed

TRADE RELATIONS, POLICY RISKS & STRATEGIC POSITIONING

- NAVIGATING TRADE PROBES, STRATEGIC PARTNERSHIPS, AND EXPORT COMPETITIVENESS

Bangladesh Among 16 Countries in New US Trade Probe

March 12

Bangladesh has been included in a new US Section 301 investigation targeting 16 economies, where Washington is examining whether countries' industrial policies, production levels, and trade practices are "unreasonable or discriminatory" and harmful to US commerce. The probe focuses particularly on "structural excess capacity"—meaning whether countries are producing more goods than they can absorb domestically and exporting the surplus in ways that undercut US manufacturers. Bangladesh's inclusion is partly linked to its goods trade surplus of over $6 billion with the US and its strong export performance, especially in manufacturing sectors.

The investigation could lead to new tariffs, import restrictions, or other trade measures if the US determines that Bangladesh's policies distort competition. The process includes a timeline with public comments due by mid-April and hearings starting in early May, indicating relatively fast-tracked proceedings. For Bangladesh, the stakes are significant, as the US is its largest export market, accounting for roughly $5 billion+ in exports (about 19–20% of total exports), making any potential trade action highly impactful for sectors like ready-made garments.

Sources

Bangladesh among 16 nations facing new US unfair-trade probes

US Trade Probes Raise Risks for Bangladesh's Export Model

March 15

The United States' recent trade investigations under Section 301—focusing on industrial overcapacity and forced labour—pose significant risks for Bangladesh, particularly its export-driven garment sector, which underpins a **$6 billion+ trade surplus with the US**. The probes question whether Bangladesh's export success, supported partly by incentives and large-scale production, distorts competition, potentially leading to tariffs or restrictions that could disrupt its largest export market. While Bangladesh argues its growth is driven by labour-intensive production and global demand rather than unfair practices, the investigations introduce uncertainty for millions of jobs and highlight the need for policy adjustments and stronger trade diplomacy in an increasingly protectionist global environment.

Sources

What US trade probes mean for Bangladesh

Bangladesh's Trade Future in an Era of Global Fragmentation

March 19

Bangladesh's export-driven growth model is facing a fundamental shift as the global trading system becomes increasingly fragmented and geopolitically driven. The traditional advantages of low-cost manufacturing and open markets are being challenged by a more complex and strategic global environment.

1. **Key structural shifts in global trade:**
    a. The global economy is moving away from "benign globalization" toward a more fragmented and strategic system, shaped by geopolitics and security concerns.
    b. Trade is no longer driven solely by efficiency and cost, but increasingly by resilience, political alignment, and supply chain security.

c. The rise of "friend-shoring" means countries are prioritizing trusted partners, creating indirect barriers through regulatory standards and political considerations rather than tariffs.

2. **Implications for Bangladesh's export model:**
   a. Bangladesh's long-standing position as a reliable low-cost manufacturing hub is under pressure, as buyers now consider geopolitical alignment and institutional credibility.
   b. Competing economies such as Vietnam, India, and Mexico may gain advantage if they are perceived as more stable or strategically aligned.
   c. The risk is gradual rather than immediate—export orders may shift steadily over time, eroding Bangladesh's market share.
3. **Regional dynamics and opportunities:**
   a. India's economic rise presents both opportunities for regional integration and challenges in terms of competition.
   b. Stronger regional cooperation could unlock supply chain efficiencies, energy trade, and lower production costs for Bangladesh.
   c. However, failure to integrate effectively into regional networks could leave Bangladesh at a disadvantage in a more regionalized trade system.
4. **Policy direction and strategic response:**
   a. Bangladesh must transition from a passive participant in globalization to an active strategist navigating a fragmented trade order.
   b. This includes strengthening institutional credibility, regulatory standards, and geopolitical positioning to remain attractive to global buyers.
   c. Diversification of export markets and supply chains will be critical to reduce vulnerability to shifting alliances and trade blocs.

In conclusion, Bangladesh's future trade success will depend on how effectively it adapts to a more complex and politically influenced global system. Moving beyond a cost-based export model toward a strategy rooted in resilience, credibility, and regional integration will be essential to sustain long-term growth.

Sources

Bangladesh's trade future in an age of fragmentation

Bangladesh–US Engagement on Social Development

March 25

Recent diplomatic engagement between Bangladesh and the United States underscores a growing emphasis on social development, particularly in areas such as child welfare, public health, and education.

1. **Key developments:**
   a. Prominent physician and social worker Dr. Zubaida Rahman held a meeting with US Special Envoy Charles J. Harder in Washington, D.C.
   b. The meeting took place on the sidelines of the "Fostering the Future Together Global Coalition Summit", hosted in the United States.
   c. The summit brought together representatives from around 45 countries, including first ladies and global leaders' spouses, focusing on collaborative global initiatives.

2. **Areas of discussion:**
    a. Discussions focused on ensuring a safe, healthy, and supportive environment for children, highlighting shared global priorities.
    b. Both sides emphasized improving education and public health systems, with attention to long-term, sustainable development.
    c. Topics such as family-based support programs, child nutrition, and mental development were also highlighted as key areas for cooperation.
    d. There was a strong focus on building an inclusive society through international collaboration and knowledge-sharing.
3. **Broader diplomatic significance:**
    a. The engagement reflects Bangladesh's participation in global policy platforms addressing social and human development challenges.
    b. It also signals a shift beyond traditional economic diplomacy toward soft diplomacy areas such as health, education, and social welfare.
    c. Participation in such global forums allows Bangladesh to leverage international experience and partnerships for domestic development goals.

In conclusion, the meeting between Bangladesh's representatives and the US special envoy highlights the growing importance of social-sector collaboration in bilateral relations. Strengthening cooperation in child development, health, and education could play a key role in shaping inclusive and sustainable development outcomes for the future.

Sources

যুক্তরাষ্ট্রের বিশেষ দূত চার্লস হার্ডারের সঙ্গে ডা. জুবাইদা রহমানের বৈঠক

US Emerges as a Key Trade Partner for Bangladesh

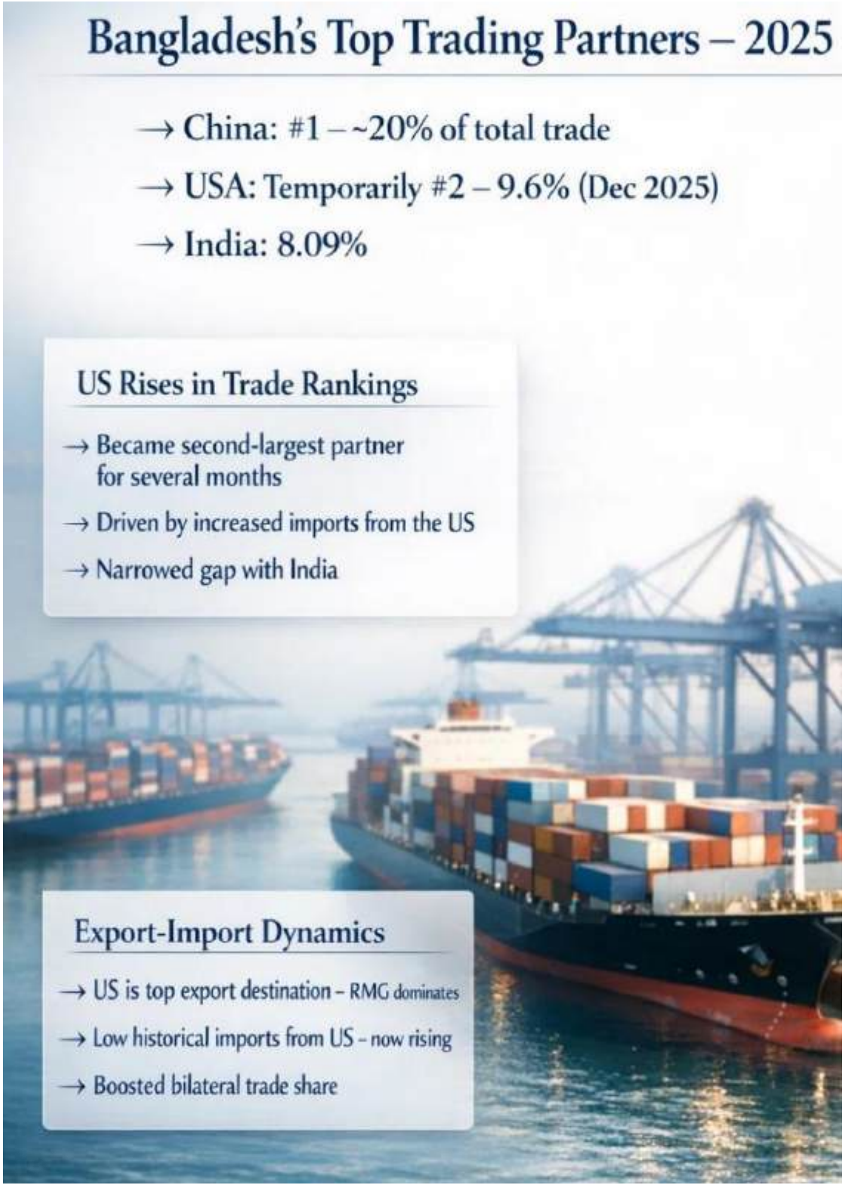
March 25

Bangladesh's trade dynamics are undergoing a notable shift, with the United States emerging as a major trading partner driven by rising imports and sustained export strength. This development reflects evolving global trade patterns and Bangladesh's changing sourcing strategies.

1. **Key trade developments:**
    a. The United States temporarily became Bangladesh's second-largest trading partner during several months of 2025, overtaking India.
    b. In December 2025, the US accounted for 9.6% of Bangladesh's total trade, compared to India's 8.09%.
    c. China remains the largest trade partner, maintaining nearly a 20% share of Bangladesh's total trade.
2. **Drivers behind the shift:**
    a. The rise is largely attributed to a surge in imports from the US, particularly agricultural commodities, machinery, and energy-related products.
    b. Policy changes and pricing factors, including evolving US trade measures, have also influenced trade flows.
    c. Economists note that the shift is more cyclical than structural, driven by fluctuations in import demand rather than a permanent realignment.
3. **Export-import dynamics:**
    a. The United States remains Bangladesh's largest export destination, especially for ready-made garments, which underpin the bilateral relationship.

b. Historically, Bangladesh has imported less from the US compared to China and India, limiting its overall trade ranking.
c. The recent increase in imports has narrowed this gap, temporarily boosting the US position in total trade rankings.

4. **Structural context and outlook:**
   a. China continues to dominate due to its competitive pricing, strong supply chains, and role in industrial inputs, while India benefits from geographic proximity.
   b. Analysts suggest that trade rankings may fluctuate depending on import volumes and policy changes, rather than indicating a long-term shift.
   c. However, the growing engagement with the US signals increasing diversification in Bangladesh's trade partnerships.



In conclusion, the emergence of the United States as a key trade partner highlights a dynamic phase in Bangladesh's external trade structure. While the shift appears partly cyclical, it reflects broader trends of diversification and evolving global trade relationships that could shape Bangladesh's economic trajectory in the coming years.

Sources

US emerges as Bangladesh's key trade partner

Bangladesh Pushes for Patent Flexibility at WTO

March 31

At the WTO ministerial conference, Bangladesh has called for extending the moratorium on **non-violation and situation complaints (NVSCs)** under the TRIPS agreement to retain flexibility in enforcing patents and copyrights, particularly for developing countries. Officials argue that continuing this exemption would protect Bangladesh from legal disputes over intellectual property rules and allow greater policy space as it prepares for post-LDC challenges, helping safeguard access to technology, medicines, and innovation-friendly policies.

Sources

WTO conference: Dhaka for keeping flexibility on patents, copyrights

US–Bangladesh Relations Gain Strategic Importance

March 31

Bangladesh–United States relations are becoming increasingly significant in the current global context, reflecting deeper cooperation across economic, political, and strategic domains.

1. **Key developments:**
    a. US Assistant Secretary of State Paul Kapur stated that US–Bangladesh relations are now more important than ever, highlighting growing bilateral engagement.
    b. The remarks were made during a Bangladesh Independence Day reception at the Bangladesh Embassy in Washington, D.C., attended by senior US officials.
    c. The statement reflects recognition of Bangladesh's rising role in regional and global affairs, particularly in South Asia.
2. **Areas of expanding cooperation:**
    a. Bilateral collaboration is strengthening in key areas such as trade, security, and governance, reinforcing strategic ties.
    b. The two countries are also working together on climate change, the Rohingya crisis, and development cooperation, indicating a broadening partnership.
    c. Shared values and mutual interests are helping to deepen long-term diplomatic and economic engagement.
3. **Strategic and regional significance:**
    a. Bangladesh's role in maintaining regional stability in South Asia was specifically acknowledged by US officials.
    b. Strengthened ties are expected to contribute to greater prosperity, security, and geopolitical alignment for both countries.
    c. The growing importance of the relationship also reflects shifting global dynamics, where partnerships in emerging economies are gaining prominence.
4. **Outlook:**
    a. Analysts expect that closer ties could lead to increased US investment and technological cooperation in Bangladesh.
    b. Continued engagement may further enhance trade expansion and development collaboration, strengthening bilateral outcomes.

In conclusion, the evolving US–Bangladesh relationship reflects a strategic alignment shaped by shared interests and global changes. As cooperation deepens across multiple sectors, the partnership is poised to play a more influential role in both regional stability and economic development going forward.

Sources

যুক্তরাষ্ট্র-বাংলাদেশ সম্পর্ক এখন আগের চেয়ে বেশি গুরুত্বপূর্ণ: পল কাপুর

BANGLADESH MACROECONOMY & ECONOMIC MANAGEMENT

STABILIZATION EFFORTS, CURRENCY PRESSURES, AND POLICY RESPONSES TO EXTERNAL SHOCKS

Bangladesh Eases Profit Repatriation Rules to Attract FDI

March 09

Bangladesh Bank has significantly relaxed rules for foreign investors by allowing them to repatriate up to Tk100 crore without prior central bank approval, up from the previous Tk10 crore limit, in a move aimed at simplifying capital outflows and improving the investment climate. The reform empowers commercial banks to process most transactions directly—subject to valuation and compliance conditions—reducing delays and procedural bottlenecks, while broader measures such as faster processing timelines and clearer guidelines are expected to boost investor confidence and make Bangladesh a more attractive destination for foreign investment.

Sources

Foreign investors allowed to repatriate capital up to Tk100cr without prior approval

Rethinking Bangladesh's Regulatory Framework

March 19

Bangladesh's regulatory system, traditionally structured along sector-specific "silos," is increasingly misaligned with today's interconnected and digital economy, where activities such as fintech, digital services, and energy systems overlap across multiple domains. The article argues that fragmented oversight by separate regulators—like those for telecommunications, banking, and energy—creates inefficiencies and policy conflicts, making stronger coordination and integrated regulatory approaches essential. Moving toward a more collaborative, cross-sector framework would improve governance, support innovation, and ensure more effective policymaking in a rapidly evolving economic landscape.

Sources

From silos to synergy: Rethinking Bangladesh's regulatory framework

NBR Plans Year-Round Tax Return Submission

March 21

Bangladesh's revenue authorities are moving toward a more flexible tax system, with plans to allow taxpayers to submit income tax returns throughout the year. The initiative is aimed at improving compliance, reducing last-minute pressure, and modernizing tax administration.

1. **Key developments:**
    a. The National Board of Revenue (NBR) is considering allowing income tax returns to be filed year-round, instead of limiting submissions to a fixed period.
    b. This reform is expected to ease congestion during peak filing seasons, when both taxpayers and tax offices face heavy workloads.
    c. The move aligns with broader efforts to digitize tax services and simplify compliance procedures.
2. **Expected benefits:**
    a. Continuous submission would provide greater flexibility for taxpayers, allowing individuals and businesses to file returns at their convenience.
    b. It could also help increase the tax base and improve revenue collection, as more people may be encouraged to comply when deadlines are less restrictive.
    c. The reform is likely to reduce administrative bottlenecks and improve efficiency within tax offices.

3. **Broader reform context:**
    a. The initiative comes amid ongoing discussions on modernizing Bangladesh's tax system, which is heavily reliant on the NBR for revenue mobilization.
    b. Strengthening tax administration is seen as crucial for enhancing domestic resource mobilization and supporting fiscal stability.

In conclusion, the proposed shift to year-round tax return submission reflects a step toward a more flexible and efficient tax system in Bangladesh. If implemented effectively, it could improve compliance, streamline administration, and contribute to stronger revenue performance.

Sources

জনগণ যে দেশ দেখতে চায়, সেই দেশ গড়তে কাজ করবে সরকার: প্রধানমন্ত্রী

Digital vs Traditional Financial Documents

March 23

As financial systems become increasingly digitized, institutions in Bangladesh and globally are shifting toward accepting digital documents alongside traditional paper-based records. However, acceptance depends on specific criteria, and both formats continue to play important roles.

1. **Growing acceptance of digital documents:**
    a. Financial institutions now widely accept digital documents such as PDF bank statements, e-pay slips, tax returns, invoices, and online account summaries.
    b. In many cases, digital formats are preferred due to ease of storage, faster access, and secure sharing through cloud systems.
    c. These documents are commonly used for loan applications, account opening, rental verification, and background checks.
2. **Conditions for digital document acceptance:**
    a. Documents must be official, complete, and issued by a trusted source such as a bank, employer, or government agency.
    b. They should include clear identification details (name, date, address, institution logo).
    c. Files must be unaltered and high quality—edited PDFs, cropped screenshots, or unclear images are often rejected.
    d. Most institutions require documents to be recent, typically issued within the last three months.
3. **Continued relevance of traditional documents:**
    a. Paper documents remain important for government procedures, legal verification, and high-security transactions.
    b. They are often considered more trustworthy and less susceptible to digital manipulation.
    c. Some institutions and jurisdictions still require physical copies for in-person verification processes.
4. **Key differences between formats:**
    a. Digital documents offer speed, convenience, and easy storage, making them ideal for modern financial services.
    b. Traditional documents provide higher perceived authenticity and independence from technology or internet access.
    c. While digital formats have lower risk of loss (if backed up), traditional documents can be permanently lost or damaged.

5. **Practical considerations:**
    a. Common mistakes include submitting edited documents, incomplete pages, outdated records, or screenshots instead of full files, all of which can lead to rejection.
    b. Experts recommend maintaining both digital copies and original printed versions to meet different institutional requirements.

In conclusion, while digital financial documents are becoming the norm due to convenience and efficiency, traditional documents still retain importance in formal and high-security contexts. A hybrid approach—keeping both formats readily available—remains the most practical solution for individuals and businesses navigating modern financial systems.

Features	**Traditional**	**Digital**
Fraud concerns	Lower	Slightly higher
Acceptance	Universal	Wide acceptance
Risk of loss	Higher	Lower, if you back it up
Speed	Delivery is required	Instant
Convenience	Low	High
Format	Paper or printed	PDF, electronic

Sources

Digital vs traditional financial documents: What's accepted today?

Why Bangladesh Cannot Afford to Waste Its Food

March 30

Food waste is emerging as a critical challenge for Bangladesh, where rising prices, climate pressures, and persistent food insecurity make efficient use of resources more important than ever. Despite progress in food production, large-scale waste threatens both economic stability and environmental sustainability.

1. **Scale of food waste and paradox of hunger:**
    a. Bangladesh generates around 14.1 million tons of household food waste annually, with each person discarding about 82 kg per year—higher than in many developed countries.
    b. This occurs despite the reality that millions still struggle to access adequate food, highlighting a deep imbalance between availability and consumption.
    c. Globally, food waste is widespread, but in Bangladesh, it is particularly concerning given economic constraints and food security risks.
2. **Economic, environmental, and social impacts:**
    a. Food waste increases pressure on household spending and national resources, especially during periods of high inflation and import dependence.
    b. It contributes significantly to greenhouse gas emissions, particularly methane from landfills, worsening climate change.
    c. In cities like Dhaka, overflowing landfills and poor waste management systems create serious environmental and public health hazards.
3. **Structural inefficiencies in waste management:**
    a. More than half of landfill waste is compostable, yet the lack of segregation means organic and non-organic waste are dumped together.

   b. Bangladesh lacks effective systems for waste separation, recycling, and composting, unlike many developed countries, where sorting begins at the household level.
   c. Rapid urbanization and limited infrastructure further complicate waste collection and processing capacity.
4. **Behavioral and institutional challenges:**
   a. Households are the largest contributors to food waste, often due to over-purchasing, poor storage, and excess cooking.
   b. Significant waste also occurs at weddings, restaurants, and social events, where surplus food is often discarded.
   c. Limited awareness and lack of coordinated policy interventions hinder efforts to reduce waste across the supply chain.
5. **Policy and practical solutions:**
   a. Promoting responsible consumption, such as buying and cooking only what is needed, can significantly reduce household waste.
   b. Expanding food banks and redistribution systems can help redirect surplus food to vulnerable populations.
   c. Investments in waste segregation, composting, and recycling infrastructure can turn waste into valuable resources like fertilizer and energy.
   d. Public awareness campaigns and education can drive long-term behavioral change, especially among younger generations.

In conclusion, Bangladesh's food waste problem is not just an environmental issue—it is an economic and social challenge with direct implications for food security. Addressing it will require coordinated action across households, businesses, and policymakers to ensure that limited resources are used efficiently and sustainably.

Sources

Why Bangladesh cannot afford to waste its food

Gradual Taka Devaluation to Manage Energy Shock

March 31

Bangladesh Bank has shifted its exchange rate policy by allowing a gradual depreciation of the taka, aiming to manage mounting pressure from rising global energy import costs and protect foreign exchange reserves.

1. **Key policy shift:**
   a. The central bank has moved away from tightly controlling the exchange rate, allowing the taka to depreciate gradually since early March.
   b. This decision comes in response to the sharp rise in global oil prices, which has significantly increased Bangladesh's import bill.
   c. Policymakers are attempting to balance two competing risks, rising inflation and declining foreign reserves.
2. **Exchange rate outlook and mechanism:**
   a. The taka has already weakened slightly, with the dollar rising to around Tk123 from Tk122.30 in recent weeks.
   b. Under an IMF-guided framework, the exchange rate could depreciate further toward Tk130, implying additional downward adjustment.

c. The central bank is using an exchange rate band system, allowing gradual adjustment rather than abrupt devaluation.

3. **Rationale behind devaluation:**
   a. The taka is considered overvalued based on real effective exchange rate (REER) metrics, reducing export competitiveness.
   b. A weaker currency is expected to boost exports and encourage remittance inflows, both critical for foreign exchange stability.
   c. It also helps contain reserve depletion by discouraging excessive imports and easing external payment pressures.
4. **Risks and trade-offs:**
   a. Currency depreciation is inherently inflationary, as it raises the cost of imported goods, including fuel and food.
   b. A combined shock from oil prices and exchange rate changes could reduce foreign reserves by up to $6.5 billion by 2026.
   c. Inflation could increase by 0.5 to 2 percentage points above baseline levels, depending on how the shock evolves.

5. **Policy coordination and external support:**
   a. The central bank plans to avoid heavy intervention in the forex market, preserving reserves unless the exchange rate exceeds upper limits.
   b. Bangladesh is also considering emergency financial support from the IMF to help finance rising fuel imports.
   c. Additional financing options, including a $2 billion credit line, are being explored to stabilize the balance of payments.

In conclusion, Bangladesh Bank's move toward gradual devaluation reflects a strategic adjustment to external shocks, particularly rising energy costs. While the policy may support exports and protect reserves, it also introduces inflationary risks, making careful monetary, fiscal, and external financing policies essential in the coming months.

Sources

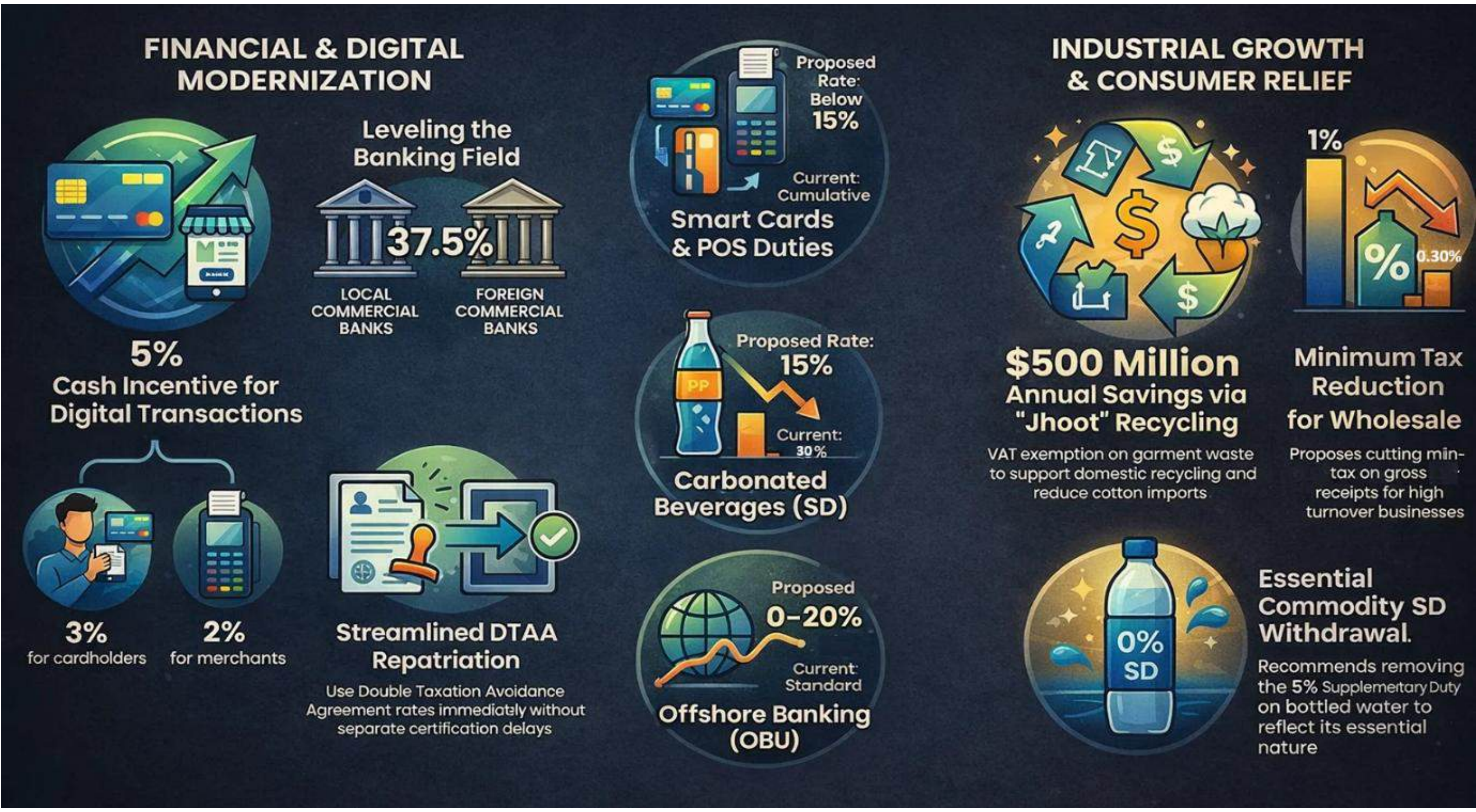
Cenbank moves for gradual devaluation to manage fuel shock

Tax Harmonization to Strengthen Investment Climate

March 31

The American Chamber of Commerce in Bangladesh (AmCham) has presented a comprehensive set of fiscal and regulatory recommendations ahead of the FY2026–27 budget, emphasizing tax harmonization, simplification, and policy predictability to improve the country's investment climate and competitiveness.

1. **Core policy recommendations:**
    a. AmCham stressed aligning Bangladesh's tax and regulatory framework with international best practices to attract both foreign and domestic investment.
    b. It emphasized tax harmonization and simplification to ensure consistency, transparency, and ease of doing business.
    c. The chamber highlighted the importance of policy predictability, calling for stable tax rates, clearer incentives, and long-term certainty for investors.
2. **Financial and banking sector reforms:**
    a. Allow banks to apply Double Taxation Avoidance Agreement (DTAA) benefits directly without requiring prior approval from tax authorities.
    b. harmonize corporate tax rates across banks at 37.5% to create a level playing field.
    c. Introduce preferential tax regimes for Offshore Banking Units (0–20%), aligned with regional standards.
3. **Digitalization and tax administration:**
    a. Expand digital payment infrastructure, including incentives for card-based transactions.
    b. Implement a fully digital, time-bound VAT and advance tax refund system to improve business liquidity.



   c. Reduce administrative burdens, including unnecessary certifications and complex compliance procedures.
4. **Trade, customs, and sector-specific measures:**
   a. Lower import duties on digital infrastructure (e.g., POS machines) to support financial inclusion.
   b. Introduce a digital customs valuation system to reduce discretion and improve transparency.
   c. Provide VAT exemptions on garment waste (jhoot) to promote recycling and potentially save up to $500 million in cotton imports.
5. **Tax rationalization and consumer sector recommendations:**
   a. Reduce the supplementary duty on carbonated beverages from 30% to 15%, citing regional competitiveness and the need to encourage investment in the sector.
   b. Withdraw the 5% supplementary duty on bottled drinking water, recognizing it as an essential commodity.
   c. Rationalize supplementary duties on consumer goods to reduce cost pressures and improve market efficiency.
   d. Address double taxation and overlapping tax structures, which currently increase the cost of doing business.
   e. Reduce minimum tax burdens on low-margin sectors to support business sustainability.
6. **Broader competitiveness concerns:**
   a. Emphasize the need for a transparent, predictable, and investor-friendly tax environment.
   b. Improve ease of doing business through streamlined procedures and regulatory clarity.
   c. Ensure reforms are aligned with Bangladesh's LDC graduation strategy and global competitiveness goals.

In conclusion, AmCham's recommendations present a detailed roadmap for strengthening Bangladesh's investment climate through tax harmonization and structural reforms. Incorporating these proposals into the national budget could enhance investor confidence, improve competitiveness, and support sustainable economic growth.

Sources

AmCham urges tax harmonisation to improve investment climate

Remittance Inflows Hit Record High, Economic Relief

March 31

Bangladesh's remittance inflows reached a historic peak in March 2026, providing a significant boost to the country's external sector amid rising global economic and energy-related uncertainties.

1. **Record-breaking inflow:**
   a. Remittances surged to an all-time high of $3.75 billion in March 2026, marking the highest monthly inflow on record.
   b. This represents a 14% year-on-year increase from $3.29 billion in March 2025.
   c. The spike was largely driven by increased transfers ahead of Eid-ul-Fitr, as expatriates sent more money to support their families.
2. **Strong cumulative performance:**
   a. Total remittance inflow during July–March FY2025–26 reached $26.20 billion, reflecting a 20% increase year-on-year.

   b. Remittances continue to serve as a key source of foreign exchange, helping Bangladesh meet external payment obligations.
   c. The steady rise in inflows has also contributed to easing pressure on the balance of payments and stabilizing the currency market.
3. **Drivers behind the surge:**
   a. Seasonal factors such as Eid-related transfers significantly boosted inflows during March.
   b. A slightly higher US dollar exchange rate encouraged remitters to send money through formal channels.
   c. During periods of uncertainty, migrant workers often increase remittances as a precautionary measure, a trend observed during previous global crises.
4. **Risks and future outlook:**
   a. Economists warn that the current surge may be temporary, with potential slowdowns expected in the coming months.
   b. The ongoing Middle East conflict could disrupt migration and reduce remittance inflows, as the region hosts a large share of Bangladeshi workers.
   c. Nearly half of Bangladesh's remittances originate from Gulf countries, making inflows sensitive to regional economic and geopolitical conditions.

In conclusion, the record remittance inflow provides much-needed short-term relief for Bangladesh's external sector, strengthening foreign exchange reserves and supporting economic stability. However, sustaining this momentum will depend on global conditions, particularly in key labor markets in the Middle East.

Sources

Remittance inflow hits all-time high

ENERGY SECURITY, INDUSTRIAL SUPPLY & SECTORAL DEVELOPMENTS

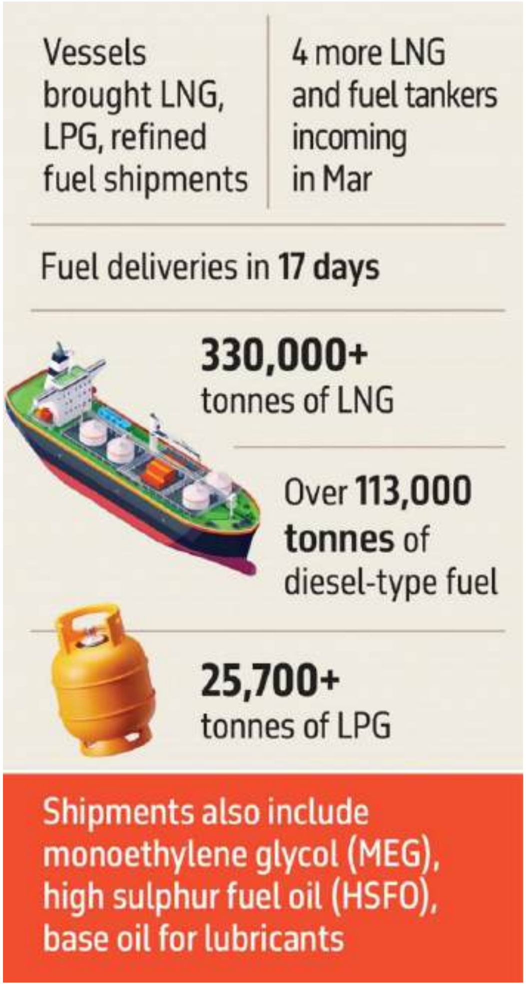
IMPORT DEPENDENCE, SUPPLY CHAIN PRESSURES, AND SECTOR REVITALIZATION EFFORTS

Energy Imports Remain Steady as 22 Vessels Arrive

March 18

Bangladesh's energy supply chain has remained stable despite global geopolitical tensions, with a steady inflow of fuel shipments through Chattogram Port. The continued arrival of energy vessels highlights the country's reliance on imports to sustain power generation and industrial activity.

1. **Key developments:**
   a. A total of 22 energy vessels carrying LNG, LPG, and refined fuel arrived at Chattogram Port within the first 17 days of March.
   b. At least four more vessels are scheduled to arrive, ensuring continued fuel supply in the coming days.
   c. The shipments come amid heightened tensions in the Middle East, which have affected global shipping routes but have not disrupted Bangladesh's import flow.
2. **Breakdown of energy supplies:**
   a. LNG shipments formed a significant share, with four carriers from Qatar delivering over 330,000 tons of gas.
   b. Multiple vessels delivered LPG cargo from countries such as Malaysia, India, and Oman, supporting household and industrial demand.
   c. Several tankers supplied refined fuels, including diesel, fuel oil, and base oil, critical for power plants, transport, and manufacturing.
3. **Strategic importance for energy security:**
   a. Officials from the Bangladesh Petroleum Corporation noted that these imports are essential to maintaining uninterrupted electricity generation and industrial operations.
   b. The consistent arrival of vessels indicates effective logistics and supply chain coordination, even under external pressures.
   c. Continued shipments are expected to stabilize national fuel reserves and support economic activity.



In conclusion, the steady influx of energy vessels underscores Bangladesh's ability to maintain supply continuity despite global uncertainties. Sustained coordination in fuel imports will remain critical to ensuring energy security and supporting the country's economic and industrial momentum.

Sources

22 energy vessels arrive at Ctg port in 17 days, 4 more due

Govt Pushes to Revive Muslin and Strengthen Jute Sector

March 24

State Minister for Textiles and Jute Shariful Alam announced that the government is actively working to revive Bangladesh's historic muslin industry through strengthened research, international knowledge gathering, and engagement of skilled artisans, as he reviewed progress at the Jamdani Village project in Narayanganj. He noted that efforts include tracing the industry's heritage abroad and promoting production through coordinated initiatives, while also highlighting parallel steps to reopen closed jute mills—some of which are already operational—with the aim of generating employment and boosting the jute sector through collaboration with local and foreign investors.

Sources

২০০ বছরের পুরনো মসলিন পুনরুদ্ধারে কাজ করছে সরকার: বস্ত্র প্রতিমন্ত্রী

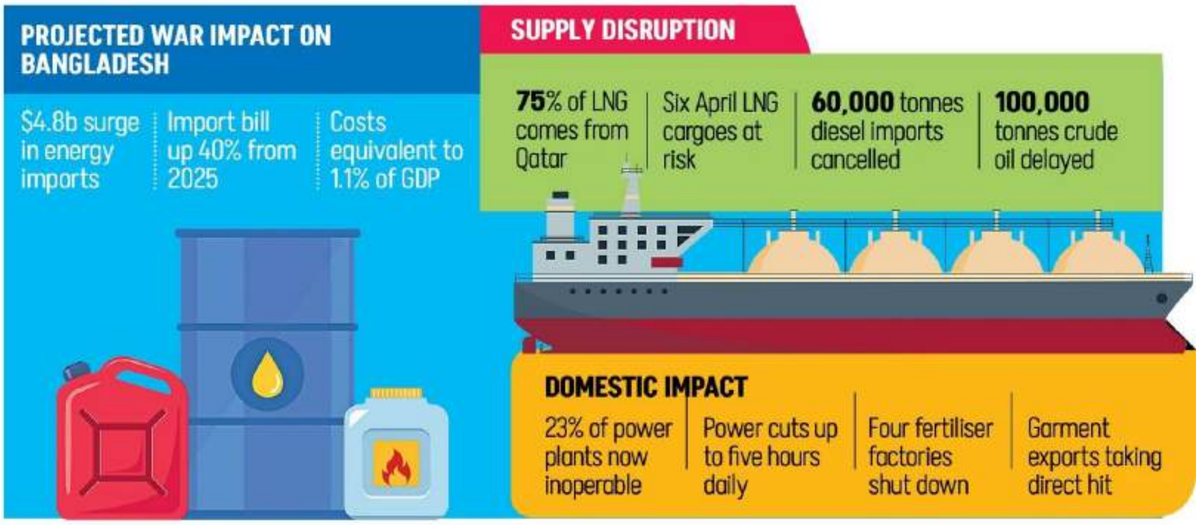
Energy Import Bill Set to Surge Amid Global Crisis

March 25

Bangladesh is facing a sharp rise in its energy import bill as global fuel prices surge due to ongoing geopolitical tensions, particularly in the Middle East. The situation underscores the country's vulnerability as a heavily import-dependent energy market.

1. **Rising import costs and fiscal pressure:**
   a. Bangladesh's annual energy import bill is projected to increase by $4.8 billion (around 40%), driven by higher global prices of oil, gas, and coal.
   b. The country already spends roughly $12 billion annually on energy imports, meaning the additional burden is substantial.
   c. If elevated prices persist, the shock could amount to about 1.1% of GDP, highlighting significant macroeconomic implications.
2. **Drivers of the surge:**
   a. The ongoing Middle East conflict has disrupted global energy supply chains, particularly through key routes like the Strait of Hormuz.
   b. Bangladesh's heavy reliance on imports—meeting around 95% of its fuel needs externally—makes it highly exposed to international price volatility.
   c. Liquefied natural gas (LNG) supplies have been particularly affected, with major suppliers like Qatar suspending shipments, forcing reliance on costly spot markets.
3. **Economic and energy sector implications:**
   a. Rising import costs are expected to put pressure on foreign exchange reserves, reducing import cover and increasing financial vulnerability.
   b. The situation may lead to currency depreciation and higher inflation, as energy costs feed into overall price levels.
   c. The power sector is already under strain, with around 23% of power plants reportedly inoperable due to gas shortages.
4. **Short-term responses and risks:**
   a. The government is exploring external financing options (over $2 billion) to manage the increased cost of fuel and LNG imports.

b. Emergency measures such as fuel rationing and supply diversification are being considered to stabilise the situation.
c. Analysts warn that prolonged high prices could create a "fiscal emergency", particularly if subsidies and import costs continue to rise.



In conclusion, the surge in Bangladesh's energy import bill reflects both immediate geopolitical shocks and deeper structural vulnerabilities in its energy system. Addressing these challenges will require not only short-term financial management but also long-term diversification and energy transition strategies to reduce dependence on volatile global markets.

Sources

Bangladesh faces $4.8b surge in annual energy import bill

First LPG Shipment Comes Home

March 29

Bangladesh's LPG supply chain has been sharply disrupted as tensions around the Strait of Hormuz stalled key shipments, with only one cargo of about 3,800 tones successfully reaching Chattogram through an alternative route, while at least two large LPG tankers remain stranded near the Gulf. Industry sources indicate that Bangladesh typically imports 80–90% of its LPG from Middle Eastern suppliers, making the Hormuz route critical for regular supply flows. The disruption has already pushed up freight charges and war-risk insurance premiums significantly, in some cases several times higher than normal, raising landed costs for importers. With monthly LPG demand estimated at 120,000–140,000 tones, even short-term shipment delays can create supply gaps, forcing companies to rely on limited inventories or source cargo from alternative markets like the US at higher costs. Prolonged instability in the Hormuz corridor could therefore lead to price volatility in the domestic LPG market, tighter supply for households and industries, and increased pressure on Bangladesh's overall energy import bill.

According to the National Board of Revenue, Bangladesh sourced about 80% of its crude oil, 65% of LNG and 51% of LPG imports from the Middle East in the first eight months of FY26.

Sources

First LPG shipment arrives in Ctg through Hormuz since Iran war started

LPG Imports Dominated by Few Firms, US Emerges as Key Source

March 31

Bangladesh's liquefied petroleum gas (LPG) market is increasingly concentrated among a handful of major importers, while the United States has emerged as the largest source of LPG supply. The trend reflects both growing domestic demand and shifting global energy sourcing patterns.

1. **Market structure and leading importers:**
    a. Around 76% of Bangladesh's LPG imports are controlled by just four major companies, indicating high market concentration.
    b. Omera Petroleum leads the market with a 19% share, followed by Petromax LPG (17%), Meghna Fresh LPG (16%), and Jamuna Spacetech JV (16%).
    c. Other players such as BM Energy, United LPG, and Delta LPG hold smaller shares, highlighting the dominance of a few large private-sector firms.
2. **Import value and supply chain:**
    a. Bangladesh imports LPG worth approximately $1.27 billion annually, reflecting the growing importance of LPG as an alternative household fuel.
    b. LPG is primarily imported via Chattogram and Mongla ports, then distributed through bottling plants and supply networks across the country.
    c. The sector is largely privately driven, with companies handling imports, storage, and distribution.
3. **Snapshot of the energy sector in the country:**

Top Importers in the Country

Company	Import	Percent
Omera Petroleum	23.66	19%
Petromax LPG	21.85	17%
Meghna Fresh LPG	20.79	16%
Jamuna Spacetech Joint Venture	20.40	16%
BM Energy	10.26	8%
United igas LPG	8.77	7%
Delta LPG	4.51	4%
JMI Industrial Gas	3.37	3%
Premiere LP Gas	3.35	3%
Bashundhara LP Gas	2.76	2%

Top Import Sources

Country	Import	Percent
Singapore	37.60	29.52%
UAE	33.42	26.24%
India	15.14	11.88%
Thailand	9.12	7.16%
Turkey	5.88	4.62%
France	4.76	3.74%
Malaysia	4.30	3.38%
Iraq	3.58	2.78%
Oman	3.14	2.46%
Saudi Arabia	2.55	2.00%

Top Natural Sources

Country	Import	Percent
USA	26.66	20.93%
UAE	24.15	18.96%
Oman	20.73	16.27%
Iraq	15.49	12.13%
Saudi Arabia	11.85	9.30%
Australia	9.36	7.34%
Malaysia	6.28	4.93%
Thailand	5.37	4.22%
Kuwait	2.76	2.17%
Singapore	2.52	1.98%

4. **Key source countries:**
   a. The United States is the single largest source, accounting for about 20.93% of total LPG imports.
   b. Other major sources include UAE (18.96%), Oman (16.27%), Iraq (12.13%), and Saudi Arabia (9.30%).
   c. Overall, about 78% of LPG imports originate from these key energy-producing countries.
5. **Trade intermediaries and logistics:**
   a. Despite production origins, much of the LPG is imported via trading hubs such as Singapore, UAE, and India, which dominate financing and logistics channels.
   b. Singapore alone accounts for nearly 30% of import financing (LC openings), reflecting its role as a global trading hub.
6. **Current challenges and outlook:**
   a. Ongoing geopolitical tensions, particularly involving Iran, have disrupted LPG supply chains and contributed to rising prices.
   b. Industry leaders expect market volatility to ease once global conflicts stabilize, though short-term price pressures remain.
   c. The growing reliance on LPG reflects structural changes, as piped natural gas cannot be expanded to all households, increasing demand for alternative fuels.

In conclusion, Bangladesh's LPG sector is expanding rapidly but remains concentrated among a few dominant firms and is heavily dependent on imports. The United States' emergence as a key supplier and the influence of global energy dynamics underscore the sector's strategic importance for household energy security.

Sources

এলপিজি আমদানিতে শীর্ষে ওমেরা, বড় উৎস যুক্তরাষ্ট্র