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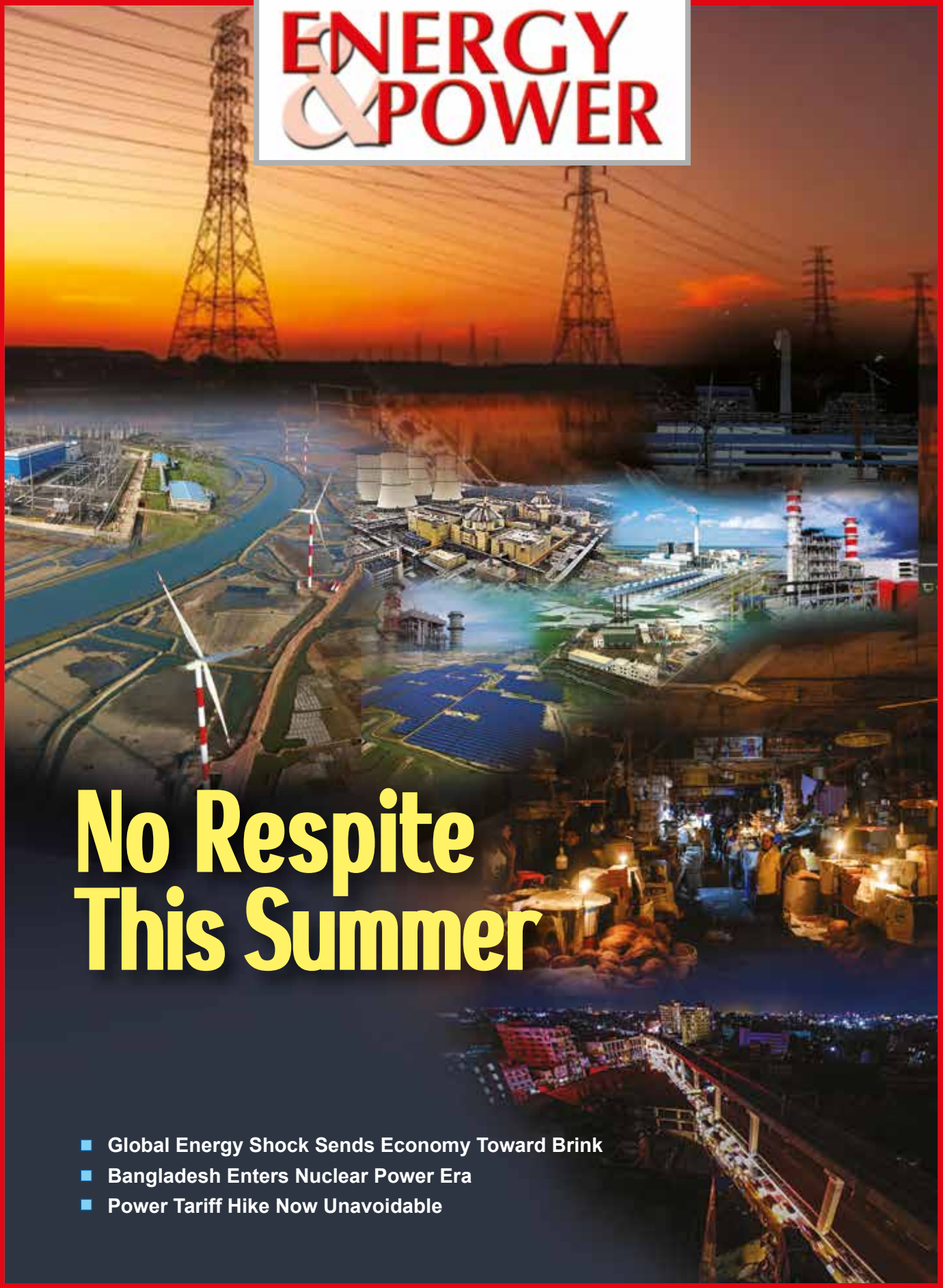
May 1, 2026

ENERGY & POWER



No Respite This Summer

- Global Energy Shock Sends Economy Toward Brink
- Bangladesh Enters Nuclear Power Era
- Power Tariff Hike Now Unavoidable

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Energy for a New Era

Upstream Development Fuel Procurement

- Upstream Investment **6 Projects**
- LNG Procurement from **15 Countries**
- LNG Fleet Carriers **22 carriers**

LNG Receiving & Storage Terminals

- LNG Tank Capacity in Japan **6.65 million kL**
- Equivalent to **Approx.30%** of LNG tank capacity in Japan
- LNG Receiving Terminals in Japan **11 terminals**

Domestic Power Generation

- Thermal Power Station **26 stations**
- Power Generation Capacity **Approx.61GW** Largest in Japan
- Power Generation Output **Approx. 235 TWh**
  Equivalent to approx. 33% of power generation in Japan

Overseas Power Generation

- Number of projects **In more than 10 Countries**
  Approx. 30 Projects
- Power Generation Capacity **Approx.13.7GW**
  (Output Corresponding to Equity)
- Renewables Development Capacity **Approx. 3.5 GW**
  (Included in the Power Generation Capacity)

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ENERGY & POWER

EDITORIAL

The return of load-shedding has once again exposed the deep structural weaknesses of Bangladesh's power and energy sector. As temperatures rise and heatwaves intensify, millions of people are facing the familiar hardship of power outages, disrupted businesses, sleepless nights, and falling industrial productivity. This is happening despite the country having more than enough installed generation capacity on paper. The real problem is the inability to secure fuel and manage the system efficiently. Years of policy mistakes – building power plants without ensuring fuel supply, overdependence on imported energy, delayed tariff adjustments, and neglect of domestic gas and coal exploration – have created the crisis. Massive arrears to power producers, coal suppliers, and LNG importers have further weakened the system, leaving plants idle. Rural areas are paying the highest price, often facing outages of up to 16 hours, while industries and agriculture suffer serious production losses. This imbalance not only creates economic damage but also deepens social frustration. There is no quick fix. The government must immediately prioritize clearing dues, ensuring coal imports, maintaining electricity imports, and keeping fuel-based plants operational. Planned and fair load-shedding must replace unequal burden-sharing. At the same time, long-term reforms are essential—faster renewable energy expansion, LNG import capacity growth, stronger transmission systems, and a realistic tariff policy that reduces waste.

Summer will last until September, but the crisis could last much longer if decisions continue to be delayed. Without bold and practical action now, power shortages may become a permanent feature of Bangladesh's economic life.

highlights


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The decision to pause tariff adjustments has made the situation harder to manage. Now, the gap between the cost of producing electricity and the price consumers pay has widened significantly. Unless prices are gradually adjusted, unpaid bills will keep piling up, and the government will struggle to fund energy imports and development priorities... Professor Dr. Ijaz Hossain tells EP


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Prices of most major fuels have gone crazy within a month of the outbreak of the Iran war. The LNG spot price in the Japan-Korea market has almost doubled from roughly $10/MMBtu to $20/MMBtu. Brent crude oil prices have surged by nearly 50%, which directly impacts the LNG prices in our long-term contracts..... More in Special Article

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The return of load-shedding after a long break feels like an old wound reopening. As temperatures climb and heatwaves spread across the country, households, factories, and farms are once again being forced to plan their days around power cuts. In cities, the inconvenience is frustrating; in rural Bangladesh, it is crippling. This summer was always going to be difficult.

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Green page

Encouraged by the readers and patrons, the EP would continue bringing out Green Pages to contribute to the country's efforts in its journey towards climate-friendly energy.

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Green page

EU, Bangladesh Step Up RE Drive to Strengthen Energy Security

IDCOL–PRAN-RFL Partnership Accelerates Green Industrial Transition

Solar Irrigation could Save $900m Annually, Says IEEFA Analyst

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India Raises Export Duties on Diesel

India has further raised a windfall tax on exports of diesel and aviation turbine fuel it imposed last month to ensure adequate domestic supply.

In a recent government notification, India's finance ministry increased the tax on diesel exports to 55.5 rupees per liter from 21.5 rupees per liter, and on exports of aviation turbine fuel to 42 rupees per liter from 29.5 rupees per liter, effective immediately.

India also last month cut excise duty on petrol and diesel by 10 rupees ($0.11).

Separately, to control a rise in airfares, it has also capped a monthly increase in aviation turbine fuel prices for domestic airlines at 25 percent in April. Jet fuel accounts for up to 40 percent of an airline's expenses.

Global oil prices have surged past $100 per barrel as the flow of oil through the Strait of Hormuz, which serves as a conduit for 40 percent of India's crude oil imports, remains heavily restricted due to the US-Iran war.

EU Warns Prolonged Energy Price Surge

The European Union's top energy official has warned that the ongoing conflict involving the United States and Israel with Iran could drive energy prices higher for months—or even years—posing a major challenge for Europe.

EU Energy Commissioner Dan Jørgensen said recently that the current crisis is not a short-term shock but a prolonged and severe disruption. "This is not a small, temporary increase in prices," he said, adding that the situation could rival the scale of both the 1973 oil crisis and the 2022 energy crisis combined.

Jørgensen noted that the war is costing Europe approximately €500 million (about $600 million) per day, warning of "very difficult months, or maybe even years" ahead.

IEA Chief, German Chancellor Discuss Energy Security Amid Global Crisis

Fatih Birol, Executive Director of the International Energy Agency, held high-level talks with Friedrich Merz and senior German ministers to assess the impact of the Middle East conflict on global energy markets, supply chains, and industrial competitiveness.

During their bilateral meeting, Birol and Chancellor Merz discussed the consequences of disruptions to energy supplies, particularly the de facto closure of the Strait of Hormuz, and its effects on economic activity.

They also reviewed the IEA's ongoing efforts to support governments in managing the crisis and protecting consumers from rising energy prices.

The discussions emphasized the strategic importance of energy-intensive industries, highlighting their critical role in economic stability and national security across multiple sectors.

As part of his visit to Berlin, Birol also met with Katherina Reiche to exchange views on recent developments in global oil and gas markets and policy responses to the evolving energy crisis.

Finland Bolsters Baltic Coast Protection against Russian Oil Spill Threat

Finland is stepping up efforts to safeguard its coastline from the growing risk of oil spills linked to Russia's "shadow fleet" by installing a permanent oil containment system. The Nordic country has repeatedly raised concerns about ageing and often uninsured vessels operating in the Baltic Sea to bypass Western sanctions.

According to the John Nurminen Foundation, metal rings will be fixed into the bedrock of islands across the eastern Gulf of Finland. These will allow rapid deployment of oil containment booms to prevent spills from reaching shorelines and sensitive ecosystems. The initiative, titled "Bolt it for the Baltic Sea!", is being carried out in cooperation with Finnish authorities.

Jukka Pekka Lumilahti, head of rescue operations at the Gulf of Finland Coast Guard, warned that the risk of an environmental disaster remains high due to disruptions in maritime navigation systems.

Govt Raises Fuel Prices by Tk 15–20 Per Liter

The government has finally increased fuel prices, raising the cost of octane, petrol, diesel, and kerosene by Tk 15 to Tk 20 per liter.

The information was disclosed in a press release issued by the Energy Division recently.

Under the revised rates at the consumer level, diesel will be sold at Tk 115.00 per liter, octane at Tk 140.00 per liter, petrol at Tk 135.00 per liter, and kerosene at Tk 130.00 per liter.

Although fuel prices have been adjusted on the first day of each month in recent years under a prevailing policy, the government kept prices unchanged in April before announcing this latest increase.

Mirza Fakhrul Denies Fuel Crisis, Says 'Situation Created Artificially'

Local Government, Rural Development and Cooperatives Minister and BNP Secretary General Mirza Fakhrul Islam Alamgir has said there is no fuel shortage in the country and the current situation has been artificially created by some people involved in unethical business practices.

"There is no fuel crisis in the country. However, some people are creating this situation through unethical business activities," he said while addressing a program in Thakurgaon recently.

He made the remarks at a function organized by the district administration at Mirza Ruhul Amin Auditorium, where relief and development assistance were distributed.

Mirza Fakhrul alleged that profiteering and black-market trading of fuel are behind the perceived shortage, adding that such practices are harmful to the nation's economy and must be stopped.

Govt to Introduce Load-Shedding in Dhaka to Support Rural Irrigation - Amit

The government has decided to introduce experimental load-shedding in the capital, Dhaka, to ensure uninterrupted electricity supply for irrigation in rural areas and reduce the urban-rural disparity in power distribution.

State Minister for Power, Energy and Mineral Resources Anindya Islam Amit made the announcement in Parliament recently during a session chaired by Speaker Hafiz Uddin Ahmed.

He said the initiative aims to ensure that farmers receive adequate electricity during the peak irrigation season so that agricultural production is not disrupted.

The minister acknowledged that public confidence in government statements has weakened over time, but emphasized that the current administration remains committed to transparency and accountability.

He attributed the ongoing power crisis to accumulated mismanagement in previous years, noting a gap between installed capacity and actual generation.

Rizvi Urges Greater Action from Power Minister to Reduce Load-Shedding

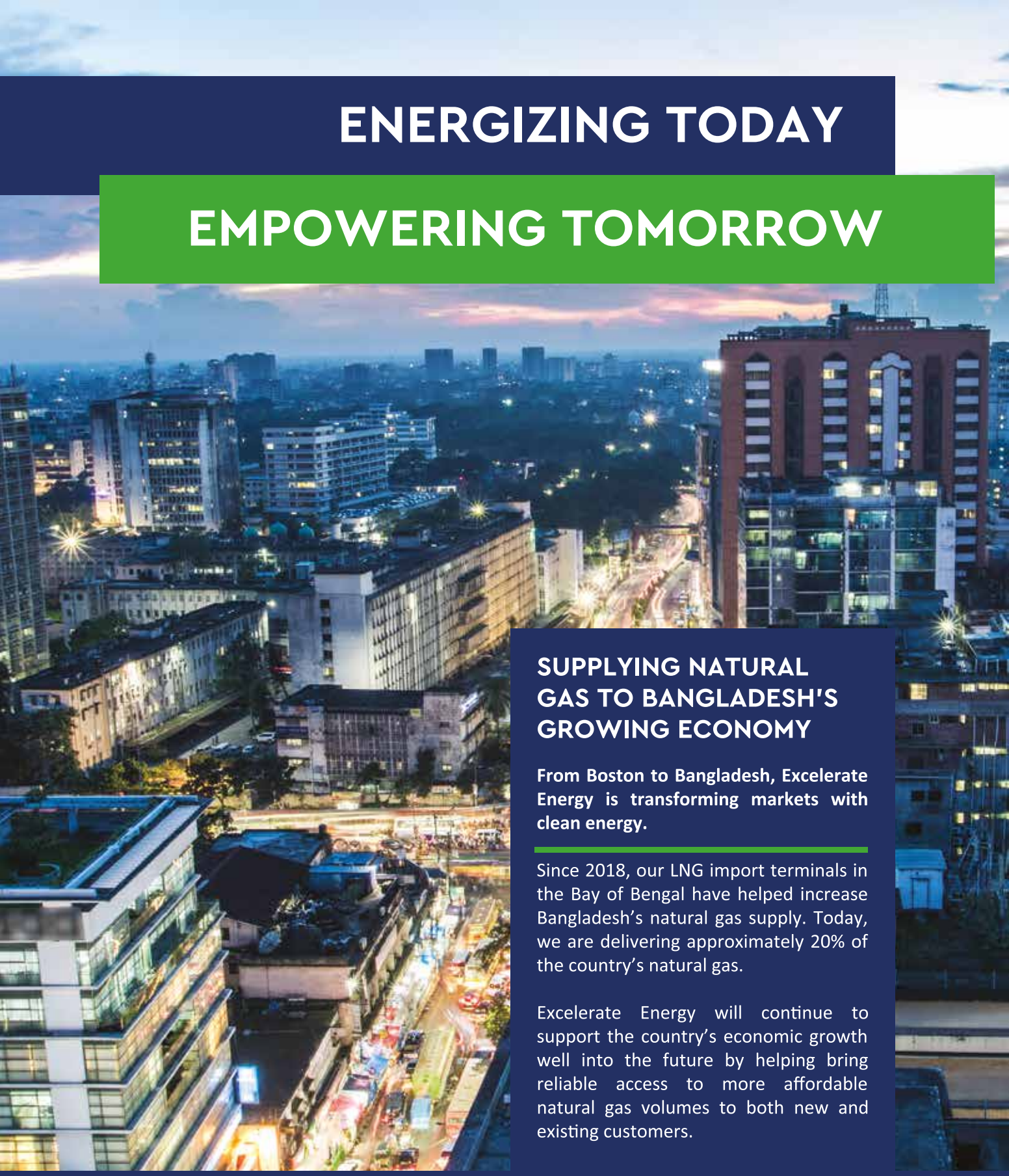
Sr. Joint Secretary of BNP Ruhul Kabir Rizvi has called on the government to intensify efforts to address the ongoing power crisis and reduce nationwide load shedding.

Speaking at a reception and award ceremony organized by the Jatiyatabadi Charu O Karushilpi Dal at the Bangladesh Shilpakala Academy on April 23, Rizvi highlighted the severity of the situation, particularly in rural areas.

"Load-shedding is occurring across the country, and rural areas are facing severe outages. The concerned minister and relevant authorities must take strong and coordinated action to tackle the crisis," he said.

ENERGIZING TODAY

EMPOWERING TOMORROW



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EXCELERATE ENERGY

Gas Supply to Ashuganj Fertilizer Plant to Resume from May 1: Energy Minister

The government has decided to resume gas supply to the Ashuganj fertilizer plant in Brahmanbaria from May 1, prioritizing agricultural needs despite ongoing energy constraints.

Power, Energy and Mineral Resources Minister Iqbal Hassan Mahmood announced the decision in Parliament recently.

The move came after concerns were raised by lawmaker Rumeen Farhana, who noted that fertilizer production in Ashuganj had been halted due to gas shortages, affecting farmers in her constituency.

Responding to the issue, the minister said, "Although this may impact electricity generation, we have decided to supply gas to the fertilizer factory from May 1 considering the importance of agriculture."

He acknowledged that Bangladesh has been facing a gas shortage since 2016, leading to reduced pressure and lower supply to households and industries. Currently, gas distribution is being managed primarily to keep industrial production running.

AmCham Bangladesh Mourns Passing of Dr. Forrest E. Cookson

The American Chamber of Commerce in Bangladesh (AmCham Bangladesh) has expressed deep sorrow at the passing of Dr. Forrest E. Cookson, former President of the chamber, who died recently while undergoing treatment at United Hospital.

Born on April 26, 1934, in the United States, Dr. Cookson first arrived in Bangladesh in the mid-1980s to contribute to financial sector reforms. He served as a consultant to Bangladesh Bank and played a key role in the country's Financial Sector Reform Program during the 1990s.

Over time, he developed a deep connection with Bangladesh and dedicated much of his professional life to its economic development.

During his tenure as AmCham President from 1996 to 2001, he helped strengthen the organization and advance U.S.–Bangladesh business relations.

Nationwide Crackdown Recovers Over 576,000 Liters of Illegally Stored Fuel

The government's ongoing nationwide drive against illegal fuel stockpiling has recovered a total of 576,993 liters of petroleum products in 49 days up to April 21, according to the Energy Division Bangladesh.

An official statement said 11,197 mobile courts, led by executive magistrates, have been conducting operations across the country since March 3 to stabilize the fuel supply system amid the ongoing energy crisis linked to Middle East tensions.

During the operation, authorities recovered 390,209 litres of diesel, 40,846 liters of octane, 97,438 liters of petrol, and 48,500 liters of furnace oil.

The drive also resulted in 4,053 cases being filed, with 54 individuals receiving sentences for illegal stockpiling of petroleum products.

Additionally, the mobile courts collected fines amounting to Tk 1,80,96,115 during the period.

Bangladesh Seeks More Japanese Investment in Energy

State Minister for Foreign Affairs Shama Obaed Islam has called for enhanced Japanese investment in key sectors including renewable energy, ICT, infrastructure, pharmaceuticals, agro-processing and manufacturing.

The State Minister held a bilateral meeting with Japanese Vice Minister of Foreign Affairs Onishi Yohei on the sidelines of the 'Dakar International Forum on Peace and Security in Africa' held in Dakar, Senegal on April 20, said the Ministry of Foreign Affairs.

They discussed expanding cooperation in trade, investment, connectivity, technology, skills development and people-to-people exchanges.

The State Minister expressed appreciation for Japan's continued support in addressing the Rohingya crisis and sought further assistance to facilitate their early and sustainable repatriation to Myanmar.

No Respite This Summer

Mollah Amzad Hossain

Bangladesh is entering another difficult summer marked by rising temperatures, worsening load-shedding, and deep uncertainty in power supply. Despite having enough installed generation capacity, shortages of gas, coal, and imported fuel, combined with massive unpaid dues, have left much of that capacity idle. Rural communities, industries, and small businesses are bearing the heaviest burden. Without urgent action to secure fuel, clear arrears, improve efficiency, and strengthen long-term energy planning, power shortages will continue to disrupt economic growth and daily life.

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As temperatures rise, the electricity deficit—and consequently load-shedding—is increasing.

The return of load-shedding after a long break feels like an old wound reopening. As temperatures climb and heatwaves spread across the country, households, factories, and farms are once again being forced to plan their days around power cuts. In cities, the inconvenience is frustrating; in rural Bangladesh, where outages last up to 16 hours, it is crippling.

This summer was always going to be difficult. But what makes the crisis more painful is that Bangladesh has enough installed power generation capacity on paper. The real problem lies elsewhere – fuel shortages, unpaid bills, poor planning, and years of neglect in developing domestic energy resources. The result is a system that looks strong from the outside but struggles to keep the lights on when demand rises.

As temperatures rise, the electricity deficit—and consequently load-shedding—is increasing. With the onset of heatwaves, the Bangladesh Power Development Board (BPDB) is struggling to meet electricity demand.

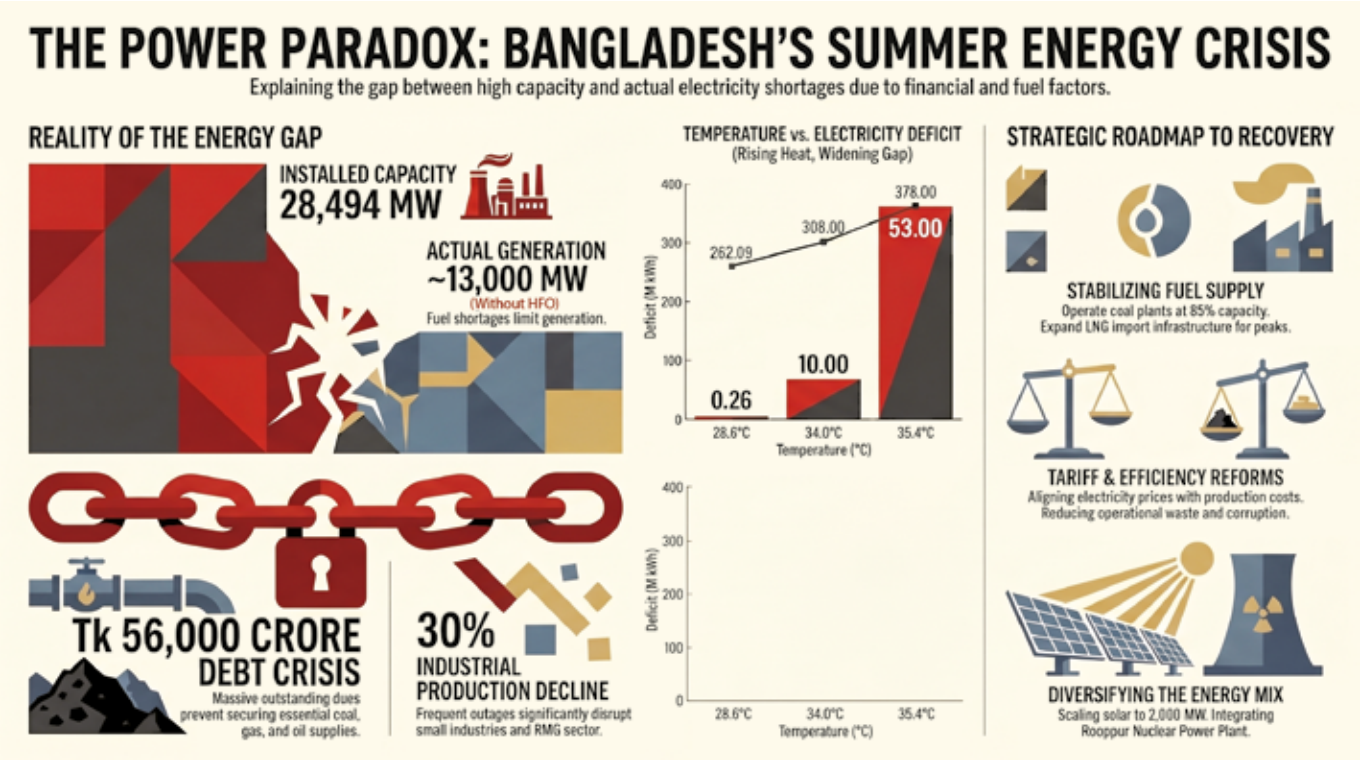
An analysis of demand and supply during the last two weeks of April shows that on April 22, total electricity demand over 24 hours reached 378 million kilowatt-hours (kwh). Against this, BPDB was able to supply only 326 million kwh, leaving a deficit of around 53 million kwh.

In megawatt terms, peak evening demand on that day reached 16,647 MW, while supply stood at 14,467 MW. Daytime peak demand supply was 12,216 MW. During peak hours, load-shedding amounted to 2,180 MW.

Although load-shedding had little impact in the capital, Dhaka, on that day, its effects were severe in rural areas. According to media reports, rural regions experienced power outages lasting between 6 and 16 hours. In particular, the impact was acute in the service areas of 80 rural electricity cooperatives under the Bangladesh Rural Electrification Board.

ACTUAL POWER GENERATION CAPACITY BY FUEL TYPE

Fuel Type	Capacity (MW)	Share (%)
Gas	12,194	42.79%
Furnace Oil	5,634	19.77%
Diesel	768	2.70%
Coal	7,629	26.77%
Import	1,160	4.07%
Solar	777	2.73%
Hydro	230	0.81%
Wind	62	0.22%
None	40	0.14%
Total	28,429	100%



The electricity shortage has disrupted daily life and negatively affected industry and commerce. It is reported that production in small and medium industries has been disrupted by up to 30% due to load-shedding. Similarly, production in the ready-made garment sector is claimed to have declined by 5–25%.

The Power Division has expressed regret over the electricity shortage and public suffering. It stated that this summer will not be completely free of load-shedding, although the situation is expected to become tolerable from early May.

However, many critics have blamed the newly formed government, arguing that power shortages have increased whenever the BNP has come to power, sometimes reaching extreme levels. In reality, the current situation itself has made it difficult for the newly formed BNP government to ensure electricity supply.

During this summer, peak electricity demand is projected to reach 18,500 MW. In contrast, the country's installed grid-connected capacity, including imports, stands at 28,494 MW. However, due to shortages of fuel supply, BPDB is struggling to generate an average of only 13,000 MW. Additionally, BPDB to generate up to 4,000 MW from HFO plants at peak times.

The current outstanding dues in the power sector amount to Tk 56,000 crore. BPDB's inability to pay these dues has created a crisis in securing fuel supplies, especially coal and oil. Meanwhile, Petrobangla is currently unable to supply even half of the gas required to operate gas-based power plants, and this situation is unlikely to improve in the near future—in fact, it may worsen.

Speaking at an event on the power crisis, Minister for Power, Energy and Mineral Resources Iqbal Hasan Mahmood, MP, stated that current load-shedding stands at around 1,200–1,500 MW, which is expected to decrease to 800–900 MW in early May. However, he emphasized that load-shedding will continue throughout the summer.

He said, "This is not the fault of the current government. The previous Awami League government severely weakened this sector through rampant corruption, establishing power plants without ensuring fuel supply, and creating massive arrears. The interim government then pushed the sector into an ICU-like condition. We have started working to restore the sector's health and ensure electricity supply to meet demand."

He added that achieving this goal will not be easy. The current outstanding dues in the power and energy sector amount to Tk 56,000 crore. Although efforts are underway to clear these dues, it will take time to restore normalcy. He also noted that the ongoing U.S.–Israel–Iran conflict has further worsened the financial crisis in the energy sector.

Experts believe that flawed policies in the power and energy sector are responsible for the current situation, where shortages persist despite having sufficient installed capacity. The main reason is the neglect of domestic energy resources—particularly gas and coal exploration and extraction—over the past 25 years.

From 2009 to 2024, numerous power plants were established to ensure an uninterrupted electricity supply, raising total generation capacity to 28,494 MW—more than sufficient for the country's demand. However, between 2018 and 2020, over 2,000 MW of diesel- and furnace oil-based capacity was added unnecessarily, leading to excess capacity and forcing BPDB to pay high

capacity charges.

Moreover, while generation capacity increased, there was no planned effort to ensure a steady supply of gas and coal through domestic exploration or expansion of import infrastructure. Instead, the sector became increasingly import-dependent.

As a result, the country's dependence on imported energy has risen sharply—from 25% in 2015 to about 59% currently—and continues to grow.

Experts believe that, despite having sufficient capacity, load-shedding is occurring mainly due to the inability to finance fuel supply.

Former BERC member Engineer Mizanur Rahman believes that LNG import capacity is currently limited to 1,100 MMCFD, while domestic gas supply is also declining. Therefore, even with adequate financing, it will not be possible to significantly increase the gas supply. As a result, the full capacity of coal-based power plants must be utilized. At the same time, arrears in the electricity import sector must be reduced to ensure full supply.

Shafiqul Alam, Lead Energy Analyst at the Institute for Energy Economics and Financial Analysis (IEEFA), Bangladesh, believes there is no alternative to ensuring financing for coal imports. Due to coal shortages, less than 50% of total generation capacity was utilized in March.

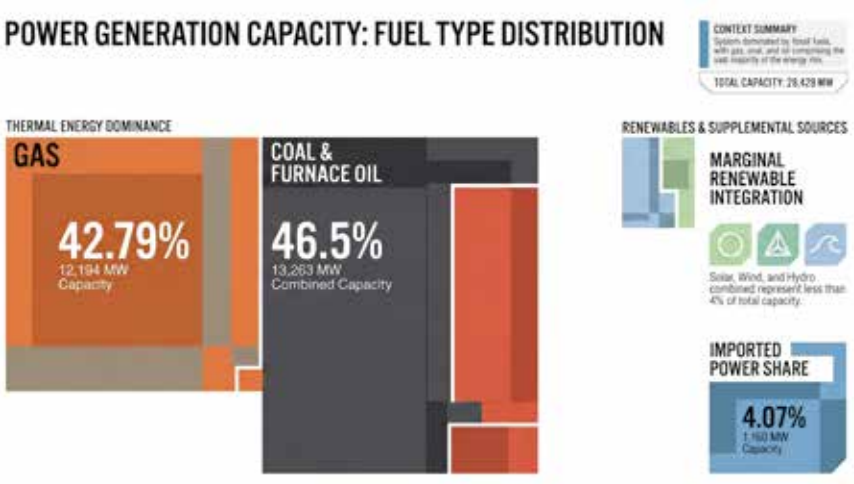
Former BUET dean Dr. Ijaz Hossain noted that there is no alternative but to provide financing to ensure coal power plants operate at around 85% capacity. Although gas-based power capacity exceeds 12,194 MW, the current gas supply allows generation of only 5,200–5,500 MW. There are no signs of gas supply improving between May and September.

Petrobangla has stated that it is purchasing LNG from the spot market at double the price to supply up to 950 MMCFD for grid power. However, demand is around 2,200 MMCFD. Currently, total gas supply in the country, including RLNG, is about 2,600–2,700 MMCFD, while demand is at least 4,000 MMCFD.

Including imports from Adani, total coal-based power capacity stands at 7,629 MW, of which 6,029 MW is installed domestically. Due to coal shortages, these plants have been operating below 50% load.

Professor Ijaz believes that to minimize shortages during summer, coal power plants must operate at 85% capacity, which could generate 6,000–6,500 MW. Combined with gas-based generation, the total supply could reach around 12,000 MW. Ensuring at least 1,000 MW from imports would further help.

With an additional 4,000 MW from furnace oil and other sources, the total supply could reach around 17,000 MW. However, if demand rises to 18,500 MW, as projected, load-shedding of at least 1,500 MW will be unavoidable.



Some units of the Adani and Patuakhali coal power plants that were previously offline have now resumed production. One unit of the Banshkhali SS Power plant is still offline but is expected to return soon. To fully utilize coal capacity, outstanding dues—including $669 million owed to Adani—must be gradually reduced.

At the same time, arrears to gas-based IPPs and joint venture plants are also significant. For example, the Jera Meghnaghat power plant alone amounts to about $82 million.

On the other hand, the country's furnace oil-based power plants have a total capacity of 5,634 MW, about 80% of which are privately owned. Outstanding dues to these plants exceed Tk 14,000 crore. Without the gradual repayment of these arrears, they will also be unable to import fuel oil.

In a conversation with Energy & Power, Bangladesh Independent Power Producers' Association (BIPPA) President David Hasnat stated that BPDB currently owes its power plants an amount equivalent to nine months of unpaid bills. As a result, operators are running out of capacity to import fuel oil.

He noted that they have been raising this issue since the tenure of the interim government, but received no response. Instead, before leaving office, the interim government imposed liquidated damages on domestic IPPs by violating power purchase agreements without settling outstanding payments.

He added that they have requested the current government to clear arrears and resolve the liquidated damages issue. Otherwise, it will be difficult to supply electricity from furnace oil-based power plants in the coming months.

A review of power generation data shows that due to rainfall caused by a low-pressure system over the Bay of Bengal, the electricity deficit has almost dropped to zero. On April 27, the highest temperature in the country was 28.6°C. On that day, total electricity demand over 24 hours was 262.09 million kilowatt-hours, while supply reached 261.83 million kilowatt-hours, leaving a negligible deficit of just 0.26

million kilowatt-hours. During this time, furnace oil-based generation accounted for only 2% of the supply.

However, on April 26, when the maximum temperature was 34°C, total demand rose to 308 million kilowatt-hours, while supply was 298 million kilowatt-hours, resulting in a deficit of 10 million kilowatt-hours. On April 22, when the temperature reached 35.4°C, demand surged to 378 million kilowatt-hours, while supply was only 326 million kilowatt-hours, leaving a deficit of 53 million kilowatt-hours. On that day, 10% of electricity had to be generated from furnace oil, significantly increasing overall generation costs.

This relationship between temperature and demand must be considered in summer management. Once temperatures exceed 35°C, electricity demand rises sharply. Although the peak demand in April was 16,647 MW, only 14,467 MW could be generated. This means that even though demand was below BPDB's projected peak, load-shedding remained severe.

Engineer Shafiqul Alam believes that once temperatures rise above 35°C, the country's cooling load increases significantly, leading to higher deficits. The World Meteorological Organization has indicated that an El Niño event is active, which will also affect Bangladesh. As a result, temperatures may exceed 40°C, making it difficult to predict how much the power deficit can be reduced during heatwaves.

The Power Division has stated that planned load-shedding will be implemented nationwide. Previously, when rural areas faced up to 16 hours of load-shedding, Dhaka remained largely unaffected. At that time, State Minister for Power Anindya Islam Amit informed the National Parliament that instructions had been given to implement load-shedding in Dhaka as well, and this policy is now being followed.

However, the Power Division's claim that load-shedding will be limited to 800–900 MW from early May has not reassured consumers. Sector insiders believe that load-shedding may remain tolerable only when temperatures are moderate. If temperatures rise or heatwaves intensify, BPDB will struggle to manage the deficit.

Experts believe there is no quick solution to address the fuel supply shortage for power generation. However, BPDB must take steps to increase coal supply, ensure emergency oil imports, and maintain electricity imports. The only way to achieve this is to start clearing arrears.

Indeed, all arrears cannot be cleared quickly, and returning to normal conditions will take time. This will require either increased subsidies or a reduction in BPDB's losses.

Professor Ijaz Hossain believes that the three-year roadmap taken during the Awami League period to align electricity production costs with selling prices should be followed. Recently, BPDB proposed increasing the wholesale electricity tariff by Tk 1.20 per unit from the current Tk 7.04. At the consumer level, a proposal has been made to increase tariffs by Tk 1.80 per unit for higher-end users.

Currently, the production cost per unit of electricity is Tk 12.10, while BPDB's annual losses stand at Tk 52,000 crore. Ijaz suggests that 50% of the gap between production cost and wholesale price should be addressed through tariff increases within one year. The remaining 50% should be adjusted through reducing waste, corruption, and inefficiencies, alongside improving operational efficiency. Both measures must be implemented simultaneously.

It is worth noting that a Tk 1.0 increase in wholesale tariff per unit would reduce BPDB's annual losses by Tk 10,000 crore.

Summer is still far from over, and for millions of people, that means more nights without fans, more sleepless heat, and more uncertainty for homes, farms, and factories. Until September, managing electricity demand will require more than temporary fixes. The government must begin clearing overdue payments, keep power plants running at full possible capacity, and ensure load-shedding is planned fairly so that the burden does not fall only on rural communities and small businesses.

But solving this crisis is not only about surviving one summer. Bangladesh must also prepare for the years ahead by reducing unnecessary electricity use through better cooling systems, efficient appliances, and smarter energy management. Increasing domestic gas and coal supply will take time, so for now, expanding LNG import capacity through additional FSRUs remains unavoidable to handle peak demand.

At the same time, stronger transmission and distribution systems are essential so that electricity generated actually reaches consumers without frequent outages. The country must also move faster on solar power. Raising grid-connected solar capacity from 777 MW to at least 2,000 MW would reduce costly dependence on furnace oil during daytime demand.

The Rooppur Nuclear Power Plant also carries major importance. If its first unit can supply at least 300 MW from August and begin commercial operation before March next year, it will provide much-needed relief. Bringing the second unit online before summer 2028 would further strengthen long-term energy security.

Rescuing BPDB from its growing debt and financial losses will not be easy. But delaying hard decisions will only make the problem more expensive and painful. Without decisive action now, load-shedding will become not just a seasonal problem, but a permanent obstacle to daily life, industrial growth, and Bangladesh's economic future. EP

Proactive Action Plan Urgent For Energy Crisis Management

Saleque Sufi

As fuel prices surged in the volatile global market and the Strait of Hormuz disruption threatened supply chains, Bangladesh's ability to procure fuel came under serious pressure.

Bangladesh's energy crisis did not begin with the Iran-US-Israel war. The country was already struggling with a severe shortage of primary fuel, while the challenge of managing rising summer electricity demand had become increasingly difficult. The BNP-led alliance government was expected to come prepared with a clear strategy. Instead, it appeared the new administration underestimated both the scale and complexity of the crisis, which was further intensified by the damaging conflict in the Arab and Gulf regions.

As fuel prices surged in the volatile global market and the Strait of Hormuz disruption threatened supply chains, Bangladesh's ability to procure fuel came under serious pressure. The government should have taken carefully planned contingency measures in consultation with all relevant stakeholders. Instead, acting largely on bureaucratic advice, it imposed fuel rationing that sent the wrong signals to consumers. This triggered panic buying, disrupted the normal fuel supply chain from depots to pumps, and encouraged illegal hoarding by profiteering syndicates.

The damage was already done before the government realized its mistake and withdrew the rationing policy. Long queues of anxious buyers are still visible at fuel stations. Restricted fuel supply affected transport, disrupting the movement of essential commodities. Farmers suffered from inadequate diesel and electricity for irrigation, fishermen were unable to take their trawlers to sea, and fertilizer factories shut down due to gas shortages. Even then, nearly 50% of gas-based power generation capacity remained idle during peak summer demand. This resulted in severe nationwide load-shedding during intense heat waves.

Energy and electricity prices, which should have been adjusted gradually by the Bangladesh Energy Regulatory Commission (BERC), were delayed until the government reached a point of no return. Eventually, the new government conceded to opposition demands and agreed to form a parliamentary committee to assess the situation and

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recommend an appropriate response to confront the crisis.

Present Situation

Bangladesh's power and energy sector management remains almost entirely under bureaucratic control. Energy analysts observe that poor management and weak sectoral governance are largely responsible for the failure to anticipate the depth of the crisis.

Successive governments neglected the exploration and development of domestic fuel resources such as gas and coal. While policymakers frequently discussed renewable energy, little meaningful action was taken to increase the contribution of solar, wind, and biomass in the energy mix. Significant reserves of high-quality coal remain untapped despite being located at mineable depths. Experts also point to strong potential for unexplored petroleum resources both onshore and offshore. Even the discovered gas reserves of Bhola Island remain largely unused.

Instead of developing domestic resources, governments—often influenced by opportunistic energy syndicates—opted for increasing dependence on imported fuel and electricity. The risks of relying too heavily on imports were ignored, despite repeated warnings from analysts and experts. They consistently cautioned that the volatility of the global fuel market would create major challenges for Bangladesh's fragile economy and that regional or global conflicts could disrupt supply chains, exactly as is happening now.

Bangladesh currently has an installed grid power generation capacity of over 29,000 MW. Previous governments spent billions expanding power transmission and distribution networks across the country. Unfortunately, they failed to ensure sustainable fuel supply. As a result, the power system has been unable to consistently generate even 16,000 MW, leaving nearly 45% of installed capacity idle.

At the same time, the government continues to bear the heavy burden of capacity payments. Massive subsidies have been paid to both the power and energy sectors. BPDB and Petrobangla have almost become financially crippled while trying to meet payment obligations to fuel suppliers and electricity producers.

Experts had long warned about the need to prepare for the summer peak demand of 2026. BPDB projected a peak demand of 18,500 MW. Gas supply constraints were already well known. For this reason, experts recommended maximizing the use of the country's 7,000 MW coal-fired power generation capacity.

There were also repeated suggestions to import coal on time. However, due to shortages in coal availability, it is currently impossible to generate more than 4,000 MW from coal during peak demand. Petrobangla, through gas rationing for fertilizer plants and staggered supply to industries, can manage only 950–1,000 MMCFD of gas supply to the power sector. This allows a maximum generation of around 6,500–7,000 MW.

Power imports from the Adani plant may also face disruption because the government owes substantial unpaid bills to the Adani Group. A similar problem exists with private sector liquid fuel-based peaking plants. As a result, it is now difficult to consistently generate even 15,000 MW. Power deficits of 2,500–3,000 MW have already created severe suffering across the country.

Austerity and efficient use can provide only limited relief. The real burden will continue to come from poor management of the power and energy sector.

Why Has the Rooppur Nuclear Power Plant Been Delayed?

Experts are raising legitimate questions about why the commissioning of the 2x1,200 MW Rooppur Nuclear Power Plant has been delayed.

Was the interim government truly committed to expediting the completion of the remaining plant work and associated evacuation facilities on time? What exactly happened during the fire at the cargo village of Hazrat Shahjalal International Airport, where some critical equipment for the Rooppur project was reportedly destroyed? Was it simply an accident, or an act of sabotage?

Even the availability of just 1,200 MW of nuclear electricity would have significantly helped manage the current power crisis. It is believed that fuel loading will proceed as planned and the plant may be ready for commissioning by the end of 2026.

However, there must be no unnecessary haste. Nuclear power must be synchronized with the national grid with the highest level of caution and technical discipline.

Why Is Renewable Energy Development Not Gaining Momentum?

The government must professionally examine why renewable energy development has failed to gain the expected momentum.

The caretaker government canceled several concluded contracts and negotiations for solar power projects without properly assessing the consequences. During its 18 months in office, very little progress was made in advancing energy transition.

Experts believe the government must create strong incentives for private sector investment in renewable energy. Import duties and taxes on solar equipment should be waived for at least five years. SREDA should be made the single-point contact for investors.

A dedicated government agency should be assigned to ensure quality control of solar panels, inverters, and batteries. The private sector should also be encouraged to establish solar equipment manufacturing plants in Bangladesh. Local banks should offer soft loans to investors.

The government should develop land and lease it to investors for solar projects while also investing in power evacuation facilities. Fiscal and financial incentives should be extended to rooftop solar installations as well.

Additionally, 2,000 MW of liquid fuel-based peaking plants should remain ready for peak shaving purposes. Payments to private sector power producers must be made regularly to ensure uninterrupted operation. At the same time, all efforts should be made to bring at least 600 MW of nuclear electricity online by the end of 2026.

Even if Bangladesh cannot achieve 10,000 MW of solar generation, it should realistically be able to add at least 5,000–6,000 MW by 2030. There was also an initiative for offshore wind development involving a Danish agency and Summit International, which was later canceled by the caretaker government. That initiative deserves immediate review.

At the same time, Bangladesh must carefully plan for grid integration of variable renewable energy (VRE). Where feasible, renewable energy should be used through distributed generation systems such as mini-grids and micro-grids for local supply.

Managing Summer Demand in 2026

The immediate challenge is to manage the crisis from now until October.

Petrobangla must ensure a consistent supply of 1,000 MMCFD of gas to the power sector to support at least 7,000 MW of gas-based generation. Yet current gas-based generation remains around only 5,200–5,500 MW. More fuel-efficient power plants must be prioritized strictly on merit.

The government must ensure that all coal-fired plants maintain sufficient buffer stock so they can operate at full capacity throughout the summer. At least 6,000 MW of coal-based generation should remain consistently available.

Payment disputes with power exporters, including the Adani Group, must be resolved quickly to secure at least 2,000 MW of imported electricity. Together, these steps could ensure a minimum of 15,000 MW of power supply during peak summer demand.

Additionally, 2,000 MW of liquid fuel-based peaking plants should remain ready for peak shaving purposes. Payments to private sector power producers must be made regularly to ensure uninterrupted operation. At the same time, all efforts should be made to bring at least 600 MW of nuclear electricity online by the end of 2026.

Power and energy professionals within BPDB, Petrobangla, and BPC must be allowed to work with proper authority and operational freedom. BERC must be allowed to function independently according to its legal mandate.

The Power Division and the Energy and Mineral Resources Division (EMRD) should focus on policymaking and administrative support, rather than interfering in operational management. Only then can Bangladesh begin to move from crisis management to genuine energy security. EP

Saleque Sufi, *Energy Expert*

BANGLADESH'S ENERGY SECURITY

The Urgency Of Integrating SPM, ERL-2 And Regional Fuel Connectivity

Mortuza Ahmad Faruque

Bangladesh is currently facing a severe fuel supply disruption amid the ongoing global energy shock triggered by the 2026 Iran conflict involving the United States and Israel. The escalation of hostilities has significantly disrupted crude oil and refined product flows through critical maritime routes, leading to sharp increases in international fuel prices and tightening global supply chains. As a highly import-dependent country, meeting energy needs from external sources, Bangladesh has been directly affected by these developments, resulting in fuel shortages, long queues at filling stations, periodic rationing, and supply instability across the country.

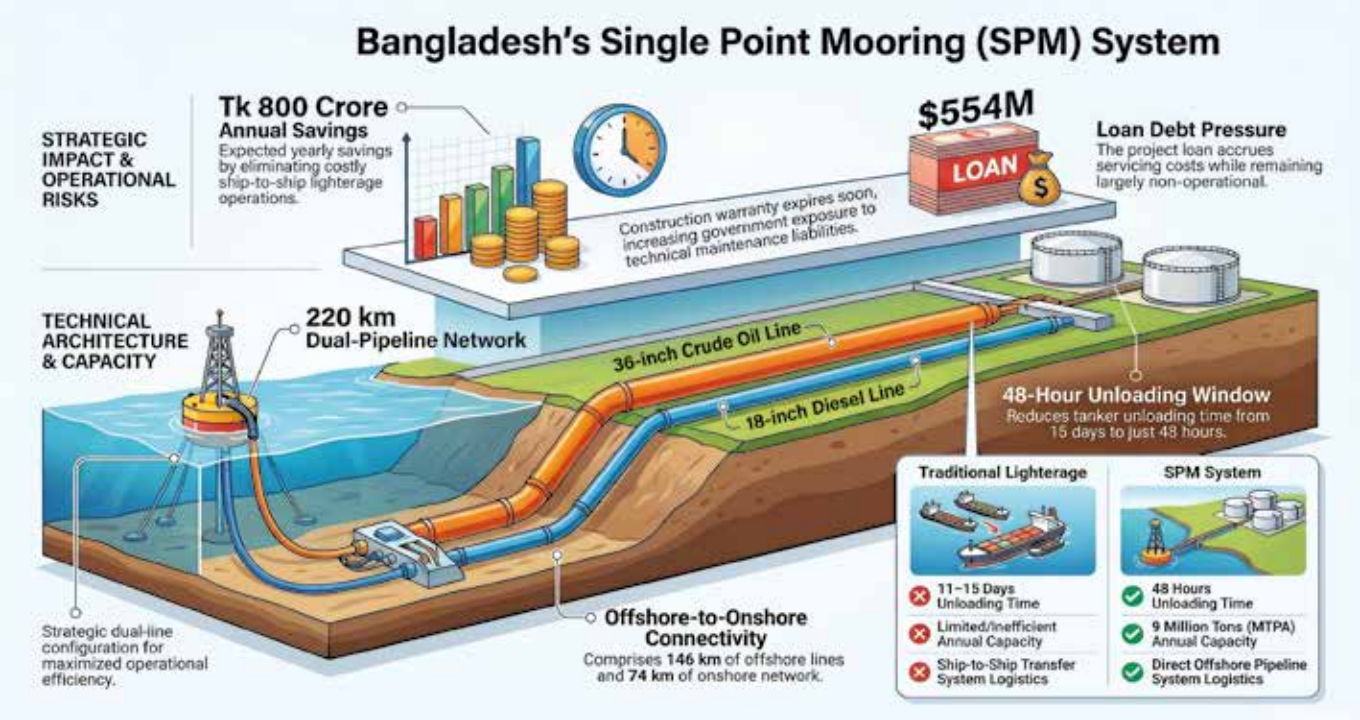
The crisis has exposed structural vulnerabilities in the national energy system, particularly its heavy reliance on imported petroleum and limited flexibility in storage and refining. Rising import costs and logistical constraints have further strained foreign exchange reserves and intensified pressure on domestic fuel distribution systems. As a result, the energy sector is experiencing heightened volatility, underscoring the urgent need for accelerated infrastructure development, supply diversification, and enhanced strategic resilience.

Bangladesh's energy sector is undergoing a critical transformation as the country moves from a fragmented, import-dependent fuel supply system toward an integrated, infrastructure-driven energy security framework. Strategic investments in key infrastructure projects like the Single Point Mooring (SPM), Eastern Refinery Limited (ERL)-2 expansion, and India-Bangladesh Friendship Pipeline offer a strategic pathway to mitigate shortages and build long-term resilience.

These initiatives are not standalone measures; together, they constitute an integrated framework to modernize fuel handling, enhance domestic refining capacity, and ensure diversified and resilient supply chains. Collectively, they aim to reduce operational inefficiencies, lower import costs, and strengthen national capacity to withstand global energy market volatility. However, the success of this transformation depends not only on infrastructure completion but also on timely operationalization, sound governance, and effective coordination among key stakeholders.

Fuel Supply Scenario

Bangladesh's fuel supply relies heavily on imports, primarily from



Saudi Arabia and the UAE, with BPC importing crude oil under annual agreements and procuring finished petroleum products through G-to-G contracts and international tenders. In FY 2024-25, BPC imported 1.51 million tons of crude oil for processing at ERL, complemented by 0.6 million tons of domestic gas condensate, producing 1.5 million tons of petroleum products, close to ERL's 1.57-million-tonne refining capacity. Additionally, 6.2 million tonnes of petroleum products were imported to meet national demand, highlighting the sector's continued reliance on imports to ensure energy security.

Between 2013–14 and 2024–25, Bangladesh's petroleum imports showed steady fluctuations in crude oil and refined products. Crude oil volumes ranged from 1.09 million tons in 2015–16 to a peak of 1.55 million tons in 2022–23, while refined product imports varied between 3.67 million tons in 2015–16 and 5.45 million tons in 2017–18. Overall totals moved from 5.35 million tons in 2013–14 to 6.25 million tons in 2024–25, with the highest intake recorded at 6.90 million tons in 2022–23. This trend reflects both growing demand and periodic adjustments in sourcing strategies, balancing crude imports with refined product inflows to meet national energy needs.

Imported crude oil and refined petroleum products data for FY 2013–14 to FY 2024–25 are furnished below:

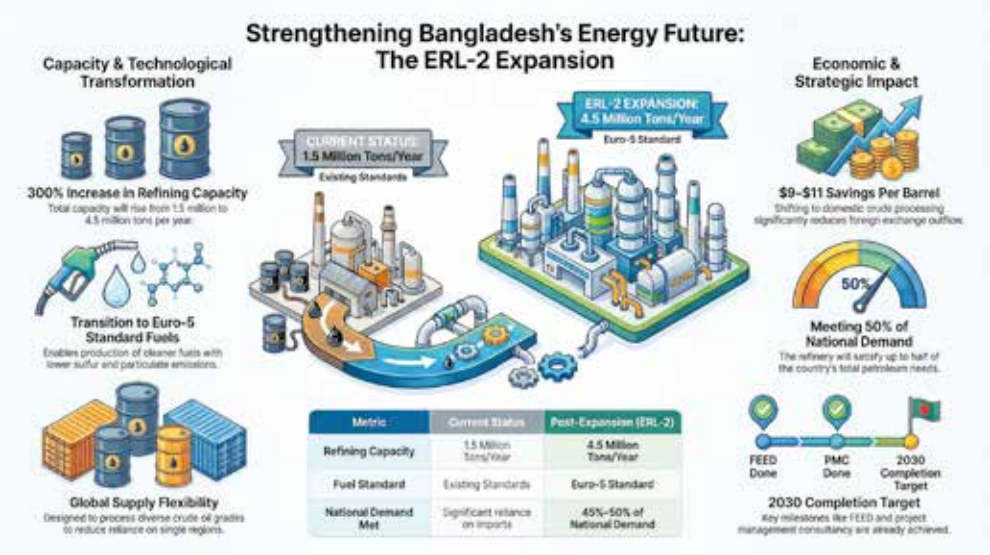
Year	Crude Oil	Refined Products	Total
	Million tons	Million tons	Million tons
2013-14	1.18	4.17	5.35
2014-15	1.3	4.10	5.4
2015-16	1.09	3.67	4.76
2016-17	1.39	4.39	5.78
2017-18	1.17	5.45	6.62
2018-19	1.36	4.59	5.95
2019-20	1.15	4.05	5.2
2020-21	1.51	4.22	5.73
2021-22	1.47	5.12	6.59
2022-23	1.55	5.35	6.9
2023-24	1.31	5.03	6.34
2024-25	1.52	4.73	6.25

Source: BPC

Single Point Mooring with Double Pipeline

The Single Point Mooring with Double Pipeline project was developed as a structural solution to the draft limitations of Chattogram Port, which historically prevented large crude carriers from docking. To overcome this constraint, the Government and BPC initiated the establishment of a modern offshore unloading system, constructed by China Petroleum Pipeline Engineering Co. Ltd. (CPPEC). This system marks a fundamental shift in Bangladesh's fuel logistics by enabling direct offshore-to-onshore transfer of petroleum, eliminating the need for costly and inefficient lighterage operations. As a result, it serves as a critical enabler for the expansion of Eastern Refinery Limited and strengthens the country's long-term energy resilience.

Technically, the SPM is designed to handle up to 9 million tons per annum (MTPA) through a 220 km double pipeline network, including a 36-inch crude oil line and an 18-inch diesel line. The offshore segment extends 146 km, featuring an 11 km Horizontal Directional Drilling section, while the onshore network spans 74 km. At Maheshkhali, the system is



supported by modern storage facilities with dedicated crude and diesel tanks. This infrastructure significantly improves operational efficiency, reducing unloading time from 11–15 days to just 48 hours for large tankers.

The dual pipeline configuration allows simultaneous transfer of crude oil and refined products, enhancing throughput and supply reliability. However, a pipeline disruption during a trial run in early 2024 highlighted the importance of rigorous commissioning and professional operational oversight.

Economic Significance and Strategic Role

The economic rationale for the SPM is compelling. By replacing the traditional lighterage system, the project is expected to reduce annual unloading and transportation costs by approximately Tk 800 crore, with long-term savings potentially reaching Tk 80 billion through improved efficiency and scale. More importantly, the SPM functions as a vital "forward linkage" for the ERL-2 expansion. The planned increase in national refining capacity to 4.5 million tons per year depends heavily on the SPM's ability to ensure uninterrupted and high-volume crude supply.

Operational Challenges and Bottlenecks

Despite its strategic importance, the SPM facility has remained largely non-operational for nearly two years, creating financial and operational risks. The primary constraint has been the failure to appoint a qualified Operation and Maintenance contractor. The initial tender process collapsed when the sole bidder, PT Pertamina, quoted US$ 117 million for a five-year contract, significantly higher than the allocated budget of US$ 88 million. This led to re-tendering delays and prolonged inactivity.

Additionally, the issuance of the Taking-Over Certificate to CPPEC has triggered the countdown of the warranty period. With the guarantee expiring in February 2026, the government now faces increased exposure to technical risks and maintenance liabilities. Meanwhile, the US$ 554 million project loan continues to accrue servicing costs without generating operational returns, placing pressure on public finances. Further delays have been linked to incomplete trial performance, unresolved technical issues, and reported resistance from vested interest groups benefiting from the continuation of lighterage operations.

To safeguard this strategic investment, immediate action is required. The government should prioritize the rapid appointment of a competent O&M operator while considering an interim arrangement with CPPEC to maintain system integrity. Accelerating coordination with the ERL-2 expansion is equally essential to ensure optimal utilization of the facility. Timely operationalization of the SPM is critical not only to prevent financial losses but also to unlock its full potential as a cornerstone of Bangladesh's modern energy supply chain and long-term energy security.

Expansion of ERL-2

The expansion of Eastern Refinery Limited (ERL-2) represents a critical step in strengthening Bangladesh's energy security amid global fuel market volatility. The ERL-2 project aims to increase total refining capacity from 1.5 million to 4.5 million tons per year by establishing a new 3-million-tonne unit. Beyond capacity enhancement, the project introduces a major technological upgrade, enabling production of Euro-5 standard fuels. Euro-5 fuels represent a major step toward cleaner energy use, reducing sulfur and particulate emissions while improving air quality and engine efficiency. It is designed to process diverse crude oil grades from global sources, reducing dependence on a single supply region and enhancing supply flexibility.

Economically, ERL-2 is a transformative initiative. With a revised cost of approximately Tk 31,000 crore (US$2.5 billion), financed through a 60:40 government and BPC/ERL contribution, the project prioritizes national ownership. By shifting from imported refined fuels to domestic crude processing, it is expected to save US$ 9-11 per barrel and significantly reduce foreign exchange outflow. The refinery will meet up to 45–50% of national petroleum demand and optimize the use of the SPM facility, which can handle 4.5 million tons of crude annually. Once operational, ERL-2 will diversify product output, including diesel, gasoline, jet fuel, furnace oil, LPG, and lube base oil, while upgrading existing production to Euro-5 standards. This will not only improve supply reliability but also enhance the country's competitiveness in the energy sector.

Recently, key preparatory milestones have been achieved, including approval of the DPP, completion of Front-End Engineering Design (FEED) by Technip (France), and appointment of Engineers India Limited as Project Management Consultant. The project is targeted for completion by 2030. ERL-2 is not merely an expansion project; it is a cornerstone of Bangladesh's long-term energy strategy, enabling greater self-reliance, cost efficiency, and environmental sustainability.

India-Bangladesh Friendship Pipeline

The India-Bangladesh Friendship Pipeline marks a significant milestone in

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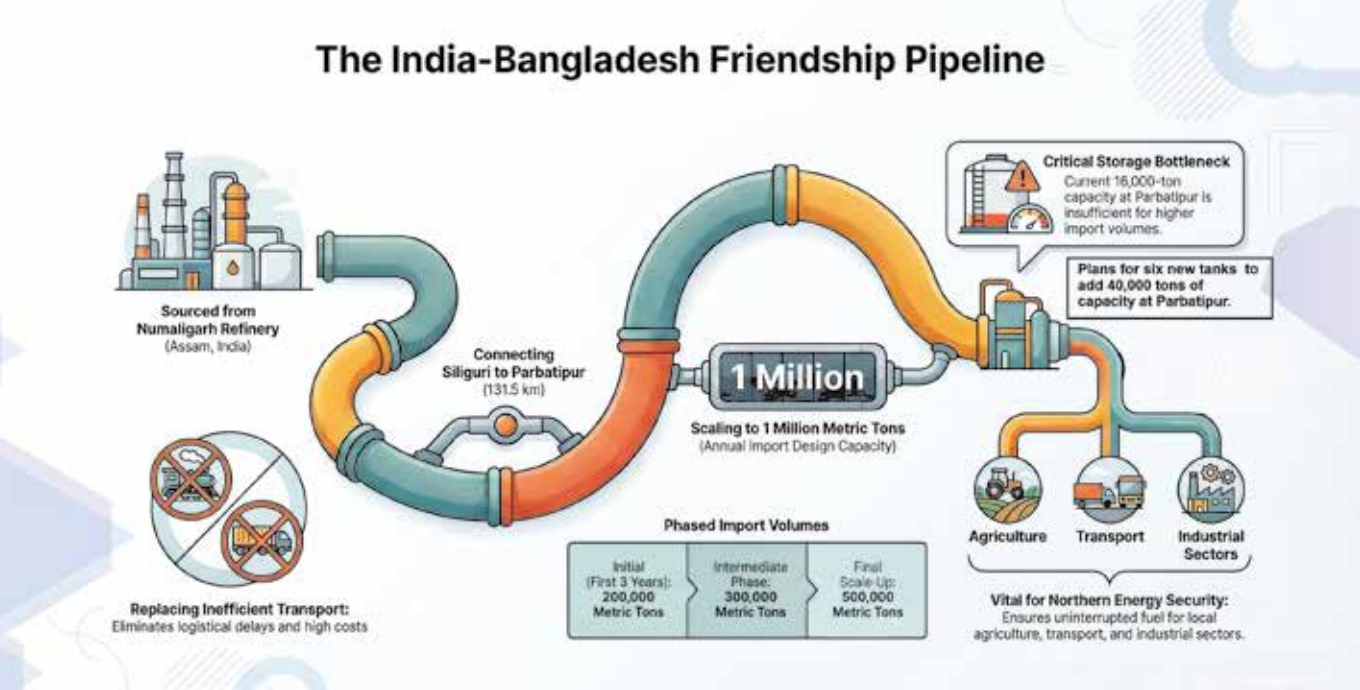

regional energy cooperation and cross-border infrastructure development. This project was designed to ensure a reliable and cost-effective supply of fuel oil to Bangladesh, reducing dependence on traditional modes of transportation such as rail and road, which are often subject to delays, higher costs, and logistical challenges.

The 131.5 km India–Bangladesh Friendship Pipeline, commissioned in March 2023, establishes a direct energy corridor from Siliguri in West Bengal, India, to the Parbatipur Depot in Dinajpur, Bangladesh, with only about 5 km of the pipeline located within Indian territories. Supplied by the Numaligarh Refinery in Assam, the system provides a seamless, secure, and efficient channel for cross-border fuel transfer.

Under the bilateral framework, Bangladesh is entitled to import up to 1 million metric tons of high-speed diesel annually through a phased approach. Initial supply volumes are set at 200,000 tons per year for the first three years, followed by 300,000 tons annually in the subsequent phase, and eventually scaling up to 500,000 tons per year. This gradual increase is designed to align infrastructure readiness with demand growth and operational capacity.

Despite its strategic potential, the pipeline's full utilization is currently constrained by limited downstream storage capacity. Existing facilities at Parbatipur can accommodate approximately 16,000 tons, which is insufficient to support higher import volumes. Earlier plans to construct six additional storage tanks, each with a capacity of 6,761 tons (totaling over 40,000 tons), remain pending and require urgent implementation.

From a strategic perspective, the pipeline plays a critical role in enhancing energy security in northern Bangladesh by ensuring an uninterrupted fuel supply to agriculture, transport, and industry. It also reduces logistical pressure on Chattogram port and complements national infrastructure such as the SPM system and the ERL-2 expansion.

To fully realize the benefits of this infrastructure, a coordinated policy and investment approach is essential. The Bangladesh Petroleum Corporation should prioritize the expansion of storage facilities at Parbatipur to enable higher throughput and operational flexibility. Simultaneously, proactive engagement with Indian counterparts is necessary to optimize import volumes in line with national demand growth. Strengthening downstream infrastructure, ensuring policy continuity, and enhancing regional cooperation will be key to transforming the pipeline into a cornerstone of Bangladesh's integrated energy supply system.

Conclusion

The combined implementation of the SPM facility, ERL-2 expansion, and the India-Bangladesh Friendship Pipeline represents a comprehensive roadmap toward achieving long-term energy security for Bangladesh. While each project individually delivers significant technical and economic benefits, their true strategic value lies in their integration, linking offshore crude handling, domestic refining, and regional fuel supply into a cohesive and efficient system.

However, persistent delays in commissioning critical infrastructure, particularly the SPM, highlight systemic governance and operational challenges that must be urgently addressed. Idle assets, rising debt obligations, and exposure to vested interests risk undermining the very objectives these projects are designed to achieve. Without decisive action, the anticipated economic gains and efficiency improvements may remain unrealized.

To fully harness the potential of these investments, Bangladesh must prioritize transparent governance, expedite operational readiness, and ensure alignment between infrastructure development and policy execution. If effectively synchronized, these initiatives can significantly reduce import dependence, conserve foreign exchange, and position Bangladesh as a more resilient and strategically integrated energy economy. EP

Mortuza Ahmad Faruque, *Energy Specialist and former Managing Director of BAPEX*

MIDDLE EAST SUPPLY DISRUPTIONS

Options to Ease Oil Price Pressures On Consumers: IEA Report

The International Energy Agency (IEA) has set out a range of demand-side actions that governments, businesses and households can take to alleviate the economic impacts on consumers of the disruptions to oil markets stemming from the war in the Middle East.

The conflict has triggered the largest supply disruption in the history of the global oil market, with shipping through the Strait of Hormuz, which normally carries around 20% of global oil consumption, reduced to a trickle.

Around 20 million barrels per day of crude oil and oil products typically transit the Strait. The loss of these flows has tightened markets significantly, pushing crude oil prices above $100 per barrel and driving even sharper increases in refined products such as diesel, jet fuel and liquefied petroleum gas (LPG).

Restoring transit through the Strait of Hormuz remains essential to stabilizing global energy markets. In the meantime, countries are acting on both supply and demand. On 11 March, IEA Member countries agreed to release 400 million barrels of oil from emergency reserves – the largest stock draw in the Agency's history.

However, supply-side measures alone cannot fully offset the scale of the disruption. Addressing demand is a critical and immediate tool to reduce pressure on consumers by improving affordability and supporting energy security.

The new IEA report identifies 10 measures that can be implemented quickly by governments, businesses and households. These actions focus primarily on road transport, which accounts for around 45% of global oil demand, but also cover aviation, cooking and industry. Widespread adoption, where possible, would amplify their global impact and help cushion the shock.

"The war in the Middle East is creating a major energy crisis, including the largest supply disruption in the history of the global oil market. In the absence of a swift resolution, the impacts on energy markets and economies are set to become more and more severe," said IEA Executive Director Fatih Birol.

In road transport, a combination of behavioral and policy measures can deliver rapid savings. Many of these measures have been implemented in the past and are again being considered in several countries.

Working from home, where possible, reduces fuel demand for commuting, while lowering highway speed limits by at least 10 kilometers per hour cuts fuel use across both passenger vehicles and freight.

Encouraging a shift from private cars to public transport, alongside measures such as alternating private vehicle access in large cities, can further reduce congestion and fuel consumption. Additional gains can be achieved through car sharing and more efficient driving practices, as well as improved efficiency in freight and delivery operations.

Beyond road transport, targeted actions can ease pressure on fuels that are particularly constrained. A reduction in air travel, where alternatives exist, can significantly lower demand for jet fuel.

Measures to shift LPG use away from transport and towards essential applications, such as cooking, can help protect vulnerable households. At the same time, encouraging the uptake of alternative clean cooking solutions where feasible can reduce reliance on LPG and avoid a return to more polluting fuels that harm people's health.

Industry also has an important role to play. In countries where LPG supplies are under pressure, facilities may be

able to switch from LPG to alternative feedstocks such as naphtha.

This can free up LPG supply for urgent uses – and can be complemented by short-term efficiency and maintenance measures that can deliver additional reductions in oil consumption.

Governments can lead by example through public sector measures, regulatory action and targeted incentives while ensuring that support for consumers is timed appropriately and focused on those most in need. Experience from previous crises shows that well-targeted support mechanisms are more effective and fiscally sustainable than broad-based subsidies.

While the demand-side measures highlighted in the report cannot match the scale of disrupted supply, they can play a meaningful role in lowering costs for consumers, reducing market strains and preserving fuels for essential uses until normal flows resume.

The IEA also published an overview of all demand-related policy measures that have been announced by governments since the start of the crisis. This shows many countries are already acting to protect consumers through conservation and financial measures similar to those discussed in the report.

Immediate actions to reduce demand:

1. **Work from home where possible**
   Displaces oil use from commuting, particularly where jobs are suitable for remote work.
2. **Reduce highway speed limits by at least 10 km/h**
   Lower speeds reduce fuel use for passenger cars, vans and trucks.
3. **Encourage public transport**
   A shift from private cars to buses and trains can quickly reduce oil demand.
4. **Alternate private car access to roads in large cities on different days**
   Number-plate rotation schemes can reduce congestion and fuel-intensive driving.
5. **Increase car sharing and adopt efficient driving practices**
   Higher car occupancy and eco-driving can lower fuel consumption quickly.
6. **Efficient driving for road commercial vehicles and delivery of goods**
   Better driving practices, vehicle maintenance and load optimization can cut diesel use.
7. **Divert LPG use from transport**
   Shifting bi-fuel and converted vehicles from LPG to gasoline can preserve LPG for cooking and other essential needs.
8. **Avoid air travel where alternative options exist**
   Reducing business flights can quickly ease pressure on jet fuel markets.
9. **Where possible, switch to other modern cooking solutions**
   Encouraging electric cooking and other modern options can reduce reliance on LPG.
10. **Leverage flexibility with petrochemical feedstocks and implement short-term efficiency and maintenance measures**
    Industry can help free up LPG for essential uses while reducing oil consumption through quick operational improvements. EP

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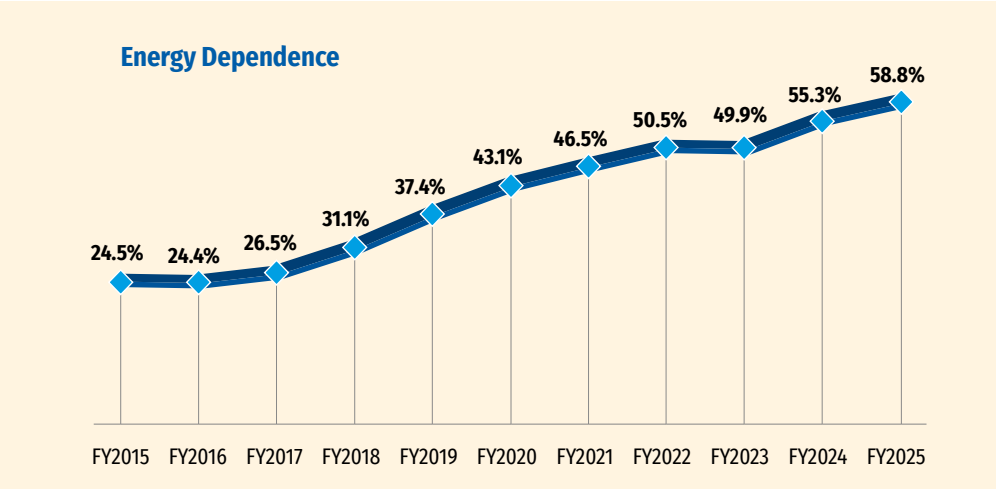
Impact Of The Middle-East War On Bangladesh And Prudent Steps To Manage Market Disorder

Md. Mizanur Rahman

The situation has changed as energy dependency rises constantly. In early 2022, at the beginning of the Ukraine war, a global energy crisis was created, and we were severely affected due to abnormally high primary fuel import prices.

With a high energy import dependency of 59%, Bangladesh is being severely affected by the Middle East war due to the disruption of its energy supply chain. Energy dependency has risen sharply over the past 10 years from 25% in 2015 to 59% in 2025. In the past, Bangladesh was less impacted by the global energy crisis because we were less dependent on fuel imports. We faced huge load shedding in the past, not due to a primary fuel supply shortage, but because capacity addition lagged behind power demand growth. The situation has changed as energy dependency rises constantly. In early 2022, at the beginning of the Ukraine war, a global energy crisis was created, and we were severely affected due to abnormally high primary fuel import prices. Since 2022, we have been facing load shedding not due to capacity shortage but due to fuel supply shortages. As our energy dependency has increased over the past decade, we have become increasingly vulnerable to global crises.

Situation before Present Crisis: We were in crisis even before the Iran war, primarily due to a domestic natural gas supply shortage. In FY 2015, domestic natural gas contributed 73% of TPES (Total Primary Energy Supply), but in FY 2025, it came down to only 37%. Even LNG import of 6.75 Mtoe helped only raise natural gas contribution to nearly 53%. We have observed a lot of uncertainties in offshore drilling. LNG imports faced limitations due to the failure to implement the 4th and 5th FSRU projects. Additionally, the utilization of the existing two FSRUs remained below full capacity, operating at only 77% in FY 2025 and 68% in FY 2024. Industries have been the worst victims of this crisis. The power sector has been operating only about half of its 11,000 MW capacity from gas-



based power plants. Consequently, BPDB is forced to operate costly HFO-based power plants, causing the cost of electricity supply to skyrocket. However, the cooking and transport sectors remained relatively stable, with less impact, before the outbreak of the Middle East war.

Impact of Middle-East War: Since the start of the war, we have been facing strain across all sectors. At the beginning of April 2026, summer heat and high humidity had begun to severely impact the electricity sector. Furthermore, a substantial increase in LPG prices for cooking is causing households to switch to electric induction or infrared cookers, putting added pressure on the electricity supply. Industry has been facing a natural gas crisis, and now, in addition, increased load shedding may interrupt further production. Meanwhile, the impact of the present fuel supply crisis on the transport sector has made headlines globally.

Petrol and Octane Availability: For the first time in many years, the transport sector is facing an energy crisis. There might definitely be disruptions in the supply of major fuels, such as petrol, octane, diesel, marine fuel (for ocean-going vessels), and Jet A-1 (for aviation), due to the interruption of shipping movement through the Strait of Hormuz. The long queues of cars and bikes for petrol and octane are unprecedented, driven primarily by panic buying, even though about 70% of these fuels are produced locally. Public and private sector fractionation plants process Condensate, NGL (Natural Gas Liquids) from gas fields to produce octane, petrol, diesel, kerosene, LPG, and other petroleum products. For example, in FY 2024, demand for petrol and octane was 430,836 and 385,435 metric tonnes, respectively (total demand 816,271 tonnes), while local supply was 270,440 and 263,959 tonnes, respectively (total local production 534,400 tonnes). Local production contributed about 66% of total octane and petrol demand. ERL (Eastern Refinery Limited) produced 41,775 tonnes from imported crude oil (covering 5% of total demand), while direct import was 259,790 tonnes (32% of total demand, though only 29% consumed, with the rest added to stock). With local production, supply from ERL, and available stock, there should not be a crisis like this, even if there are no octane and petrol imports for two or three months.

Diesel Supply is of Major Concern: The availability of diesel should be our main concern, as almost two-thirds of total final oil consumption is diesel. Transport and agriculture, two major sectors, are heavily dependent on diesel. These two sectors consume almost 85% (transport 65% and agriculture 20%) of total diesel consumption. For example, in FY 2024, diesel consumption was 42.5 lakh tonnes, which is 63% of the total oil demand (67.6 lakh tonnes, excluding LPG imports by the private sector and HFO imports by IPPs). To meet the 42.5 lakh tonnes of diesel demand, local supply from indigenous sources was only about 1.5 lakh tonnes (3.5%), while ERL supplied 5.8 lakh tonnes (13.6%). The remaining 35.3 lakh tonnes (83% of the total demand) was imported. Therefore, diesel import dependency is huge, necessitating careful planning for a continuous supply from diversified sources.

Price Volatility: Prices of most major fuels have gone crazy within a month of the outbreak of the Iran war. The LNG spot price in the Japan-Korea market has almost doubled from roughly $10/MMBtu to $20/MMBtu. Brent crude oil prices have surged by nearly 50%, which directly impacts the LNG prices in our long-term contracts. Arabian Light crude is priced similarly to Brent, while Murban crude is slightly costlier than Arabian Light. Thermal Coal prices for shipments out of Australia (Newcastle Port) have surged nearly 20%. Coal prices for power plants in Bangladesh are linked to the Newcastle and Indonesian HBA benchmark prices. Prices of refined petroleum products are soaring. A recent newspaper report reveals the import-adjusted cost of diesel has reached nearly 200 Tk/Liter, while the retail selling price is maintained at 115 Tk/Liter. The only exception is the uranium (U_3O_8 Ore) price, which remains relatively stable during this turmoil, hovering around $85 per pound.

Critical Issue: We have no alternative but to strictly maintain effective austerity measures until the crisis fully resolves. The government should adjust fuel prices as soon as possible, not only to avoid a financial crisis but also to bring discipline to the energy market. For example, the BERC set the LPG price for April 2026 at Taka 1940 per 12kg cylinder, aligned with the global price, which is nearly 30% jump from the previous month. However, there is no market chaos regarding LPG availability and no financial burden on the national exchequer. While the decision to adjust fuel prices may be unpopular now, it can prevent more unpopular decisions in the future. EP

Md. Mizanur Rahman, *Former Member, Bangladesh Energy Regulatory Commission (BERC)*

Global Energy Shock Sends Economy Toward Brink

Zainul Abedin

The military conflict involving the United States, Israel, and Iran has triggered an immediate global energy crisis, pushing the world economy closer to recession. The disruption of the Strait of Hormuz, a critical artery for global energy trade, is at the center of this shock. The US-Iran war is shaking energy markets worldwide, affecting even major producers such as Canada and the United States. The International Monetary Fund (IMF) has already downgraded its global growth forecasts in response to these developments.

Immediate Energy Market Disruption

The conflict has effectively choked the Strait of Hormuz, through which about 20% of global oil supply flows. This has led to:

Price spikes: Oil prices have surged to around $100 per barrel, creating immediate inflationary pressure.

Supply disruption: The IMF estimates regional output could fall by 4.9 million barrels per day.

LNG impact: Key facilities in Qatar, which supply about 20% of global LNG, have been struck, severely disrupting natural gas supplies.

Iran's blockade of tanker traffic has created one of the largest energy supply disruptions in modern history. Like a clogged artery, the conflict has restricted the flow of energy to the global economy. Even if a fragile ceasefire holds, recovery could take months or even years.

On February 28, energy strategists across London, New York, Toronto, and Singapore quickly convened to assess the impact of the attacks. Their early view was that both West Texas Intermediate (WTI) and Brent crude prices would likely remain above $90 per barrel.

Crucially, analysts emphasized that the ability to transport oil had become more important than production itself. With oil already above $90 per barrel, prolonged disruption could push prices toward $150, eventually triggering demand destruction.

Global Economic Forecast

The IMF warns that the crisis could erase trillions of dollars from global GDP:

Severe scenario (prolonged conflict): Oil at $110–$125 per barrel could reduce global growth to 2% and push inflation to 6%.

Baseline scenario (quick resolution): Markets stabilize by mid-year, with global growth slowing to 3.1%.

Regional contraction: Iran's economy could shrink by 6.1%, while Qatar's could contract by 8.6%.

Broader Economic Consequences

Beyond oil, the effects are spreading

across multiple sectors:

Industrial metals: Aluminum prices are rising as production in the Middle East (7% of global supply) is disrupted.

Food security: Around 33% of global fertilizer shipments are affected, increasing the risk of higher food prices.

Monetary policy: Central banks may be forced to raise interest rates to combat inflation, raising recession risks.

Other commodities transported through the Strait of Hormuz—such as aluminum and fertilizer—are also becoming more expensive, pushing up the cost of manufactured goods and food. These higher costs are expected to filter through the global economy over the next three to nine months.

Uncertainty surrounding geopolitical developments, including potential US-Iran negotiations, continues to cloud energy markets and maritime logistics. Normalization of supply chains will likely take months, not weeks. Analysts increasingly view $90 per barrel as the new baseline for Brent crude this year.

While the immediate pain is being felt across economies, prolonged disruption will deepen the damage. Fertilizer prices, for instance, have already surged by about 50% in early March due to supply disruptions.

Farmers worldwide are feeling the impact. In Canada's Prairie provinces—Alberta, Saskatchewan, and Manitoba—producers are facing higher fertilizer costs, threatening profit margins in a sector that contributes around $20 billion in exports.

A Bangladesh-Canadian farmer near Saskatoon noted that rising fertilizer and fuel costs are creating significant uncertainty for the 2026 growing season. Gasoline prices jumped by about 29% in March alone.

Higher costs are also affecting air travel, agricultural spraying, and equipment procurement. Airlines and logistics companies are passing on increased fuel costs through surcharges, ultimately raising prices for consumers.

For many households, the crisis is becoming increasingly visible. Rising fuel and food costs are forcing people to reassess spending, affecting everything from daily commutes to travel plans.

The oil sector remains central not only to energy supply but also to employment, investment, and broader economic activity. External shocks to this sector have significant implications for economic growth and national budgets, particularly in countries like Canada.

Before the conflict, global oil markets were expecting relatively weak prices in 2026 due to oversupply. However, the war has dramatically altered this outlook, highlighting the fragility of global supply systems.

For North American energy producers, especially in Western Canada, higher prices are creating incentives to increase investment and drilling activity. From Alberta's oil sands to British Columbia's export terminals, the impact of the conflict is being closely watched.

Global Impact by Region

The economic fallout varies across regions:

United States

- Inflation risk: Oil at $120–$150/barrel would push gasoline above $5/gallon.
- Raising headline inflation to 6–9%. The Fed would be forced to raise rates sharply, causing a recession.
- Defense spending: This military conflict added $500B–$1T to U.S. debt, straining fiscal budgets.

China

- Manufacturing shock: As the world's largest oil importer (over 10 million b/d), a Hormuz closure would cut supplies by 30–40%. Industrial output could fall 5–10%, with GDP growth dropping below 3%.
- Trade routes: 80% of China's Middle East crude transits Hormuz. Alternative routes (e.g., Pakistan's Gwadar port) lack capacity.

European Union

- Energy rationing: Already recovering from Russian gas cuts, the EU would lose remaining LNG from Qatar (20% of supply). Germany would likely face industrial shutdowns and recession.
- Inflation spike: Energy prices accelerate to 8–10%, forcing the ECB to hike rates despite economic contraction.

India

- Currency crisis: Oil imports 85% at $120+ would widen deficit, triggering

depreciation and capital outflows.

- Food inflation: Fertilizer prices would double, raising food costs by 15–20%, hitting poor households hardest.

Japan & South Korea

- Trade deficit blowout: Both are almost entirely dependent on Middle East oil. Japan's trade deficit could exceed 5% of GDP, forcing yen intervention.
- Industrial output: Auto and electronics manufacturing slowed sharply due to energy costs.

Iran

- Complete economic collapse: Oil exports (already sanctioned) would stop entirely. The rial would hyperinflate (500%+), and GDP could contract by 20–30% within months.
- Humanitarian crisis: Food and medicine imports would halt, risking famine and mass displacement.

Emerging Markets (e.g., Turkey, Egypt, Pakistan, Bangladesh)

- Debt defaults: Higher oil import bills would deplete foreign reserves. Pakistan, Bangladesh, and Egypt (already with IMF programs) would likely default.
- Social unrest: Food and fuel subsidy cuts would trigger protests, as seen in Sri Lanka (2022).

Russia & Venezuela

- As oil prices spike, Russia could earn $300B+ extra annually, partially offsetting sanctions.
- Venezuela would see temporary cash inflows, but production can't scale up quickly.

Saudi Arabia & UAE

Short-term gain, long-term risk:

- Higher oil revenue (perhaps $200B extra) is offset by potential attacks on their own facilities.
- The Gulf stock markets would crash due to war risk.

UAE-Dubai

The impact of the US-Israeli conflict with Iran on the UAE is severe and multi-dimensional, representing one of the most significant economic shocks in decades.

Financial & Economic Collapse: The UAE's economic model, heavily reliant on the stock market, has wiped out over $120 billion. Stock index plunged by 16-20%, with real estate, banking, and retail sectors suffering the steepest declines.

Tourism & Aviation: Dubai's status as a global tourism hub has been shattered, with airports damaged and shut down. Dubai Hotel Collapse, occupancy plummeted to 16% (down from the usual 90%).

Energy & Trade

The UAE has some infrastructure to bypass the Strait of Hormuz; its energy sector is still struggling. Despite surging oil prices, losses were over $174 million due to lower volumes.

Food Security

The UAE relies on imports for approximately 85% of its food supply. Closure of the Strait of Hormuz has choked off food and fertilizer shipments. The UAE was a major exporter of fertilizers, but trade has now fallen to "almost zero".

Government Response & Vulnerability

The government is taking desperate measures to stabilize the economy. Requested financial assistance from the US.

GDP Warning: Analysts at Goldman Sachs have warned that a prolonged closure of the Strait of Hormuz could reduce the UAE's GDP by as much as 6% in a single month.

Dubai's Maritime Economy

The conflict has brought Dubai's maritime economy to a critical juncture, exposing its deep vulnerability as a logistics hub. The Siege of Jebel Ali is the "engine" of Dubai, accounting for roughly 36% of Dubai's GDP. The Strait of Hormuz closure has cut off its supply lines.

Traffic Collapse: Daily vessel traffic through the strait has dropped from 138 ships to just 3 in two weeks.

Volume Loss: The port, which handled 15.6 million TEUs last year, is struggling as major shipping lines (Maersk, MSC) have suspended Gulf voyages.

Insurance Nightmare: Even when ships can move, the costs are prohibitive, creating a financial blockade. War risk insurance rates have surged from 0.125% to 0.4% of vessel value, adding over $4 million per passage.

Freight Spikes: Container shipping rates have skyrocketed, with war risk surcharges rising 30-fold (from ~$100 to $3,000 per container). The blockade is inflicting real economic pain on businesses tied to the port and Stranded Cargo.

Business Disruption: The port's free zone (hosting 7,000+ companies) is under strain. The port is currently unable to fulfill its role as a global hub due to the blockade. Till reopening of the Strait of Hormuz, the current rerouting strategies cannot sustain Dubai's $100+ billion maritime economy indefinitely.

Canada

Canada, even being an oil and gas exporter, has soaring energy prices that have other ramifications in Alberta/Saskatchewan/BC, from consumers at the gasoline pumps to farmers facing higher input costs. It's not comfortable for farmers, who are planning to put less nitrogen fertilizer on their fields this year due to higher costs. They grow wheat, canola, lentils, and flax, and are planning to put less nitrogen fertilizer on their fields this year due to higher costs, although it could limit the upside potential of crops, depending on the weather. Yet, it also means higher energy expenses, higher fuel bill. Big tractors burn lots of diesel fuel, so this is going to be impactful.

Capital Market, Investment Risks vs. Reward

Investment companies in charge of both investing and risk management gathered for a series of top-level meetings as soon as it became clear that attacks on Iran would have a dramatic effect on oil supplies. The first thing these teams began to do as oil prices soared was to run stress tests on a billion-dollar portfolio. Stress-testing and modelling different scenarios allows them to rethink risk and rebalance portfolios to protect against the fallout from the worst

possible outcomes and take advantage of potential opportunities. Disruption in credit markets and inflation will pass the initial shock on oil prices and hit consumers at the gas pump.

Middle Eastern oil and gas facilities, shut down by the war, can't be turned back on with the flick of a switch. The process can take months. It could take years to repair damaged infrastructure in the region. Even after news of the U.S.-Iran ceasefire, Brent crude prices would average US$100 a barrel next year.

The war in Iran choked off supplies at the Strait of Hormuz, where a fifth of the world's liquefied natural gas once flowed. Among the biggest concerns is the reported extensive damage to the world's largest LNG production facility, Qatar's Ras Laffan LNG complex. All of this is driving increased interest in Canadian LNG export projects.

LNG Canada

A tanker loads a cargo of liquefied natural gas at Canada's Largest LNG facility in Kitimat, B.C. The market is calling for more of those products from the West Coast. Next LNG Plant," Woodfibre LNG "is set to become Canada's second LNG export facility when it begins operating next year. The project's massive gas liquefaction unit in the current geopolitical situation is a reminder of the importance of a diverse and stable supply from Woodfibre.

With the current conflict stranding a significant portion of the world's production of oil and gas, it reinforces the value of Canadian energy that can reach across the Pacific Ocean to help supply foreign markets. The upshot, according to analysts, is that Canadian energy export projects are looking increasingly viable. With the conflict in Iran, we suspect many Asian/European buyers are rethinking the reliability of energy supply chains, and we think Canadian LNG is set to benefit from that theme.

Bangladesh: A Triple Shock

Bangladesh is among the most vulnerable countries, facing a "triple shock" of energy shortages, economic strain, and food security risks.

Energy Crisis: Supply Cuts & Soaring Costs

The conflict has triggered both a physical shortage of fuel and a spike in prices.

- Refinery Shutdown: The country's only state-owned refinery, Eastern Refinery, has suspended operations due to a halt in crude oil imports from the Middle East over the last two months.
- Expensive Emergency Purchases: With contracted LNG supplies blocked at Hormuz, Bangladesh was forced to buy 11 cargoes on the spot market. It paid an average double the pre-war price.
- Power Dependency: The country now gets 60% of its power from imported gas and coal, making the grid highly susceptible to fuel shortages.

Economic Fallout: Growth Slows & Inflation Bites

The World Bank projects a significant economic slowdown as the crisis compounds existing weaknesses.

- GDP Growth Slows: Growth is projected to drop to 3.9% in FY26. S&P Global Ratings warns of "stagflation-like conditions" (slower growth combined with rising prices).
- Macroeconomic Pressure: Persistent inflation remains high at 8.5%. The government has already sought $2 billion in external financing just to manage fuel imports and has been forced to trim public spending.
- Poverty Impact: The national poverty rate has increased to 21.4% (up from 18.7% in 2022). Due to the conflict, 1.2 million fewer people will escape poverty this year than previously projected.

Food Security: Fertilizer & Agricultural Threats

A hidden but dangerous impact is on food production, driven by fertilizer shortages.

- Import Disruption: About 30-35% of global fertilizer shipments pass through the Strait of Hormuz. With supply lines choked, a serious urea shortage is looming.
- Domestic Production Collapse: Five state-owned fertilizer factories running under capacity due to gas shortages, leaving farmers facing higher black-market prices.
- Food Supply Risk: Officials warn this could hurt the production of Aman rice (the second-largest rice crop), threatening food security if not resolved quickly.

The Root Vulnerability: Weak Resilience

International institutions note that Bangladesh lacks the buffer to absorb these shocks.

- Fragile Banking Sector: The non-performing loan ratio stands at a critical 30.6%, limiting the government's ability to finance emergency imports.
- Low Reserves: With thin foreign exchange buffers, the country has limited capacity to weather a prolonged crisis compared to neighbors who invested in renewables (like Pakistan).

The Way Forward

Experts emphasize the need for Bangladesh to diversify energy sources and secure alternative supply routes for fuel and fertilizer. In the current geopolitical environment, resilience depends on building a more diversified and stable energy supply system. Canadian LNG, among other alternatives, could play a role in this diversification strategy. EP

Zainul Abedin PEng, *Oil and Gas Engineering Consultant, Alta Power & Energy/Al Petro, Alberta, (Explorer/Royalty Owner of Oil & Gas wells)*

Türkiye Positions COP31 As 'Implementation COP'

Murat Kurum, Minister of Environment, Urbanization and Climate Change, and President of COP31, has emphasized that the upcoming global climate summit will focus on turning commitments into real-world action, describing it as the "COP of Implementation."

Speaking at a joint press conference in Istanbul with Fatih Birol, Executive Director of the International Energy Agency, Kurum highlighted that energy security and climate goals will be treated as complementary priorities rather than competing agendas.

He stressed that while global dialogue on climate issues continues, a significant gap remains between decisions and their execution. "The ultimate measure of success for COP31 must be the translation of decisions into action on the ground," Kurum said, underscoring the need for practical implementation.

Three Pillars: Dialogue, Consensus, Action

Kurum outlined that Türkiye's COP31 presidency will be guided by three core pillars–dialogue, consensus, and action–aimed at building trust, fostering shared responsibility, and ensuring measurable outcomes.

He noted that the summit would promote

renewable energy expansion, energy efficiency, and realistic transition pathways that consider national circumstances, while maintaining momentum toward the global 1.5°C climate target.

Five Key Energy Priorities

Türkiye has identified five major priorities for COP31:

- Accelerating clean energy transition and expanding energy access
- Reducing methane emissions and promoting zero-waste practices
- Developing climate-resilient cities and infrastructure
- Establishing effective climate action implementation mechanisms
- Advancing green industrialization in the energy sector

Kurum highlighted that around 730 million people globally still lack access to electricity, framing energy transition as both a development and justice issue.

IEA Backs Türkiye's Leadership

IEA chief Birol described Türkiye's leadership of COP31 as a "vital opportunity" for the global community, noting that climate change has recently slipped down the international agenda amid geopolitical challenges.

He reaffirmed the IEA's full support for Türkiye throughout the COP process, pledging expertise from the agency's global network of energy and climate specialists to ensure a successful summit.

Focus on Actionable Outcomes

Kurum concluded by stating that the world is no longer satisfied with new targets alone but is demanding concrete solutions. He expressed confidence that COP31, to be hosted in Antalya, would mark a turning point in global climate diplomacy by strengthening trust, cooperation, and implementation.

The joint briefing signals a renewed push to align international climate commitments with tangible progress, as global energy systems face increasing pressure from both environmental and geopolitical challenges. EP

Kurum Sends First Official Letter to UN, Member States

Murat Kurum, in his capacity as President-Designate of COP31, has sent his first official letter to the UNFCCC Secretariat and member states, outlining Türkiye's vision for the upcoming global climate summit and announcing key leadership appointments.

In the letter, Kurum emphasized that Türkiye's presidency will pursue a "COP of Implementation" approach, focusing on translating climate commitments into tangible, measurable results. He stressed that accelerating global climate action will require stronger international cooperation, innovative partnerships, and a renewed commitment to multilateralism.

Antalya Preparations and Key Dates

Kurum confirmed that preparations to host COP31 in Antalya from November 9–20, 2026, are progressing steadily. He also announced that the Pre-COP meeting will be held in Tuvalu from October 5–8, 2026. He noted that the Antalya summit must serve as a platform where "words are translated into concrete results," inviting global leaders to participate in a spirit of cooperation and shared responsibility.

Leadership Appointments Announced

The COP31 President-Designate outlined a comprehensive leadership structure for the presidency:

- Samed Ağırbaş appointed as High-Level Climate Champion
- Sally Higgins named Youth Climate Champion, in collaboration with Chris Bowen
- Fatma Varank designated as COP31 CEO
- Ömer Bulut to oversee infrastructure
- Burak Demiralp to manage operations and logistics
- Halil Hasar appointed Chief Climate Diplomacy Officer
- Mehmet Ali Kahraman to coordinate presidency activities

Kurum also confirmed that Chris Bowen will serve as COP31 President of Negotiations, leading the negotiation process in coordination with Türkiye.

Strategic Priorities and Themes

Kurum highlighted key priorities under Türkiye's COP31 Action Agenda, including:

- Accelerating clean energy transition
- Strengthening zero-waste and circular economy initiatives
- Promoting green industrialization
- Enhancing climate resilience in cities and vulnerable regions
- Supporting sustainable agriculture and food security
- Expanding climate finance and institutional capacity
- Increasing youth participation and cross-sector collaboration

He emphasized that climate action must align with sustainable development goals, particularly for vulnerable regions.

A New Model for Climate Diplomacy

Kurum highlighted a new "Troika" cooperation model involving Türkiye, Australia, and previous COP presidencies, aimed at strengthening coordination across regions, particularly linking the Mediterranean and Pacific. He also underscored Türkiye's ambition to deliver an inclusive, action-oriented COP31 that engages governments, the private sector, civil society, and youth.

With preparations underway and diplomatic engagement intensifying, Türkiye aims to position COP31 as a turning point in global climate governance–focused not just on ambition, but on real-world delivery.

Directorate of Climate Change Represents Türkiye in Vienna

The Directorate of Climate Change represented Türkiye at the Sustainable Cooling Forum hosted by the UN Industrial Development Organization (UNIDO) in Vienna. Deputy Director of Climate Change Mehrali Ecer attended the meeting, where Türkiye's sustainable cooling policies and climate targets were presented to the international community. Designed to develop low-emission and sustainable solutions for the rising global cooling demand, the forum brought together over 200 representatives from more than 100 countries.

Türkiye's Success Highlighted during Panel Session

In a session centered on the expansion of sustainable cooling technologies and supporting nations in fulfilling their obligations under the Montreal Protocol and the Kigali Amendment, Deputy Director Ecer outlined Türkiye's policy framework and ongoing field operations. In his panel remarks, Deputy Director Ecer drew attention to the significant momentum Türkiye has achieved in phasing out hydrochlorofluorocarbons. He further emphasized the initiatives carried out under the Montreal Protocol, the projects supported by the Multilateral Fund, and the robust inter-agency coordination mechanisms, which play a vital role in reaching climate goals.

Key Diplomatic Engagements by the Turkish Delegation

Conducting high-level meetings throughout the two-day program in Vienna, Deputy Director Ecer shared the latest updates regarding the preparations for COP31, to be hosted by Türkiye.

The diplomatic momentum continued within the forum through a series of bilateral meetings. The Turkish delegation met with Alois Mhlanga, Director of UNIDO's Climate Innovation and Montreal Protocol Division, and UNIDO official Yunrui Zhou. The parties exchanged views on potential side events for COP31 and strategic steps to bolster international cooperation.

As part of the program, Deputy Director Mehrali Ecer and the accompanying delegation visited Ambassador Mustafa Kibaroğlu, the Permanent Representative of the Republic of Türkiye to the United Nations in Vienna. The meeting served as a platform to share information on the international initiatives led by the Directorate of Climate Change, while evaluating future cooperation opportunities and strategic milestones.

Deputy Director of Climate Change Ecer was accompanied by Volkan Polat, Head of the Greenhouse Gas Emissions Monitoring Department, and Dr. Ali Oğuzhan Narcı. EP

PM Seeks $2b from Development Partners to Meet Energy Demand

Prime Minister Tarique Rahman has sought US$ 2 billion fund from development partners to meet the Bangladesh's immediate energy needs and safeguard its economic stability.

"The situation before us demands urgency, solidarity, and decisive action. Immediate support for the most vulnerable countries must be at the top of our collective agenda," he told the Asia Zero Emission Community (AZEC) Plus Online Summit recently.

"We urge the intentional community to respond swiftly and positively to this call," he said.

Highlighting the ongoing global energy crisis, the Bangladesh prime minister said the crisis is a stark reminder of their shared vulnerability and interdependence.

No nation- regardless of its size or strength- can overcome this challenge in isolation, he said, adding that it demands a coordinated and forward-looking Asian response, to strengthen regional energy security, address immediate supply disruptions, and support the most vulnerable countries.

PM Proposes 10-Member Joint Committee to Tackle Energy Crisis

Prime Minister Tarique Rahman has proposed forming a 10-member committee comprising lawmakers from both ruling and opposition parties to work collectively in the national interest to find a "reasonable solution" to the ongoing energy crisis in the country.

The Prime Minister placed the proposal in the Jatiya Sangsad (JS) recently, saying that the committee will include an equal number of five members each from the government and the opposition sides. Speaker Hafiz Uddin Ahmad, Bir Bikram, was in the chair.

The Prime Minister announced names of five treasury bench lawmakers and called upon the opposition to provide five names from their side. The Leader of the House said that the proposed committee would be headed by Power, Energy and Mineral Resources Minister Iqbal Hassan Mahmood.

Four other treasury bench lawmakers are: State Minister for Power, Energy and Mineral Resources Aninda Islam Amit, ABM Ashraf Uddin Nizan (Laxmipur-4), Moinul Islam Khan Shanto (Manikganj-2) and Miah Nuruddin Ahmad Apu (Shariatpur-3).

Fuel Price Adjustment Driven by Global Volatility, Not IMF Pressure: Finance Minister

Finance and Planning Minister Amir Khasru Mahmud Chowdhury has said that the recent adjustment in domestic fuel prices was driven by global market volatility, not by any conditions imposed by the International Monetary Fund (IMF).

Speaking to reporters at the Ministry of Finance in Dhaka recently, the minister said the government had delayed increasing fuel prices for as long as possible to protect citizens, even as pressure mounted on national finances.

"The government held off on raising prices despite depleting funds, prioritizing public interest," he said. He noted that fuel prices have risen sharply worldwide, citing examples such as the United States—where prices reportedly doubled—and Sri Lanka, where prices increased by around 25 percent.

The minister emphasized that the decision to raise fuel prices was taken independently to manage the upcoming national budget and ease pressure on the treasury.

Global Market Pressures Force Fuel Price Hike, Says Energy Minister

Power, Energy and Mineral Resources Minister Iqbal Hassan Mahmood has said the government was compelled to increase fuel prices due to rising global costs and mounting pressure on imports.

Speaking to reporters at the Secretariat in Dhaka recently, he explained that fuel imports require significant foreign currency, leaving the government with little option but to adjust prices to maintain economic stability.

The minister noted that, despite the increase, fuel prices have been set below the actual import cost. Addressing concerns about the impact on consumers, he said many countries—including the United States—have also raised fuel prices in response to global market changes.

"Following the war situation, we built fuel stocks at higher costs, yet continued selling at lower prices," he added.

Buyers Divert Orders Over Energy Fears: BCI

Foreign buyers are increasingly redirecting orders away from Bangladesh over concerns about energy reliability and an uncertain business climate, Bangladesh Chamber of Industries (BCI) President Anwar-ul Alam Chowdhury said recently.

"Buyers are telling us that within the next 2 to 3 months, Bangladesh may face electricity shortages. Because of that, their top management is discouraging them from placing new orders here," he said, citing recent communications from international sourcing teams.

Some orders had already been redirected to India and other competing countries, while others were being withheld amid growing uncertainty, he said, while sharing the situation of business at a discussion with the National Board of Revenue (NBR) high-ups at the NBR headquarters in Dhaka.

The NBR organized the event to hear from businesses and other stakeholders as part of its exercise to frame tax proposals for the next fiscal year 2026-27.

Govt Enforces Austerity Measures to Cut Spending, Save Energy

The government has introduced sweeping austerity measures, including a 30% cut in fuel use for official vehicles and suspension of interest-free car loans for public officials, to rein in expenditure.

A notification issued by the Cabinet Division said the measures will remain in force until further notice. The decision was taken at a Cabinet meeting chaired by Prime Minister Tarique Rahman on April 2.

The government has also suspended foreign training programs and reduced domestic training and hospitality costs by 50%, seminar expenses by 20%, and travel expenses by 30%.

Additionally, energy use in government offices will be cut by 30%, while purchases of vehicles, vessels, aircraft and computers have been halted. Land acquisition has also been temporarily suspended.

The move is aimed at tightening fiscal discipline amid growing economic pressure.

Back-to-Back LPG Price Hikes Add Pressure on Households

Liquefied petroleum gas (LPG) prices have been increased again within just 17 days, with the price of a 12 kg cylinder rising by Tk 212 to Tk 1,940.

Earlier on April 2, the Bangladesh Energy Regulatory Commission (BERC) had raised the price by Tk 387, setting it at Tk 1,728. With the latest adjustment, the total increase for a 12 kg cylinder in April stands at Tk 599.

In its order issued on April 19, BERC cited higher import costs, including increased freight charges, trader premiums, and rising diesel prices, as the main reasons behind the hike.

The regulator noted that freight and premium costs have surged significantly—partly due to tensions involving Iran—leading to higher shipping expenses.

While earlier pricing was calculated based on $120 per tonne for freight and premiums, the new rate considers $250 per tonne to ensure uninterrupted LPG supply.

Moheshkhali LNG Terminal Back Online after Brief Disruption

Gas supply from the LNG terminal at Moheshkhali has resumed after a recent six-hour disruption caused by a technical fault, offering relief to consumers already facing low pressure amid a broader energy squeeze.

Officials said the floating storage and regasification unit (FSRU), operated by Excelerate Energy, went offline, halting regasified LNG (RLNG) supply to the national grid. The fault was repaired later, allowing gas supply to resume, according to a statement from Petrobangla.

The temporary shutdown had led to a drop of roughly 400 million cubic feet per day (mmcfd) in gas supply, worsening pressure in areas under Titas Gas Transmission and Distribution Company Limited, including parts of Dhaka and key industrial belts.

Drilling Begins at Brahmanbaria's Titas-31 Deep Exploratory Well

Drilling operations have begun at the Titas-31 deep exploratory well in Brahmanbaria, as part of efforts to increase domestic gas supply.

Officials expect the well to add around 15 million cubic feet of gas per day to the national grid if exploration proves successful.

Officials from Petrobangla and Bangladesh Gas Fields Company Limited (BGFCL) inaugurated the spud-in at Nandanpur in Sadar upazila recently.

AKM Mizanur Rahman, director (finance) of Petrobangla, and Md Abdul Jalil Pramanik, managing director of BGFCL, formally launched the drilling work.

The Titas-31 well is being drilled under a project that includes two deep exploratory wells in the Titas and Bakhrabad gas fields. The project is estimated to cost Tk 594.25 crore and is expected to be completed within 210 days.

Energy Crisis Cuts Production Capacity by 25-30pc: BGMEA

The ongoing energy crisis is severely affecting garment production and shipments from factories, especially those located in the Ashulia and Gazipur industrial belts, industry insiders say.

They claim that the production capacity of the factories has decreased by 25-30 per cent due to the lack of required gas and electricity.

Readymade garment (RMG) sector leaders held a meeting with the energy minister recently and called for uninterrupted energy supply.

They also requested cooperation in resolving the existing gas and electricity crises in the industry and expanding renewable energy to continue production in the RMG sector.

The BGMEA said the factories located in the main industrial belts of Ashulia and Gazipur on average need 400-450 liters of diesel to run generators during lead-shedding of up to four hours.

SME Production Plunges by 30% as Energy Crisis, Soaring Costs Hit Hard

Bangladesh's Small and Medium Enterprise (SME) sector is witnessing a sharp decline in activity, with production down by as much as 30% in recent weeks amid the global energy crisis, rising raw material costs, and frequent load-shedding.

Mirza Nurul Ghani Shovon, President of the National Association of Small and Cottage Industries of Bangladesh (NASCIB), told a local newspaper that the situation is becoming untenable for many small-scale manufacturers.

"The energy crisis has pushed many institutions to the brink of closure. In many cases, production has already dwindled by 25% to 30%," Shovon said.

Bangladesh Eyes Diversified Energy Cooperation with Canada's Saskatchewan State

Bangladesh has expressed strong interest in diversifying its energy sources through cooperation with Canada's Saskatchewan state, focusing on conventional energy, clean technologies and emerging areas such as small modular reactors (SMRs).

High Commissioner of Bangladesh to Canada Md Jashim Uddin made the remarks during a series of high-level meetings in the province as part of his official visit, according to a message received recently.

During his meeting with Saskatchewan Premier Scott Moe, the envoy proposed establishing a Bangladesh-Saskatchewan framework of cooperation to structure engagement in key areas, including energy, agriculture, agri-food value chains and research collaboration.

The Premier welcomed the proposal and expressed interest in advancing both immediate and long-term cooperation under the framework.

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Green page

EU, Bangladesh Step Up RE Drive to Strengthen Energy Security

Ambassador and Head of Delegation of the European Union to Bangladesh Michael Miller has said energy security is a defining issue, which is why the European Union (EU) and Bangladesh are accelerating efforts to deploy renewable energy as a strategic priority.

"What we see today is our shared determination to ensure energy security and invest ability for Bangladesh," said the Ambassador while speaking at a high-level event in Dhaka titled "Boosting Renewable Energy in Bangladesh – From Design to Implementation." He said the Bangladesh Renewable Energy Facility is a flagship initiative of the EU's Global Gateway, which promotes the development of secure, sustainable and trusted networks and links with our partners around the globe.

The event hosted by the European Union bank, the European Investment Bank (EIB), in partnership with the European Union Delegation and the Power Division of the Ministry of Power, Energy & Mineral Resources (MoPEMR) recently brought together senior representatives from the Government of Bangladesh, the European Union, the European Investment Bank (EIB), Team Europe, other international partners, financial institutions, regulators, and the private sector.

Solar Irrigation could Save $900m Annually, Says IEEFA Analyst

Bangladesh could save between $600 million and $900 million in foreign exchange annually by transitioning its one million diesel-run irrigation pumps to solar power, according to Shafiqul Alam, chief energy analyst at the Institute for Energy Economics and Financial Analysis (IEEFA).

Speaking to a local daily, he warned that while solar adoption has crossed the 500MW mark, the nation is failing to harvest "low-hanging fruit" due to structural barriers.

He noted that the massive savings from solar irrigation – calculated on pre-Middle East war diesel prices – remain locked behind a lack of farmer equity and the absence of a seasonal "irrigation-to-grid" business model.

"The real barriers are not technical; they are financial and structural," Shafiqul said, emphasizing that for eight months of the year, these systems sit idle.

IDCOL–PRAN-RFL Partnership Accelerates Green Industrial Transition

Infrastructure Development Company Limited (IDCOL) and PRAN-RFL Group have highlighted their strategic partnership aimed at advancing energy efficiency and renewable energy adoption in Bangladesh's industrial sector.

The collaboration was showcased at an event on April 12, 2026, where policymakers, development partners and industry stakeholders reaffirmed their commitment to sustainable industrialization in one of the world's fastest-growing economies.

Under the partnership, IDCOL has extended BDT 200 crore financing to Kaliganj Agro Processing Limited through its Energy Efficiency Financing Window to support improved energy use and operational efficiency.

In parallel, IDCOL is financing multiple rooftop solar projects across industries, contributing to a combined installed capacity of around 35 MW.

SREDA Proposes Slashing Solar Duties to 15%

The Sustainable and Renewable Energy Development Authority (SREDA) has formally moved to dismantle the "punitive" fiscal barriers currently choking the nation's solar expansion, according to its Director Engr Md Muzibur Rahman.

An official said SREDA has proposed a drastic reduction in import duties for solar equipment. Currently ranging from 60% to a staggering 89%, the authority is urging the National Board of Revenue (NBR) to bring these rates down to a range of 10% to 15%.

"We want the cost of batteries to fall so that solar power generated during the day can be stored and utilized during the evening peak," he stated, noting that the NBR has been informed of the urgency.

Bangladesh Opens Public Land to Utility-Scale Solar under PPP Model

Bangladesh has introduced a new regulatory framework to develop utility-scale solar projects on land owned by public agencies, with the Bangladesh Power Development Board acting as the contracting authority.

The government of Bangladesh has introduced a public–private partnership (PPP) framework for developing solar energy projects on land owned by public agencies, aiming to boost green power generation amid ongoing energy shocks.

The Power Division last week unveiled the policy framework titled "Guidelines for Development of Renewable Energy Projects Using Land Owned by Government Agencies under PPP Modality".

Under the new model, public land will be made available to private investors for utility-scale renewable energy projects, with the Bangladesh Power Development Board (BPDB) acting as the contracting authority.

"The government is pleased to issue these guidelines aiming to facilitate the utilization of unused or underutilized public land for renewable energy deployment while ensuring transparency, competitive procurement, and institutional coordination under the PPP framework," the Power Division said.

Green page

Bangladesh Moves Forward with National Green Building Certification Framework

Bangladesh is advancing efforts to transform its construction sector through the development of a national Green Building Certification Framework, known as DESH, aimed at promoting sustainable, climate-resilient, and resource-efficient buildings.

The framework is being developed by the Housing and Building Research Institute (HBRI) with support from the United Nations Office for Project Services (UNOPS), under the leadership of the Ministry of Housing and Public Works.

DESH is part of a broader initiative titled "Transforming the Built Environment through Sustainable Materials in Bangladesh," reflecting the country's growing focus on sustainable development in the construction sector.

A recent stakeholder consultation marked a key milestone in the framework's development. The session brought together representatives from government, academia, and industry to validate technical aspects and contribute to the co-development of the certification system.

Canada Reaffirms Support for Bangladesh's Clean Energy Growth

Canadian High Commissioner to Bangladesh Ajit Singh recently reiterated Canada's commitment to supporting Bangladesh in expanding reliable, affordable and clean energy to strengthen economic growth and energy security.

During a meeting with Power, Energy and Mineral Resources Minister Iqbal Hassan Mahmood, the High Commissioner said Canada values its partnership with Bangladesh and is keen to deepen cooperation in the energy sector.

Senior Trade Commissioner Debra Boyce and Trade Commissioner Gulam Farhad Quazi were also present at the meeting, where both sides discussed issues of mutual interest.

The discussions centered on strengthening bilateral energy cooperation, with an emphasis on expanding trade and investment. Bilateral trade between the two countries surpassed $4 billion in 2025, reflecting growing economic ties.

Canada highlighted its expertise in renewable energy, advanced technologies and capacity building, expressing interest in supporting Bangladesh's transition toward a cleaner energy mix through partnerships and technical collaboration.

RE Push Urged to Tackle Bangladesh's Deepening Energy Crisis

The Bangladesh Sustainable and Renewable Energy Association (BSREA) has called for prioritizing renewable energy expansion to tackle Bangladesh's ongoing energy crisis, warning that continued reliance on imported fuels poses serious economic risks.

The call came at a press conference held at the National Press Club in Dhaka recently.

In a written statement, the association said Bangladesh is facing a severe energy crisis driven by heavy dependence on imported fuel, rising global energy prices and mounting pressure on foreign exchange reserves.

It noted that high prices of LNG, coal and oil used in power generation are forcing the government to provide over Tk 200 crore in daily subsidies, creating long-term fiscal risks.

BSREA President Mostafa Al Mahmud said renewable energy—particularly solar—remains the most cost-effective and environmentally sustainable solution, but the sector lacks adequate policy support.

The association highlighted that 50–60% taxes and duties on renewable energy equipment imports are discouraging investment, while conventional energy continues to receive subsidies—creating a policy imbalance.

Green page

German Utility Deploying 30 MW Heat Pump for District Heating

Enercity has begun constructing a 30 MW wastewater-based heat pump in Hanover as part of its shift away from coal-based district heating, replacing capacity from the Stöcken coal plant alongside biomass, power-to-heat, and waste-heat systems.

Hanover-based utility Enercity AG has begun construction on a major heat pump project as it moves away from coal-based district heating.

The company, which currently still relies heavily on the Stöcken coal-fired power plant for heat supply, has already shut down the first of its generating units, with the second scheduled to follow in spring 2028.

The retired capacity will be replaced by a mix of biomass and power-to-heat plants, expanded heat recovery from a waste incineration facility, and a series of large-scale heat pumps. The latest addition is a 30 MW heat pump being built at Hanover's central wastewater treatment plant in the Herrenhausen district.

Govt Prepares to Launch Electric Vehicle Policy

The government is set to introduce the Electric Vehicle (EV) Industry Development Policy 2025 this year, aiming to promote environmentally friendly transportation and accelerate industrial growth in Bangladesh.

The policy, being formulated by the Ministry of Industries, outlines a comprehensive framework to reduce carbon emissions, improve energy efficiency, and create new employment opportunities while transforming the EV sector into a sustainable and competitive industry.

According to officials, the draft policy has already been completed and published for stakeholder feedback. Sultana Yasmin, Joint Secretary of the Policy, Law, and International Cooperation wing of the ministry, said the policy is expected to be finalized within this year following consultations.

Japan's Emissions Fall Below 1.0b Tonnes

Japan's net greenhouse gas emissions fell by 1.9% in the fiscal year ending March 2025, dropping to a record low of 994 million tonnes, according to government data.

This marks the first time emissions have fallen below one billion tonnes since 2013, reflecting a steady long-term decline supported by greater use of renewable and nuclear energy and reduced industrial energy consumption. In contrast, China—the world's largest emitter—continues to see overall emissions growth, driven by coal-dependent industrial expansion, despite rapid renewable energy deployment.

Similarly, India's emissions are rising steadily as energy demand grows to support economic development, with coal still dominating its power mix.

In Japan, fossil fuels still accounted for 67.5% of electricity generation, though this share has slightly declined.

The country aims to reduce this to 30–40% over the next 15 years.

Bangladesh Leads Adoption of UN Resolution on Sustainable Bioeconomy

Bangladesh has secured a notable diplomatic achievement at the United Nations Economic and Social Commission for Asia and the Pacific, with a landmark resolution on sustainable bioeconomy adopted unanimously at its 82nd session in Bangkok.

The resolution, titled "Supporting the Transition towards a Sustainable Bioeconomy in Asia and the Pacific," was initiated and led by Bangladesh under the guidance of Faqir Mahbub Anam, Minister of Posts, Telecommunications and Information Technology and Science and Technology.

Officials described the adoption as a significant step that reinforces Bangladesh's growing role in shaping regional development priorities.

The resolution aligns with Bangladesh's national development goals, emphasizing sustainable, innovation-driven, and inclusive economic growth. It highlights the importance of circular economy practices, efficient resource utilization, and the application of science and technology to drive transformation.

US Ambassador Meets Environment Minister, Emphasises Climate Cooperation

Environment, Forest and Climate Change Minister Abdul Awal Mintoo met with US Ambassador to Bangladesh Brent T. Christensen at the Secretariat recently to discuss issues of mutual interest. State Minister Sheikh Faridul Islam was also present during the meeting.

During the discussion, the minister highlighted the need for stronger international cooperation to enhance Bangladesh's efforts in forest conservation and climate change adaptation.

He sought US support particularly in waste management, water pollution control, and air pollution reduction, stressing the importance of technology transfer, training programmes, capacity building, and investment. The US ambassador underscored the importance of coordinated initiatives between the two countries on areas of shared interest, including forest conservation and prevention of wildlife trafficking.

UN Warns of Possible El Niño Return by Mid-2026, Raising Climate Concerns

The United Nations has warned that the warming climate phenomenon El Niño is likely to return by mid-2026, potentially driving higher global temperatures and extreme weather events.

According to the World Meteorological Organization, El Niño conditions could emerge as early as the May–July period, with early indicators suggesting the possibility of a strong event.

El Niño is a naturally occurring climate pattern that warms sea surface temperatures in the central and eastern Pacific Ocean, altering global weather systems, including wind, rainfall, and atmospheric pressure.

The last El Niño event contributed to record-breaking global heat, making 2023 one of the hottest years on record and pushing 2024 to the highest temperature levels ever recorded.

Two Illegal Brick Kilns Fined Tk 10 Lakh in Manikganj Crackdown

The Department of Environment (DoE) has fined two brick kilns a total of Tk 10 lakh in Manikganj for operating without required environmental clearance and official permission.

Acting on information, Executive Magistrate Foyjun Nesa Akter conducted a special drive at Mrs Malek Bricks in Khagrakuri village under Dighi Union of Manikganj Sadar Upazila, imposing a fine of Tk 5 lakh.

In a separate operation in Kandapar village of Saturia Upazila, another illegal brick kiln—Mrs Khan Bricks—was also fined Tk 5 lakh for operating without authorization. DoE Deputy Director Abdullah Al Mamun said the kilns had been running without the necessary clearance certificates and approvals from the department.

Waste-to-Energy Project at Aminbazar Set for Fast-Track Implementation

The government is set to accelerate the implementation of a "waste-to-energy" project at the Aminbazar landfill in Savar, aiming to address mounting waste management challenges and environmental pollution in the capital.

State Minister for Environment, Forest and Climate Change Sheikh Faridul Islam announced the move during a visit to the landfill site recently. He said the project has been given top priority to tackle the growing waste crisis in Savar and areas under the Dhaka North City Corporation.

Highlighting the severe impact of long-accumulated waste, the minister noted that foul odor and pollution have significantly disrupted local life, underscoring the need for urgent and effective action.

Bangladesh Seeks Stronger UNESCO Support for Climate and Environmental Initiatives

Environment, Forest and Climate Change Minister Abdul Awal Mintoo has emphasized the importance of enhanced technical support, knowledge exchange, and investment cooperation from UNESCO to strengthen Bangladesh's efforts in forest conservation, environmental protection, and climate change adaptation.

The minister made the remarks during a meeting with UNESCO Representative to Bangladesh Dr. Susan Vize at his office in the Secretariat in Dhaka.

During the meeting, the minister highlighted key priorities, including modernization of waste management systems, control of air and water pollution, implementation of the government's plan to plant 250 million trees over five years, strengthening conservation of the Sundarbans, and enhancing resilience against salinity intrusion in coastal areas.

Dr. Vize expressed UNESCO's interest in further strengthening cooperation in areas such as climate resilience, green campus initiatives, biodiversity conservation, and environmental education.

Bangladesh Moves to Establish 'Environmental Police' Unit to Combat Rising Eco-Crimes

Bangladesh Police is preparing to formally propose the creation of a specialized "Environmental Police" unit aimed at tackling the country's growing environmental crimes.

A senior official at Bangladesh Police said the proposal is expected to be presented to the prime minister during the upcoming Police Week.

The initiative was discussed at a high-level meeting held at Police Headquarters on April 19, chaired by the Inspector General of Police (IGP).

The proposed unit is designed to address a wide range of environmental offenses, including river encroachment, industrial pollution, deforestation, hill cutting, and illegal extraction of natural resources.

Law enforcement officials say the scale and complexity of such crimes have exceeded the capacity of the conventional policing system, making a dedicated unit increasingly necessary.

Germany to Boost Bangladesh's Focus on Nature Conservation

Germany will give Bangladesh greater prominence in future cooperation on nature conservation, a German parliamentary delegation head said here after concluding a weeklong visit focusing on climate and environmental challenges.

The delegation from the German Bundestag Committee on the Environment, Nature Conservation, Nuclear Safety and Consumer Protection visited Bangladesh from April 7 to 12, according to a press release issued by the German Embassy in Dhaka.

The delegation was led by Deputy Chairman Michael Thews and included members of parliament from different political parties.

Dhaka Among World's Most Polluted Cities as Air Quality Worsens

Air pollution in Dhaka continues to rise, placing the mega city among the most polluted urban centers globally.

According to data from IQAir, as of 8:30 am on April 19, Dhaka ranked fourth on the list of the world's most polluted cities, with an Air Quality Index (AQI) score of 157—classified as "unhealthy."

India's Delhi topped the list with a hazardous AQI score of 408, posing serious health risks to residents.

Another Indian city, Kolkata, ranked 18th with a score of 102, considered unhealthy for sensitive groups, while Mumbai stood at 23rd with a score of 91, indicating moderate air quality.

Among the top 10 most polluted cities, four are located in China. Chengdu ranked fifth with an AQI of 156, followed by Shenzhen in seventh place (152). Hangzhou and Guangzhou ranked ninth and tenth respectively, each recording an AQI of 124.

Govt Eyes Major Waste Management Improvement Within a Year: Mintoo

Environment, Forest and Climate Change Minister Abdul Awal Mintoo recently expressed optimism that Bangladesh will see significant improvements in waste management within the next year, helping reduce pollution in rivers, canals and wetlands.

Speaking in Parliament, he said the government is prioritizing measures to curb environmental degradation, noting that pollution stems from multiple sources beyond industrial activities.

The minister said a proposal is under consideration to establish a waste recycling plant at Amin Bazar, alongside efforts to strengthen waste management systems in urban areas nationwide.

He added that industries are being required to install Effluent Treatment Plants (ETPs), while the private sector is being encouraged to convert waste into energy and bio-fertilizer.

Power Tariff Hike Now Unavoidable

Given the current state of energy supply, people may have to brace for a difficult summer. If temperatures rise sharply or weather conditions turn unfavorable, load-shedding is likely to continue. The earlier three-year roadmap to gradually reduce subsidies in the power sector was a sensible step. But the decision to pause tariff adjustments for a prolonged period has made the situation harder to manage. Now, the gap between the cost of producing electricity and the price consumers pay has widened significantly. Unless prices are gradually aligned with actual costs, unpaid bills will keep piling up, and the government will struggle to fund both energy imports and development priorities.

At the same time, ensuring a steady power supply will depend heavily on securing enough fuel. Coal-fired plants, which are designed to provide stable baseload power, must be kept running at full capacity, and that requires reliable coal imports. Increasing gas supply would certainly help, but domestic production is limited, and LNG import capacity remains constrained. In this situation, while some load-shedding may be unavoidable, reliance on expensive oil-based power should be kept to a minimum to avoid adding further financial pressure on an already strained system.

Energy and environmental expert and former BUET dean Professor Dr. Ijaz Hossain said this in a conversation with Energy & Power Editor Mollah Amzad Hossain.

The current arrears in the power sector stand at Tk 56,000 crore. If this liability is not resolved, ensuring fuel supply for power generation will be difficult. What should be done?

Look, the current production cost per unit of electricity is Tk 12.10, while it is being sold at the wholesale level for Tk 7.04. This means BPDB is incurring a loss of Tk 5.06 per unit. As a result, the organization's annual loss exceeds Tk 52,000 crore.

The government has allocated Tk 37,000 crore in subsidies for the power sector this year, but there will still be a significant deficit. Therefore, there is no alternative to adjusting tariffs. The previous Awami League government had taken steps to gradually align prices with production costs over three years, but the interim government canceled that initiative and did not adjust electricity and fuel prices for 18 months.

Initially, they cleared some dues in the power and energy sector, but before leaving office, they left about $5.0 billion in arrears for the new government. As a result, the current government—only two months into its tenure—has fallen into a major crisis. This crisis has been further exacerbated by the U.S.–Israel–Iran conflict, which has forced the government to spend an additional Tk 36,000 crore in the energy sector.

Therefore, it will not be easy to quickly clear these arrears and move toward full power generation to meet demand. At the same time, continuing high subsidies in the power sector will hinder the government's ability to finance development activities.

So, there is no alternative but to adjust prices and reduce the subsidy burden.

BPDB has proposed increasing the wholesale tariff by Tk 1.20 per unit. It is said that a Tk 1.0 increase per unit would reduce annual losses by Tk 10,000 crore. At the consumer level, an increase of Tk 1.80 per unit has been proposed for higher-end users. A committee led by the finance minister has been formed to review this. What is your view?

There was no need to form a committee to justify tariff increases. The financial condition of the power sector has reached a point where there is no alternative but to raise prices.

I believe the government should increase electricity prices within the first year to reduce losses by 50%. The remaining 50% should be reduced through stopping corruption, improving management, ensuring efficient use of fuel, and better operational practices.

Professor Dr. Ijaz Hossain

There was no need to form a committee to justify power tariff increases. The financial condition of the power sector has reached a point where there is no alternative but to raise prices. I believe the government should increase electricity prices within the first year to reduce losses by 50%.

In the current global context, the standard cost of producing one unit of electricity is about 1 US cent (roughly Tk 12), and Bangladesh is close to that level. It should be remembered that depreciation of the taka against the US dollar has a direct impact on the power and energy sector and plays a major role in increasing costs. Over the past five years, the taka has depreciated by more than 40% against the dollar. This factor cannot be ignored in tariff adjustment discussions, especially since around 60% of our energy and power supply depends on imports.

To keep load-shedding as low as possible during summer while minimizing oil-based generation, what preparations should the government take?

This is very difficult. Once demand exceeds 16,000 MW, at least 10% or more electricity has to be generated from furnace oil. Although our gas-based generation capacity exceeds

12,000 MW, the gas supply is less than half of what is required. This supply may decrease further in the future.

Therefore, coal supply must be ensured so that coal-based baseload power plants can operate at around 85% load. At the same time, steps must be taken to ensure a full supply of imported electricity from India. To guarantee this, payments for coal and electricity imports must be made regularly.

In addition, to ensure gas-based baseload plants can operate during peak demand, a third FSRU (Floating Storage and Regasification Unit) should be installed within one year, and a fourth within two years. Even if these FSRUs are used only during peak demand periods, Bangladesh will benefit financially.

The physical startup of the Rooppur Nuclear Power Plant has started. It is being said that electricity supply to the grid will begin from next August. What is your view?

This is a major achievement. However, the current government must be extremely careful with this power plant to ensure that electricity can be supplied to the grid by August. Efforts must also continue so that the full 2,400 MW capacity of Rooppur can be connected to the grid by 2028. This will reduce pressure on the primary fuel supply for power generation and help decrease the use of oil.

Some initiatives are underway to increase domestic gas exploration and production. What should be done in the medium term to boost local supply?

Look, over the past 20 years, we have not achieved any significant success in oil and gas exploration. About half of the 50-well drilling program has been completed, but without any major discoveries. Another 100-well drilling program is waiting to begin. It is difficult to say how successful that will be.

However, the government must start working with a clear goal of achieving success in domestic oil and gas exploration within the next two years. For this, alongside domestic investment, the rapid attraction of foreign investment must be ensured. Exploration should begin simultaneously onshore and offshore.

Final Draft Production Sharing Contracts (PSCs) for both land and offshore areas are already prepared. These should be approved by the cabinet, and initiatives must be taken quickly to attract international oil companies (IOCs). However, our tendering process is very lengthy. Therefore, alternative approaches should be explored to bring IOC investments under PSCs more efficiently.

It is important to determine the extent of domestic gas resources before finalizing plans to expand LNG import infrastructure. Otherwise, a gas-dependent economy could face serious challenges.

Amid the energy crisis, prices of petrol, diesel, and octane have increased. How do you see it?

Price increases were inevitable. Not long ago, global crude oil prices were around $70 per barrel; now they are about $110. The rise in crude oil prices has also increased the price of refined fuels in the global market. For example, diesel prices exceeded $200 per barrel at one point, although they have now declined somewhat.

As a result, the country has to import both crude and refined fuels at higher prices. Diesel, in particular, has the highest demand in the market, and only about 15% of it is supplied from domestic sources—the rest must be imported. Therefore, even after increasing prices, subsidies are still required for diesel sales.

However, supply must now be increased to reduce queues at fuel stations, which have already started to decrease.

Bangladesh's dependence on imported power and energy is now around 60%. What should the government do to reduce this dependency?

As I mentioned earlier, effective initiatives for gas exploration must be taken. Alongside domestic efforts, the government must urgently develop strategies to ensure foreign investment in this sector.

At the same time, power generation capacity from renewable sources must be increased. There is no alternative to adopting realistic and implementable plans for this.

On the other hand, efforts to improve energy efficiency and conservation must be strengthened. In fact, due to the Middle East conflict, there has been a positive start in energy conservation. This momentum must be maintained. Above all, long-term planning and implementation strategies must be finalized to ensure efficient energy use.

The government has announced a plan to add 10,000 MW of renewable energy capacity by 2030. How do you view this?

Look, I do not believe in fixed numbers or targets—they are often set for political milestones. However, the government's initiative is commendable. To achieve it, necessary policies, investment plans, and strategies must be finalized. Even if the exact target is not met, progress can certainly be achieved.

The interim government canceled 37 Letters of Intent (LOIs) for renewable energy projects with a total capacity of 5,800 MW, which created a lack of confidence among investors. The current government has initiated a review. What do you think?

This is a good initiative. These projects should be properly reviewed. If they had continued, Bangladesh could have made significant progress in renewable energy capacity.

The cancellation caused financial losses for many entrepreneurs and undermined investor confidence. Even if the review process moves forward with viable projects, I am uncertain how much confidence can be restored—but the initiative itself is positive.

Bangladesh has large coal reserves, but extraction has not been possible due to political controversy. What should the current government do?

There are technical options to extract domestic coal while minimizing environmental, ecological, and social damage. However, coal has now become a political football.

If the current government wants energy self-sufficiency, it must engage all political parties and reach a consensus on coal extraction. Extracting and using domestic coal for power generation would indeed make a significant contribution to ensuring the country's energy security. EP

BANGLADESH ENTERS NUCLEAR POWER ERA

What was a dream over six decades ago is now turning into a reality. The process started with the loading of fuel in unit 1 of the 2400 MW Roopur Nuclear Power Plant from April 28, a gigantic step to take energy-starved Bangladesh to the world's elite nuclear power nations. There are now 33 countries which produce nuclear power through 400 reactors accounting for nearly 11% of the global electricity. Bangladesh joins the exclusive club as the 34th nation in the world and the third in South Asia after India and Pakistan.

In inaugurating the fuel loading Science and Technology Minister Fakir Mahbub Anam hailed it as a "landmark achievement" and a "glorious chapter" in Bangladesh's history, heralding the country's entry into the nuclear era. He rightly emphasized that safety is the "first priority" and that all fuel loading activities are being carried out strictly according to international standards.

He told the event that after the completion of fuel loading and technical processes, the first unit (1,200 MW) is expected to start commercial generation of 300 MW by late July or early August 2026. He mentioned that the plant will go into full-scale production in stages, aiming for full-capacity operation by the end of 2026 or early 2027. He highlighted that the project represents a major step in building technological capacity, ensuring energy security, and promoting industrialization in Bangladesh.

The minister's comments are especially welcome. The BNP government, now into its third month, has not dumped RNPP just because it was started by Sheikh Hasina's government which had been overthrown by a student-led mass movement two years ago. It seems the new government is willing to accept the positives of the past government despite political bitterness.

RNPP, located in Ishwardi of Pabna along the Padma River, would not have been possible without support from Russia. Divided in two equal units It has a capacity of producing 2,400 megawatts of electricity making up 10 percent of the country's installed capacity. It has the sophisticated Reactor Model Generation III+VVER-1200, Fuel type – Uranium enriched to 5%, Fuel supplier TVL (Russia) with operator Bangladesh Atomic Energy Commission. The Main contractor JSC Atomstroyexport is also from Russia. With a life span of 60 years the cost of the construction has now escalated to USD13b, a lion share of it loaned by Russia. Russia's state-run TVL Fuel Company, which is providing the fuel, has agreed to take back the spent fuel in addressing a major safety and environmental concern. The fuel loading may take about 45 days and the reactor core would be warmed up within three months by withdrawing neutron absorbers, according to project officials. Electricity will be generated on a trial basis and fed into the national grid within three months. "If the commissioning progresses smoothly, we expect to add a minimum of 300 megawatts by July or early August to the national grid. Production will then increase gradually by 10 to 15 percent, reaching the ceiling of 1,200 mw by late 2026 or early 2027," Md Anwar Hossain, secretary at the science and technology ministry, was quoted as saying by the Daily Star newspaper.

There is a caveat though. Will the reciprocal trade deal Bangladesh's interim Yunus government signed with the US just three days before the February 12 national polls stand in the way of RNPP and deprive the people of Bangladesh of enjoying its full benefits. The much-maligned agreement has compromised Bangladesh's trading sovereignty and there is fear that Washington may use it in preventing import of nuclear fuel from Russia because of sanctions imposed on it following the Ukraine war. The operation of the nuclear plant may be in jeopardy if the agreement prevents the import of uranium or fuel rods from Russia.

RNPP is the largest of the country's mega projects. Some have called it a potential "white elephant." It has been built despite the criticisms and concerns regarding high financial costs and debt and safety risks.

Yet, supporters see RNPP as a cheap and safe source of energy and a way out to cut dependence on import of more expensive fossil fuel. EP

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