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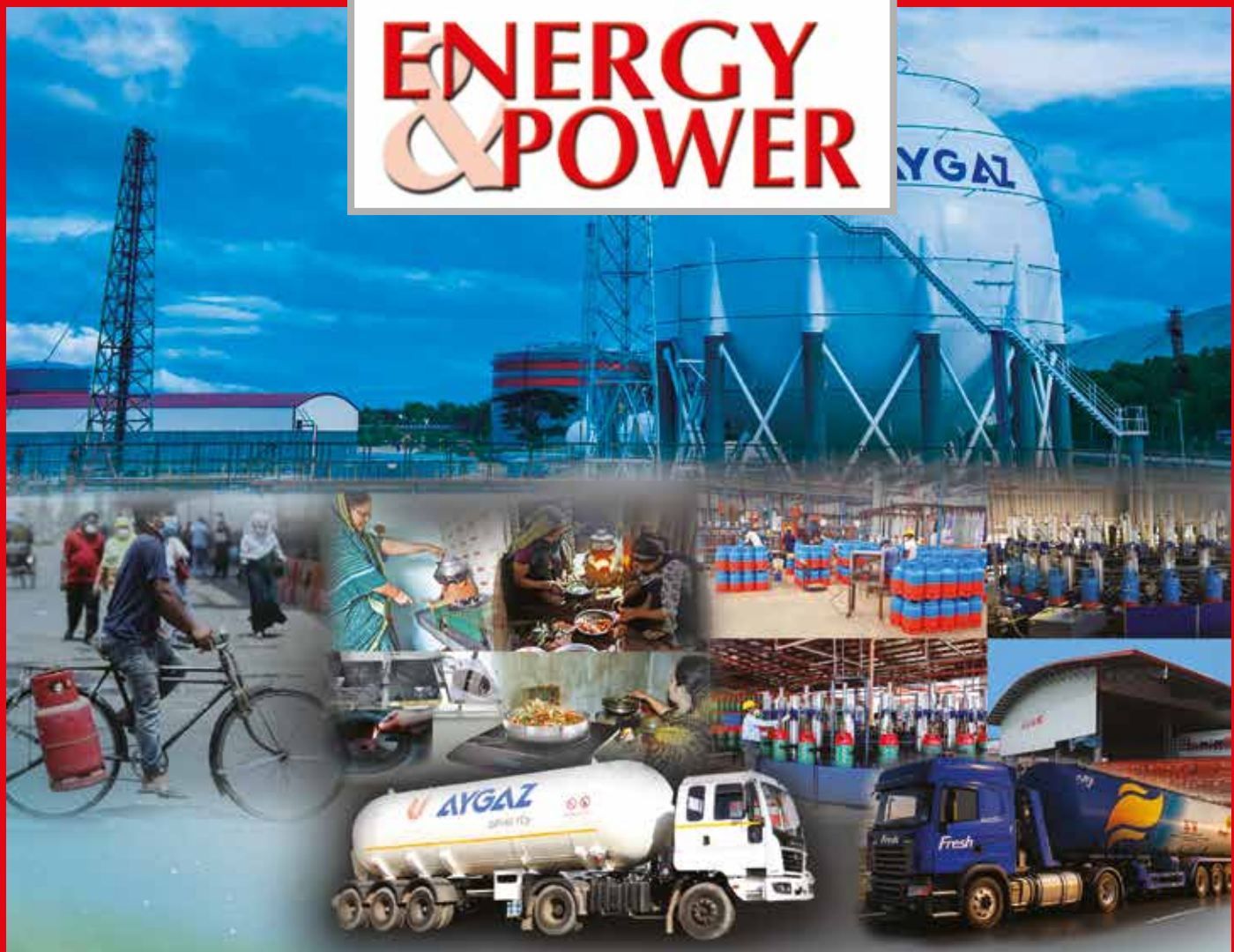
January 16, 2026

ENERGY & POWER



Kitchen Crisis

- Recognizing LPG As Green Energy Is A Game-Changing Decision
- Coming Summer Demand Will Test New Power
- City's Kitchens Hard Hit by Disappearing Gas

JERA MEGHNAGHAT POWER LIMITED

718MW CCPP at Meghnaghat, Narayanganj – largest gas based IPP in Bangladesh

About JERA

Japan's largest power generation company, producing about 30% of the Japan's electricity

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)

Mission
To provide cutting edge solutions to the world's energy issues

2035 Vision
Clean energy platform of renewables and low greenhouse gas thermal power

Goal: Zero CO_2 Emissions 2050

PRODUCT NOTE

IE4 Increased safety M3GP 200-450 Ex ec & Ex t motors

High efficiency, reliability and safety for hazardous areas

With IE4 Increased Safety M3GP 200-450 motors you can increase energy efficiency, save money, and reduce CO_2 emissions.
ABB's IE4 Increased Safety M3GP 200-450 motors are easy to use. They offer certified safety and are always matched to customer needs and applications in hazardous areas.

Introduction
ABB low voltage Increased safety Ex ec and Dust ignition proof Ex t motors are a safe choice for potentially explosive atmospheres.

The motors have an electrical design that eliminates hot surfaces and sparking during normal running or starting. Additionally the Dust ignition Ex t version use special seals to prevent dust from entering the enclosure.

Increased safety motors are based on reliable designs and provide high productivity in demanding conditions in harsh environments such as in extreme temperatures, corrosive dust and humidity.

Super premium efficiency with IE4
Improving energy efficiency is the most effective way to cut CO_2 emissions. IE4 motors with super premium efficiency make it easy to save energy and cut emissions. Lower energy usage costs lower the total cost of ownership.

Certified safety
The new IE4 Increased Safety M3GP 200-450 motors are certified according to IECEx and ATEX. The certifications will be extended with wide range of antional standards. Our Ex certified workshops ensure that the motors stay safe after maintenance.

Key features
- Safe choice for potentially explosive atmospheres
- Increased safety Ex ec design is certified for gas group IIC and temperature class T3
- Dust ignition proof Ex t design is certified for dust groups IIIB or IIIC and temperature class T100°C…T150°C

Motor scope

IE4 Increased safety M3GP Ex ec and Ex t motors	
Frame sizes	200-450
Poles	2-6
Voltages	690V/400V/415V/50Hz and 460V/60Hz
Markings	Ex ec IIC T3 Gc for Zone 2 Zone 21 – Ex tb IIIC T100°C…T150°C Db Zone 22 – Ex tc IIIC T100°C…T150°C Dc

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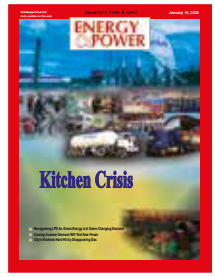
Granting green energy status to the LPG sector, to ensure clean cooking for all, is a transformational and timely policy decision. Bringing LPG-sector loans under the Green Fund framework will significantly help secure investments in the sector and revive operators who have already become financially distressed. Ultimately, consumers will benefit from this initiative... Abu Sayeed Raza tells EP



ENERGY & POWER

EDITORIAL

Energy crises are often discussed in megawatts and million cubic feet. But in Bangladesh, the crisis has now revealed its most human face – in kitchens without flames. When households cannot cook regular meals, energy policy stops being abstract and becomes deeply personal. The current shortages of piped gas, LPG, and even electric cooking appliances reflect not just a temporary disruption but years of fragmented planning and misplaced priorities. For decades, piped gas was treated as a permanent solution for urban households. LPG was promoted as the fallback, yet left entirely to market forces. When sanctions, shipping constraints, and financial stress converged, the system cracked. Electric cooking, long discussed as part of the clean energy transition, arrived not by design but by desperation. What makes this moment alarming is not only the severity of the shortage but the absence of resilience. Households have no affordable, reliable option to switch to when one fuel fails. That is a policy failure. Clean cooking is a Sustainable Development Goal, but it must also be treated as a national energy-security priority.

The way forward requires abandoning fuel silos. Piped gas, LPG, and electric cooking must compete on transparent pricing. Cooking fuel should be recognized as green energy, eligible for financing support and long-term planning. Above all, policymakers must accept a hard truth: Bangladesh can no longer promise gas in every kitchen. What it must promise instead is reliability, choice, and dignity—so that no family is left wondering how to cook the next meal.

highlights

A feasibility study on this concept should be initiated as a joint venture involving gas distribution companies or Petrobangla, along with the relevant agricultural and livestock departments. Such coordinated efforts would help ensure optimal use of existing infrastructure while promoting a cleaner environment—providing households with cleaner kitchen fuel on one hand and new income-generating opportunities on the other..... More in Special Article

COVER

Bangladesh's energy crisis has reached household kitchens, turning cooking fuel shortages into a daily struggle. Piped gas disruptions, an unprecedented LPG shortage, and rising prices have left families without reliable alternatives, while demand for electric cookers has outpaced supply. Structural gas deficits, global supply shocks, sanctions, and weak infrastructure have compounded the problem. Despite emergency measures, relief remains uncertain. The crisis underscores the need to rethink cooking fuel as a core energy-security issue, not a peripheral policy concern.

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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.

Contents

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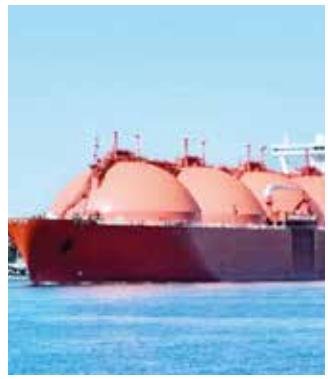
Argentina to Export LNG to Germany in $7-Billion Deal



Southern Energy (SESA), a consortium of Pan American Energy (PAE), YPF, Pampa Energía, Harbour Energy, and Golar LN, signed a framework agreement earlier this month with Germany's Securing Energy for Europe (SEFE) for the long-term sale of LNG.

Under the agreement, SESA would supply 2 million tonnes/year (tpy) of LNG over an 8-year period starting in late 2027.

A logistical key to the deal lies in the Hilli Episeyo, the first of the two FLNG vessels SESA will install in the San Matías Gulf, Río Negro province. The Hilli Episeyo is expected to begin operations offshore Argentina in late 2027.

LNG volumes committed to Germany cover more than 80% of the vessel's 2.45-million tpy production capacity, and over 30% of the total 6-million-tpy capacity of the two vessels combined.

Petronas to Supply 1 MMtpa of LNG to CNOOC

Petroliam Nasional Bhd said recently it had signed a deal to supply China National Offshore Oil Corp (CNOOC) one million tonnes per annum of liquefied natural gas.

Malaysia's state-owned Petronas did not specify the duration of the "long-term commitment" to CNOOC Gas and Power Singapore Trading and Marketing Pte Ltd.

The agreement strengthens "cooperation in LNG supply while supporting China's economic growth and national clean energy agenda, including the 'Dual Carbon' aspirations of peaking emissions before 2030 and achieving carbon neutrality by 2060", Petronas said in a statement on its website.

"With Asia's rising demand for lower-carbon fuels, Petronas will continue to deliver LNG from its established portfolio to support customers' evolving energy needs across the region", Petronas added.

Gaza Hospital Halts Most Services amid Fuel Shortage

A major Gaza hospital has suspended several services because of a critical fuel shortage in the devastated Palestinian territory, which continues to face a severe humanitarian crisis, it said.

Devastated by more than two years of war, the Al-Awda Hospital in the central Gaza district of Nuseirat cares for around 60 in-patients and receives nearly 1,000 people seeking medical treatment each day.

"Most services have been temporarily stopped due to a shortage of the fuel needed for the generators," said Ahmed Mehanna, a senior official involved in managing the hospital.

"Only essential departments remain operational: the emergency unit, maternity ward and paediatrics."

To keep these services running, the hospital has been forced to rent a small generator, he added. Under normal conditions, Al-Awda Hospital consumes between 1,000 and 1,200 litres of diesel per day. At present, however, it has only 800 litres available.

Saudi Aramco to Resume Perro Negro 7 Offshore Operations

Saipem announces the restart of operations of the jack-up Perro Negro 7 in Saudi Arabia beginning January 2026.

Saudi Aramco this year will resume operations of Saipem's Perro Negro 7 jack-up rig for woek offshore Saudi Arabia.

The contract for the rig was awarded to Saipem in 2011 and extended in June 2023 for 10 years. The contract was temporarily suspended for a period of 12 months in 2024. The suspension period will be recovered at the end of the contract, extending its duration until 2034.

Perro Negro 7 is designed to operate in waters up to 114 m deep and drill wells up to 9,100 m. The asset is equipped with advanced systems to ensure safety, efficiency, and compliance with the more demanding environmental standards.

BPC Pipeline Ruptures in Chattogram's Mirsharai

A gang reportedly siphoning fuel from the Bangladesh Petroleum Corporation's (BPC) Dhaka–Chattogram pipeline was exposed after the pipeline ruptured in the Hadirfakirhat area of Mirsharai upazila in Chattogram.

The incident occurred this morning when fuel began continuously seeping from the underground pipeline, alarming locals and prompting police and multiple agencies to rush to the site. Police and BPC officials suspect the gang had been stealing fuel for an extended period by setting up a makeshift structure beside the pipeline.

The theft had remained hidden until the rupture revealed the siphoning operation. Authorities have already identified the owner of the makeshift structure and those who rented it, and police are conducting drives to arrest those involved.

Jet Fuel Price Reduced by Tk 9.68 per Liter

The Bangladesh Energy Regulatory Commission (BERC) has reduced the price of Jet A-1 (jet fuel) for both domestic and international flights by Tk 9.68 per liter.

The regulatory body issued a notification in this regard on January 7.

According to the notification, the price of Jet A-1 fuel for domestic airlines has been reduced by Tk 9.68 per liter, from Tk 104.61 to Tk 94.93 per liter.

For international airlines, the price of jet fuel has been reduced by USD 0.0629 per liter, from USD 0.6875 to USD 0.6246 per liter.

The new prices will come into effect from 12:00 midnight on January 7, the notification said.

LPG's Green Fuel Status to Attract More Investment: LOAB

LOAB
LPG OPERATORS ASSOCIATION OF BANGLADESH

LPG Operators Association of Bangladesh (LOAB) recently said the recognition of the Liquefied Petroleum Gas (LPG) as green fuel will play a significant role in promoting cleaner energy usage, ensuring national energy security, and encouraging further investment in the sector.

"It will also contribute positively to achieving the country's energy and environmental objectives in alignment with the best global practices," said LOAB President Mohammed Amirul Haque in a letter sent to Power, Energy and Mineral Resources Adviser Muhammad Fouzul Kabir Khan.

On behalf of the LPG Operators Association of Bangladesh (LOAB), he expressed their sincere gratitude to the Ministry of Power, Energy and Mineral Resources for declaring Liquefied Petroleum Gas (LPG) as a green gas.

Govt Approves Procurement of Fuel Oil, Crude Oil

The Advisers Council Committee on Government Purchase recently approved several fuel oil and crude oil import proposals to meet the country's growing energy demand during 2026.

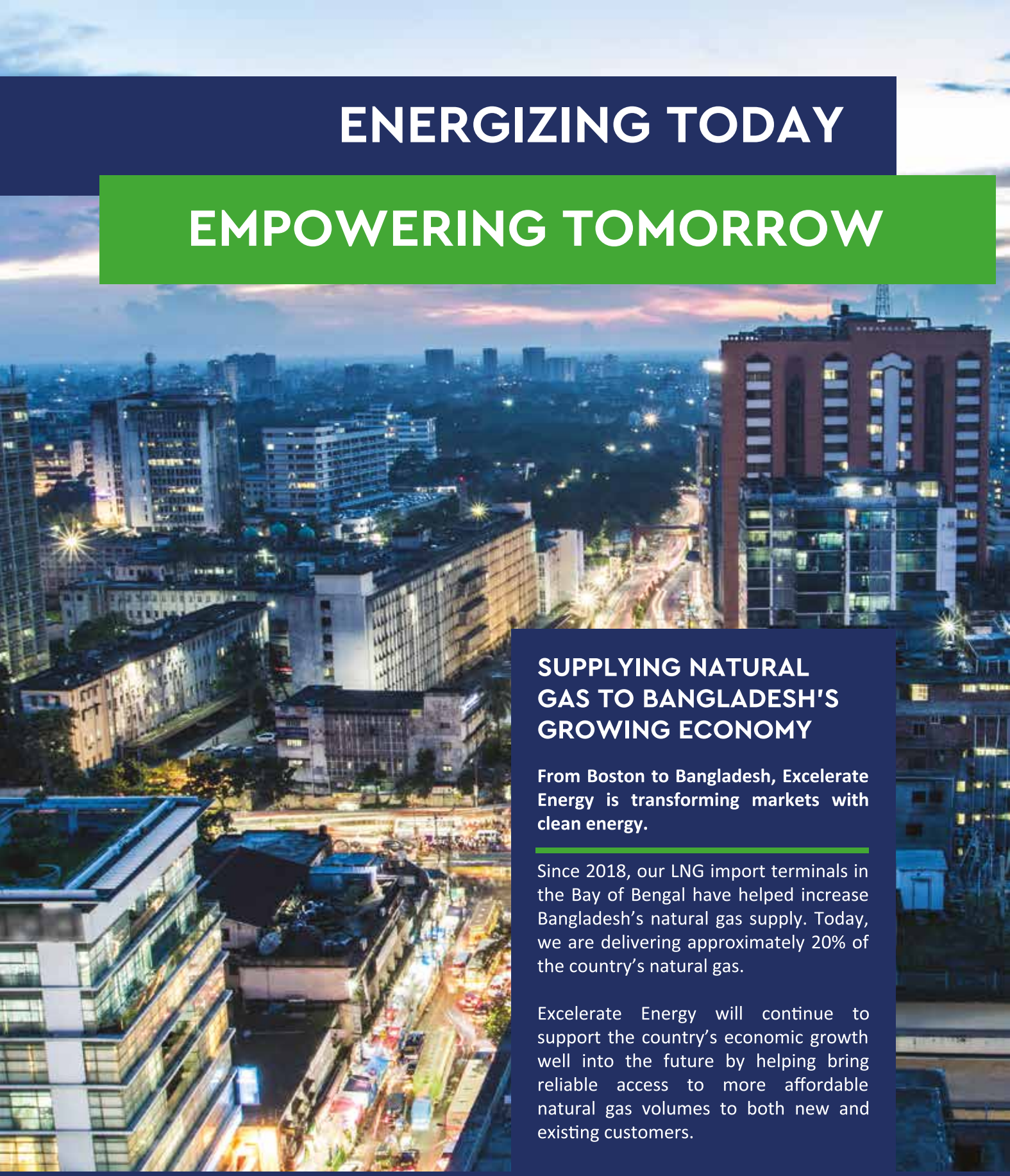
The approval came from the 1st meeting of the Advisers Council Committee on Government Purchase in this year held recently at the Cabinet Division Conference Room at Bangladesh Secretariat with Finance Adviser Dr Salehuddin Ahmed in the chair.

Under the government-to-government arrangements, refined fuel oil will be imported from seven companies of different countries at an estimated cost of Taka 10,826.11 crore during the January-June period of 2026.

The suppliers include PetroChina, China, ENOC, UAE, IOCL, India, OQT, Thailand, PTLCL, Malaysia, BSP, Indonesia, and UNIPEC, China.

ENERGIZING TODAY

EMPOWERING TOMORROW



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EXCELERATE ENERGY

Two Businesses Fined for Overcharging LPG Gas in Savar

A mobile court of the Directorate of National Consumers' Rights Protection (DNCRP) recently fined two establishments in Savar for selling LPG gas at prices higher than the government-fixed rate. The drive, and led by Assistant Director of DNCRP (Dhaka District) Muhammad Hasanuzzaman, was conducted in the Bagbari area under Tetuljhora Union.

During the operation, Bhai Bhai Khandaker Electronics and Furniture was fined Taka 4,000 for creating an artificial crisis and charging consumers excessive prices, while Green Town LP Gas Ltd depot was fined Taka 50,000 for violating regulatory provisions.

The DNCRP official said such drives would continue to curb price manipulation and protect consumer rights in the public interest.

BIPPA Expresses Deep Sorrow at Death of Khaleda Zia

The Bangladesh Independent Power Producers Association (BIPPA) has expressed profound grief and sorrow at the death of Begum Khaleda Zia, former three-time Prime Minister of Bangladesh and the country's first female Prime Minister.

In a condolence message, the President of BIPPA prayed for the forgiveness of the departed soul and conveyed deep sympathy to the bereaved family members.

On behalf of all members and the Board of Directors of BIPPA, prayers have been offered for eternal peace of the departed soul.

LPG Price Adjusted Upward

Bangladesh Energy Regulatory Commission (BERC) today adjusted upward the price of Liquefied Petroleum Gas (LPG) saying from now on the widely used 12 kilogram (Kg) LPG cylinder would be sold to consumers at Tk.1,306 instead of Tk. 1,253.

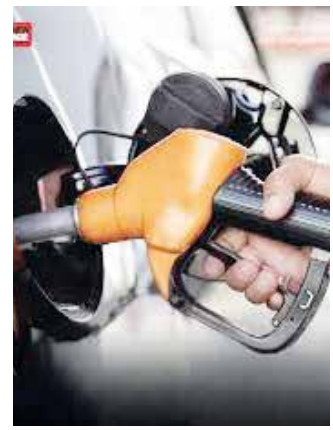
"The newly fixed price of LPG is Tk.1,306, which will be effective from January 4 and all licensees of LPG marketing companies will implement the price," BERC chairman Jalal Ahmed told a media announcement.

He said the prices of all the 13 different sizes of LPG-filled cylinders were readjusted for January in line with new price adjustments by Saudi Arabia-based Aramco that sets the contract price or CP for LPG at the beginning of each month for term contracts.

According to BERC records, the LPG price was Tk.1,253 for 12-kg cylinder in December, Tk.1,215 in November, Tk.1,241 in October, Tk.1,284 in September, Tk.1,140 in August and Tk.999 in July last year.

Bangladesh Cuts Fuel Prices by Tk 2 a Liter at Start of 2026

Bangladesh cut retail fuel prices by Tk 2 a liter from January 1, reversing an increase imposed a month earlier as part of its automatic fuel pricing mechanism.



The Energy and Mineral Resources Division said in a notification issued recently that the prices of diesel, octane, petrol and kerosene have been reduced to Tk 102, Tk 122, Tk 118 and Tk 114 per liter respectively.

Previously, the fuels were priced at Tk 104 for diesel, Tk 124 for octane, Tk 120 for petrol and Tk 116 for kerosene.

Domestic fuel prices in Bangladesh are adjusted monthly in line with global market movements under the "Revised Fuel Automatic Pricing Guidelines," the notification said, adding that the latest revision aims to keep fuel comparatively affordable for consumers.

Kitchen Crisis

Mollah Amzad Hossain &
Afroza Akther Pervin

The energy crisis has begun to feel painfully personal for households across Bangladesh, especially in the kitchen. As 2026 began, what had long been described as a shortage of cooking fuel suddenly turned into a daily struggle. In many parts of the country, including large areas of Dhaka, families have gone days, even nights, without a flame in their stoves.

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The energy crisis has begun to feel painfully personal for households across Bangladesh, especially in the kitchen. As 2026 began, what had long been described as a shortage of cooking fuel suddenly turned into a daily struggle. In many parts of the country, including large areas of Dhaka, families who depend on piped gas have gone days, even nights, without a flame in their stoves. Meals are delayed, routines are disrupted, and frustration is mounting.

For those trying to cope by switching to LPG, relief has proved elusive. Supplies have tightened sharply, and in many neighborhoods, LPG cylinders cannot be found at all—no matter the price. A 12-kg cylinder, officially priced at BDT 1,306, is unavailable in many areas even when buyers are willing to pay nearly twice that amount. The uncertainty over when normal supply will resume has only deepened public anxiety.

Some households have tried turning to electric cooking as a last resort, but that option has brought its own challenges. Induction cookers have quickly disappeared from store shelves, adding yet another layer to the crisis. Even when electricity is available, the tools needed to use it are not.

Despite the involvement of both public agencies and private suppliers, tangible relief remains out of reach. The LPG shortage continues to affect Dhaka and other regions, and recent disruptions—including a short-lived strike by LPG traders—have left lingering effects in the market. Although the strike was resolved within hours, its impact is still being felt, reinforcing a growing sense among consumers that the crisis is far from over.

Retailers report that they are unable to secure sufficient LPG cylinders even at higher prices, yet they face harassment during enforcement drives conducted in the name of consumer protection. On the other hand, LPG operators claim that the crisis has been aggravated by US sanctions imposed on several vessels involved in LPG transportation, resulting in blocked supplies. They also cite financial constraints, LC complications, and lack of timely government approval for additional imports as key reasons behind the supply shortfall. However, most operators maintain that they have continued supplying LPG to the market.

To ease the situation, the Energy Division has taken five initiatives, including a VAT reduction and approval for additional LPG imports, while BERC has also taken steps to stabilize the market. Even so, officials from LPG importing and bottling companies believe that it may take 30 to 45 days for the LPG market to return to normal in terms of supply and pricing.

Consumers using piped gas for cooking have been facing pressure-related issues for the past five to six years. However, the current crisis is the most severe in that period. In some areas of Dhaka, gas supply has been completely disrupted for up to 96 hours, while other areas experience extremely low pressure, with gas supply intermittently stopping altogether.

The recent crisis is largely attributed to pipeline leakages, although Titas Gas authorities have expressed regret over the inconvenience caused to consumers.

The country is currently facing a daily gas supply shortfall of 1,200–1,300 million cubic feet (MMCFD) compared to demand. There is no immediate plan to significantly reduce this deficit; rather, the shortage is expected to worsen over the next three to four years. As a result, there is little hope that the piped gas supply for cooking will stabilize anytime soon.

Investigations show that many households are attempting to shift to electric cooking to cope with shortages of piped gas and LPG. However, this alternative is also facing constraints. A sudden surge in demand for induction cookers has led to supply shortages in the market.

LPG Cylinder Shortage Persists

Currently, 27 private-sector LPG operators (out of 49 licensed companies) and one public-sector company supply LPG in the domestic market. The private sector accounts for 99 percent of total LPG supply. Notably, LPG is the only cooking fuel in Bangladesh that receives no government subsidy; instead, the government collects VAT and taxes from the sector. Despite being promoted as a clean cooking fuel, LPG receives no direct incentives.

Although 49 companies are licensed to bottle imported LPG for domestic sale, only 27 operators are currently active. Among them, just six to seven companies supply about 85 percent of the total market demand. Each month, BERC fixes LPG prices based on the Saudi Contract Price (CP) announced at the beginning of the month.

Industry stakeholders estimate average monthly LPG demand at 35,000–40,000 tonnes, rising to 55,000–60,000 tonnes during winter. Demand began increasing from November last year. To meet anticipated winter demand, many operators imported December supplies in November. However, global supply constraints emerged at that time due to rising international winter demand.

The situation worsened after the United States imposed sanctions on 44–48 companies over alleged involvement in Iranian LPG sales and transportation. While Bangladeshi operators do not directly import Iranian LPG, many previously sourced Iranian-origin LPG through third-country channels. Additionally, sanctioned companies were also involved in sourcing LPG from non-Iranian suppliers. As their operations have now largely ceased, Bangladeshi importers are struggling to secure supplies.

Even when LPG is available, a shortage of vessels has further constrained transportation. As a result, only six to seven operators managed to import LPG in December and January—often below their required volumes. Procuring LPG at Saudi CP has become increasingly difficult, forcing some operators to purchase at higher prices.

Price Volatility and Market Disruption

According to the LPG Operators Association of Bangladesh (LOAB), most companies did not import LPG last year; instead, five companies handled the bulk of imports, while five to six others imported limited quantities. Total imports stood at approximately 1.85 million tonnes, while sales exceeded that volume.

Despite supply shortages, operators initially rationed LPG and supplied the market at BERC-fixed prices. However, from November onward, price hikes began emerging at distributor, dealer, and retailer levels, citing supply shortages.

By late December, the situation escalated sharply, with BDT 1,306 cylinders selling for BDT 2,500–3,000, while in some areas LPG was unavailable even at higher prices.

The crisis intensified further when the LPG Traders Association announced a strike on January 7, demanding higher commissions and an end to harassment. Although the strike was later withdrawn, LPG cylinder availability at the consumer level has yet to return to normal.

Five Initiatives by the Energy Division to Address the LPG Crisis

In response to the ongoing LPG supply crisis, the Energy Division convened an emergency meeting with all relevant government agencies and leaders of the LPG Operators Association of Bangladesh (LOAB). Following the discussion, the Energy Division issued five directives aimed at quickly stabilizing the LPG market.

During the meeting, LOAB leaders highlighted several challenges, including the lack of approval for additional imports, difficulties in opening Letters of Credit (LCs) and accessing bank loans, and the burden of VAT and customs duties.

Importers explained that maintaining large LPG inventories is not feasible due to frequent price fluctuations in the international market. Holding excess stock carries the risk of substantial financial losses alongside potential profits. As a result, LPG imports are generally planned on a monthly demand basis. However, since November, the market has faced a shortage in meeting demand.

Five Key Measures Taken by the Energy Division

According to Energy Division sources, the following five initiatives have been undertaken to resolve the crisis:

1. **Expedited Banking Support:**
   On January 8, the Energy Division formally requested Bangladesh Bank to fast-track loan approvals and LC opening processes for LPG operators.

2. **VAT Reduction Proposal:**
   On the same day, the Division sent a letter to the National Board of Revenue (NBR) seeking a reduction in VAT at the import stage from 15 percent to 10 percent and the withdrawal of 7.5 percent VAT at the production level (cylinder-filling plants), considering LPG as a green energy.

3. **Import Ceiling Relaxation:**
   The Ministry issued no-objection letters to BERC regarding applications from Omera, Meghna, Jamuna, United iGas, and Delta for increased import volumes.

4. **Action against Artificial Shortages:**
   District and upazila administrations have been instructed, through the Cabinet Division and the Ministry of Home Affairs, to conduct regular mobile courts to prevent artificial supply manipulation.

5. **Physical Verification of Stock:**
   Ministry officials have been ordered to inspect LPG storage facilities near Chattogram and Mongla ports and submit reports to assess the actual import and distribution situation at distributor, dealer, and retailer levels.

Industry Response

LOAB Vice President and Managing Director of G-Gas, Humayun Rashid, said that shipments imported by several operators have already arrived, with more expected soon. As a result, supply is likely to improve within one to two weeks, although a full return to normal conditions may take three to four weeks.

However, he emphasized that declaring LPG as green energy must be fully implemented in financing policies. Rising interest rates and exchange-rate depreciation have weakened many operators financially. He urged Bangladesh Bank to provide low-interest loans from the Green Fund, initially for working capital and eventually covering the entire LPG sector. LOAB plans to formally submit this request to the Governor of the Bangladesh Bank.

Market Outlook

Abdur Razzak, Managing Director of JMI LPG, noted that nearly half of the 29 active LPG operators have become financially distressed, mainly due to high interest rates and the inability to adjust selling prices in line with currency depreciation. While imports by six to seven companies may temporarily improve supply, he stressed that bringing the sector under the Green Fund framework is essential to rotate the existing 55 million cylinders nationwide.

Meanwhile, Abu Sayeed Raja, Chief Marketing Officer of Fresh LPG (Meghna Group), said the company has taken steps to increase imports, with supply expected to improve by late this month or early next month. He cautioned, however, that not all operators can import LPG due to global supply constraints and vessel shortages.

Strike Withdrawn After BERC Meeting

Following a meeting with BERC on January 8, LPG traders withdrew their strike. During the meeting, traders

raised three key demands:

- An end to ongoing administrative enforcement drives
- Increased commissions for distributors and retailers
- Assurance of uninterrupted supply

BERC Chairman Jalal Ahmed assured that discussions would be held with administrative authorities regarding enforcement actions and that legal steps would be taken to address commission adjustments. Importers also confirmed that alternative shipping arrangements are being made despite vessel shortages, which could ease the supply situation within a week.

However, LPG trader Selim Khan said retailers are currently paying over BDT 1,300 per cylinder to operators, making it impossible to sell a 12-kg cylinder for less than BDT 1,500. He emphasized that lifting the strike alone would not ensure availability unless supply increases.

BERC Chairman Jalal Ahmed stated that there is no need to impose import caps at this stage, as LPG demand is growing not only in households but also in industry. Operators seeking to import additional volumes will be approved.

Piped Gas Shortage Worsens in Dhaka

The issue of low-pressure piped gas supply in Dhaka is longstanding, but the current situation is far more severe. Nearly all areas of the capital are experiencing acute shortages, with some neighborhoods facing up to 96 hours without gas. Low-pressure conditions persist throughout the city, and several districts outside Dhaka are also affected.

Titas Gas authorities acknowledged the severe pressure problem, citing damage to a distribution pipeline beneath the Turag River at Aminbazar, caused by a cargo vessel's anchor. Although repairs have been completed, water entered the pipeline during the process. Combined with reduced overall gas supply, this has resulted in critically low-pressure conditions across Dhaka. Efforts to restore normal supply are ongoing.

Gas Supply Constraints Persist as Demand Shifts Toward Electric Cooking Appliances

According to data from Petrobangla, Bangladesh currently has around 4.3 million piped natural gas consumers. Among them, customers of Jalalabad Gas and Bakhrabad Gas companies receive comparatively better gas pressure. However, customers of Titas Gas and three other distribution companies have been facing chronic low-pressure gas supply problems for a long time.

A visit by this correspondent to markets in Motijheel, Paltan, Dhanmondi, Mohammadpur, Ring Road, Shyamoli, Mirpur, Banani, and Gulshan revealed that stocks of electric cookers in several shops and showrooms have already been sold out. Retailers have placed fresh orders with manufacturers, while others reported significant sales volumes over a short period.

A former Managing Director of Titas Gas Transmission and Distribution Company, speaking on condition of anonymity, said that Titas receives at best 60 percent of its total connected load. He noted that even if full demand were met at the supply level, it would still be impossible to deliver gas at adequate pressure to customers in the capital due to infrastructure constraints. In his view, ensuring proper gas pressure in Dhaka would not be feasible without replacing old and dilapidated gas pipelines.

Energy experts believe that, considering the overall gas supply situation, the supply deficit will continue to persist compared to demand, with no guarantee of improvement before 2030. In particular, without the establishment of sufficient LNG import infrastructure, meaningful improvements in supply management are unlikely. As a result, the government must now seriously consider alternatives to residential piped gas supply.

The Vice Chancellor of Independent University, Bangladesh (IUB), believes that if residential gas prices are aligned with international LNG prices, it would encourage greater use of LPG in households. In his assessment, Bangladesh will never again be able to meet full residential gas demand through piped natural gas.

Gas Crisis Triggers Surge in Demand for Electric Cookers

Amid the ongoing gas crisis, the use of electric cooking appliances has increased sharply, creating a supply shortage in the market.

Over the past two decades, the government has taken various initiatives to promote electric cooking as an alternative to gas, particularly to ensure clean cooking for all by 2030. In response to this policy direction, local manufacturers have started producing and marketing electric cookers. However, the recent shortages of both piped gas and LPG have significantly accelerated consumer interest in electric cooking.

Many urban residents now find it more economical to invest in electric cooking appliances rather than purchasing meals from hotels due to gas shortages.

There are two main types of electric cookers available in the market: induction cookers and infrared cookers, with infrared models currently in higher demand.

A visit by this correspondent to markets in Motijheel, Paltan, Dhanmondi, Mohammadpur, Ring Road, Shyamoli, Mirpur, Banani, and Gulshan revealed that stocks of electric cookers in several shops and showrooms have already been sold out. Retailers have placed fresh orders with manufacturers, while others reported significant sales volumes over a short period.

Local conglomerate PRAN Group manufactures electric cookers under the Vision and Vigo brands. Other popular brands in the market include Walton, Kiam, Gazi, Miyako, Philips, and several non-branded products. Non-branded electric cookers are also widely available in Dhaka's markets.

Induction vs Infrared Cookers

The functional difference between induction and infrared cookers is significant.

Induction cookers do not generate heat directly. Instead, they work on the principle of electromagnetic induction, where a copper coil inside the cooker creates a changing magnetic field that induces electric currents in the cookware. Heat is generated directly

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in the pot, leaving the glass surface relatively cool.

In contrast, infrared cookers use powerful heating elements such as halogen or infrared heaters that generate heat directly. These elements emit infrared radiation—similar to sunlight—which heats the cookware. As a result, the glass surface of the cooker turns red and becomes hot during operation. Infrared cookers can be used with any type of cookware, whereas induction cookers require ferromagnetic cookware such as cast iron or certain stainless steel utensils.

Due to this versatility, infrared cookers are more popular among consumers.

Prices and Efficiency

Infrared cookers are generally slightly more expensive than induction models. Both types typically retail between BDT 3,500 and BDT 6,000, though higher-priced options are also available. Non-branded models are usually BDT 300–400 cheaper.

Induction cookers offer up to 90 percent thermal efficiency, which is higher than gas stoves. This allows for faster cooking and lower electricity consumption. Most induction cookers also automatically shut off when cookware is removed.

However, the sudden surge in demand has resulted in a short-term supply shortage of electric cookers in the market.

Conclusion

A steady supply of cooking fuel is not just a policy objective—it is a daily necessity for millions of families. Clean cooking is a core target under the Sustainable Development Goals (SDGs), and Bangladesh has committed to achieving it by 2030. Over the years, notable progress has been made: nearly 60 percent of households now rely on cleaner options such as piped gas and LPG. For many families, this shift has meant safer kitchens, less smoke, and better health.

Cost, however, remains a decisive factor in how people cook. Piped gas is still the most affordable option for most households, which is why it remains the preferred choice wherever it is available. LPG and electric cooking, while cleaner, are significantly more expensive for many families—placing them out of reach during times of financial stress. Yet the current crisis has exposed a hard truth: there is no longer any guarantee that piped gas will be available when people need it.

In theory, LPG should be the most practical alternative. In reality, Bangladesh is facing its most severe LPG shortage in a quarter century. For households already struggling with piped gas disruptions, the lack of LPG has removed the only viable backup option. Although the Energy Division claims it is working to stabilize the market, ensuring uninterrupted supplies of both cooking gas and electricity has become one of the sector's most challenging tasks.

Energy experts argue that this moment calls for a fundamental rethink. Cooking fuel, they say, should be treated as "green energy" and planned with long-term security in mind—not as an afterthought.

There are signs that policymakers are beginning to move in this direction. Analysts also stress the need to make piped gas, LPG, and electric cooking genuinely competitive so that households can shift between options depending on price and availability. Such flexibility, they argue, is the only way to protect families from being left without a cooking flame when the next energy shock arrives. EP

__Mollah Amzad Hossain,__ Editor, Energy & Power and __Afroza Akther Pervin__, Managing Editor, Energy & Power

Coming Summer Demand Will Test New Power

Saleque Sufi

Bangladesh is experiencing one of the coldest winters in recent memory as the country heads toward a general election under universal adult franchise, scheduled on February 12, 2026. Ramadan fasting will begin in mid-February and coincide with the peak irrigation season, a combination that traditionally places additional pressure on electricity demand. During this period alone, power demand is expected to rise by about 2,500–3,000 MW. Summer will arrive by mid-April and intensify from mid-May, pushing demand even higher.

The upcoming government, expected to assume office in late February, will inherit a power and energy sector already under strain. There will be little scope for a honeymoon period. Coincident peak demand during the summer of 2026 may reach 18,500 MW, while the system's installed capacity, combining grid and off-grid sources, now exceeds 30,000 MW. Yet, despite this apparent surplus, it is widely understood that fuel supply constraints, particularly gas shortages and limitations on fuel imports, prevent the system from generating more than 15,000 MW consistently. Ensuring a reliable, quality power supply throughout the summer will therefore be one of the most formidable challenges facing the next government.

The interim government benefited from relatively favorable conditions during the summer of 2025. Peak demand remained within the range of 16,500–17,000 MW, and extreme heat waves were largely absent. Even then, rural areas experienced intermittent load-shedding, while power plants, fertilizer factories, and industries endured chronic gas shortages. Forecasts suggest that the upcoming summer may not be as mild, raising concerns that the stress on the power system will intensify significantly.

Present State of the Power and Energy Sector

Between 2010 and 2024, Bangladesh witnessed extraordinary growth in power generation capacity, expanding from roughly 5,000 MW to nearly 30,000 MW. Transmission and distribution networks were also extended nationwide, allowing the government to declare universal access to electricity. However, this rapid expansion was not matched by coordinated planning across the energy supply chain. As a result, the quality, reliability, and sustainability of power supply have remained elusive.

System planners failed to ensure adequate and reliable supplies of primary fuel—gas, coal, and liquid fuel. Successive governments did not follow their own power and gas system master plans. Under the Quick Enhancement of Electricity and Energy Supply (Special Provisions) Act,

2010, power plants proliferated rapidly without sufficient consideration of how fuel would be secured or how generated power would be evacuated efficiently.

This unplanned expansion created a paradox: massive surplus capacity alongside chronic shortages. The single buyer, Bangladesh Power Development Board (BPDB), was compelled to pay capacity charges for idle plants, often leaving 40–45 percent of installed capacity unused. Over time, capacity payments became an enormous fiscal burden. BPDB, Petrobangla, and Bangladesh Petroleum Corporation (BPC) struggled to meet payment obligations to power producers and fuel suppliers. Repeated increases in electricity tariffs and fuel prices, combined with large government subsidies, failed to restore financial stability. State-owned enterprises accumulated heavy debts and mounting arrears.

Equally problematic was the persistent indecision over domestic resource development. Bangladesh possesses substantial discovered coal reserves, yet no government—past or interim—took the political decision to exploit them. Petroleum exploration, both onshore and offshore, remained limited despite years of discussion. Meanwhile, reliance on imported coal and LNG increased, exposing the sector to global price volatility, supply-chain disruptions, and foreign exchange pressures.

Over the past year and a half, the interim government made only modest progress in addressing these structural weaknesses. Coal resource development remained off the agenda. Gas exploration continued but at a scale insufficient to alter the supply outlook. No decisive steps were taken to establish additional LNG import infrastructure, such as a third FSRU or a land-based terminal. Updated model production-sharing contracts (PSCs) for engaging international oil companies reportedly remain pending approval. The long-standing issue of evacuating stranded gas from Bhola Island also remains unresolved. The next elected government will inherit all these challenges.

Managing the Summer Peak

The convergence of Ramadan, irrigation demand, and summer heat could push peak electricity demand to 18,500–19,000 MW on certain days in 2026. In principle, generation capacity is not the limiting factor. The real constraint lies in fuel availability and operational efficiency.

Completion of the first unit of the 2×1,200 MW Rooppur Nuclear Power Plant could significantly ease pressure on the system. The project had reached an advanced stage under previous management, but changes in leadership and delays now suggest that Rooppur power may not be available for the grid in 2026. If this delay persists, the burden on gas- and coal-fired plants will intensify.

To meet summer peak demand, at least 9,000–10,000 MW of electricity must be generated from gas-fired plants. This would require a steady gas supply of around 1,300 MMCFD and full utilization of modern, fuel-efficient power plants. At present, domestic gas fields supply about 1,750 MMCFD, while imported LNG contributes up to 1,000 MMCFD, bringing total availability to roughly 2,800 MMCFD. However, Petrobangla estimates total demand at around 4,200 MMCFD, highlighting a substantial shortfall.

Managing gas supply during peak periods will therefore require meticulous planning. Wastage and pilferage must be curtailed through intensified monitoring and enforcement. The next government may have to take politically unpopular decisions to restrict gas use to high-value, efficient sectors, prioritizing power generation, fertilizer production, and export-oriented industries.

Coal-based power plants will also play a critical role. At least 5,000 MW of coal-fired generation must be supplied

At present, domestic gas fields supply about 1,750 MMCFD, while imported LNG contributes up to 1,000 MMCFD, bringing total availability to roughly 2,800 MMCFD. However, Petrobangla estimates total demand at around 4,200 MMCFD, highlighting a substantial shortfall.

consistently during the summer peak. This hinges on timely coal imports and smooth logistics. Over the medium term, the government will need to revisit the issue of domestic coal mining. Bangladesh has no binding obligations to reduce emissions, and modern technologies can keep emissions from coal-fired plants within acceptable limits. While domestic coal will not be available for the 2026 peak, decisions taken now could yield benefits within a few years.

Renewable energy, particularly rooftop solar, offers a modest but meaningful contribution. With appropriate incentives, streamlined approvals, and close monitoring, rooftop solar alone could add up to 2,000 MW by the end of 2026. While this will not replace baseload generation, it can help shave peak demand.

Structural Reforms and Strategic Choices

There is little alternative but to reconsider power imports from neighboring countries as part of a diversified supply strategy. At the same time, existing contracts with private power producers may need review, moving toward a no-power-no-payment framework. No new independent power producer (IPP) plants should be added for at least the next five years.

The single-buyer model dominated by BPDB also warrants re-examination. Allowing merchant power plants to sell directly to large consumers using state-owned transmission and distribution networks could improve efficiency and reduce financial stress on public entities.

Ultimately, the challenge of meeting the summer peak of 2026 will test the next government's preparedness and resolve. Chronic power shortages would undermine industrial production, irrigation, and public confidence. Strengthening the Bangladesh Energy Regulatory Commission (BERC) and allowing it to function independently within its mandate is essential. The power and energy sector must remain a strategic sector, managed by professionals free from political bias and protected from the influence of organized syndicates.

Accountability and transparency must be enforced across the entire value chain, from fuel procurement to power generation and distribution. Only through decisive policy choices, disciplined execution, and professional governance can Bangladesh navigate the looming summer power test and lay the foundation for long-term energy security. EP

Saleque Sufi, *Energy & Climate Expert*

Igniting Green Investment

How Blended Finance Fuels Decarbonization in RMG

Azmul Huda

While the global fashion demands sustainability, the embassy of Sweden has launched "InSPIRE" - a green transition initiative, to support Bangladesh's RMG sector pivot to clean energy—turning climate challenges into competitive advantage.

Bangladesh's ready-made garment (RMG) sector—the lifeblood of its economy—stands at a crossroads. As the country's economic backbone, generating nearly 80% of export earnings and employing millions, the RMG industry must rapidly transition to cleaner, more energy-efficient production to remain competitive amid tightening global sustainability requirements. The global brands of fast fashion are tightening sustainability standards while climate risks loom large; the industry faces a stark choice: adapt or fall out of the game. With 15.4% of the country's greenhouse gas emissions contributed by the RMG industry, the stakes could not be higher. Yet, amid this challenge, a bold initiative is rewriting the script for industrial energy transition.

"With the right mix of innovation, finance, and collaboration, sustainability is no longer a cost—it's the future of industrial competitiveness."

InSPIRE—the Initiative to Stimulate Private Investment for Resource Efficiency— implemented by Swisscontact, has a transformative mission: accelerate the adoption of energy efficiency and renewable energy solutions in Bangladesh's garment factories. By blending catalytic financing with technical assistance, InSPIRE is de-risking and incentivising small and medium-sized factories to adopt green technology, while enabling energy

service companies (ESCOs) to scale innovative models.

InSPIRE mobilizes support in the form of a challenge fund modality, where a robust, transparent, and highly competitive selection process for 'green projects' is solicited. The response from industry has been nothing short of remarkable. When InSPIRE opened its first call for proposals in 2025, the program drew 94 applications, signalling a surge of interest in sustainable solutions. From this wave of ideas, the first cohort of nine projects have been marking the kick-start of many more collaborations.

On the energy efficiency front, factories are retrofitting servo motors, high-efficiency boilers, LED lighting, BLDC fans, advanced HVAC systems, and thermal energy recovery solutions like condensate recovery and G-traps.

Renewable energy proposals include large-scale solar PV installations, hybrid systems combining battery storage, and biomass briquette setups—some even introducing pay-as-you-go solar models that could democratize clean energy access.

Meanwhile, resource efficiency ideas such as low-liquor ratio dyeing machines, zero-liquid discharge effluent treatment plants (ZLD-ETP), and rainwater harvesting systems are designed to cut energy use by resource efficiency. Together, these projects signal a shift from incremental upgrades to transformative, scalable solutions that can redefine sustainability in the RMG sector.

What makes this movement compelling is its projected impact. The first cohort of green projects alone is expected to deliver 14,269 MWh of annual energy savings and renewable generation—enough to power thousands of homes. Of this, 10,208 MWh will come from renewable sources, while 4,061 MWh will be saved through efficiency upgrades.

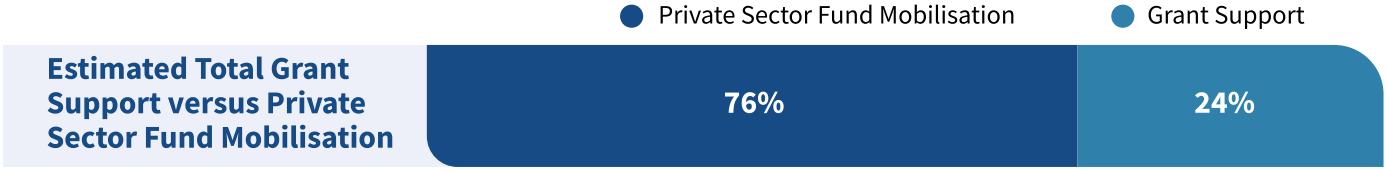
"The first year of InSPIRE's challenge fund will cut emissions by nearly 11,883 metric tons of CO_2e—equivalent to taking 2,500 cars off Bangladesh's roads every single year."

The climate dividend? A reduction of 11,883 metric tons of CO_2 equivalent every year, comparable to taking 2,500 cars off the road. These numbers tell a powerful story: sustainability is no longer a cost centre; it's a competitive advantage.

The sectoral footprint of these projects is just as revealing. They cut across the very fabric of Bangladesh's garment ecosystem, with the lion's share anchored in woven and textile units—responsible for an impressive 10,928 metric tons of CO_2e reductions annually. This is followed by washing facilities at 613 metric tons, sweater factories at 183, and accessory units at 159 metric tons of annual CO_2e reductions. It's clear: sustainability is touching every corner of the garment industry.

Behind the scenes, InSPIRE is doing more than funding projects. Through industry engagement events, the initiative is building bridges between garment factories, energy service providers, financial institutions, and energy thought leaders-connections that make technology adoption easier and financing more accessible. This convening role is critical, especially for smaller factories that often struggle to navigate the complex terrain of green investment. By fostering these linkages, InSPIRE is laying the groundwork for systemic change.

While blended finance is not a new concept in green transition in Bangladesh, what truly sets InSPIRE apart is the scale of private sector commitment—RMG factories are driving the transition, contributing most of the project investment. In its first cohort, InSPIRE mobilized 74% of investment from the private sector RMG factories, with the remaining 26% contributing from its challenge fund. This blended approach not only reduces risk but also



"Sweden's partnership with Bangladesh is driving a green transition in the garment sector—advancing green energy adoption through initiatives like InSPIRE and PROGRESS—proving that industrial growth and climate action can go hand in hand."

signals confidence in the commercial viability of sustainable solutions. It's a template that could be replicated across other sectors, amplifying the impact of climate finance.

Looking ahead, the vision is ambitious, yet achievable. InSPIRE aims to scale its pipeline, targeting medium and small factories that have historically been left behind in the green transition. By experimenting with consortium-based models—bringing together brands, financiers, and technology providers—the initiative hopes to unlock even greater impact. The message is clear: sustainability is not a niche; it's the future of industrial competitiveness.

This transformation is unfolding against the backdrop of a broader partnership between Sweden and Bangladesh, rooted in shared commitments to climate action and sustainable growth. Sweden has long championed renewable energy and resource efficiency, and through initiatives like InSPIRE, it is helping Bangladesh's RMG sector align with global net-zero goals. The Embassy of Sweden also partners with Swisscontact on PROGRESS—a project that helps garment factories set sustainability goals, craft climate action roadmaps, and build green skills for the future. The collaboration underscores a powerful truth: climate action and industrial growth are not mutually exclusive—they can, and must, go hand in hand.

As Bangladesh positions itself in the global green economy, the garment industry's pivot to clean energy is more than an environmental imperative; it's a strategic move to safeguard jobs, exports, and reputation. InSPIRE is proving that with the right mix of innovation, alternative finance, and collaboration, the sector can turn climate challenges into opportunities. The race toward sustainability has begun—and Bangladesh's apparel industry is determined to lead. EP

Current state: Condensate used in the dryer and ironing stations is being released into the air in a washing and printing factory.

Intervention: The factory has been retrofitting condensate and flash-steam recovery systems along with traps in the iron station, enabling the reuse of condensate, reducing energy consumption, and minimizing environmental heat emissions.

Existing biomass boiler fuelled by Jhut (waste fabric), which is neither environmentally friendly nor aligned with circular economy principles.

Through InSPIRE support, the RMG factory is transitioning to biomass briquettes made from rice husk—a carbon-neutral solution that reduces waste and promotes sustainable energy use.

The existing ETP in a sweater factory discharges treated water into the environment. With InSPIRE's support, the factory is installing a zero liquid discharge system to recycle and reuse water—cutting groundwater extraction by up to 85% and helping Bangladesh combat falling water tables and salinity intrusion.

Azmul Huda
Manager – Monitoring and Results Measurement and KEL, Initiative to Stimulate Private Investment for Resource Efficiency. (InSPIRE), Swisscontact

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Bangladesh's Gas Crisis Demands Hard Energy Choices

Mohammad Mosharraf Hossain

Bangladesh has been experiencing a worsening energy trauma. Widespread power shortages are affecting households and businesses alike. Local gas resources are depleting rapidly, forcing power plants to switch to imported liquefied natural gas (LNG) despite its sharply rising spot market prices. Although the crisis has eased somewhat in recent months, the energy sector continues to suffer from excessive reliance on highly volatile and costly imported LNG, coal, and oil.

Growing dependence on imported fossil fuels for power generation has intensified volatility in the energy sector while significantly increasing the country's fiscal burden. Foreign exchange reserves have come under pressure, and subsidy requirements have risen sharply. The expanding intrusion of LNG into the energy sector is therefore dangerous and must be halted at the earliest opportunity.

Bangladesh's LNG import prices have fluctuated since 2019, with a dramatic spike in 2022 due to global market disruptions. Initially, prices were relatively moderate, as several contracts were signed based on a percentage of Brent crude oil prices. However, spot market prices surged sharply, substantially increasing Bangladesh's import costs. The country had long-term LNG supply contracts with Qatar and Oman, with prices linked to Brent crude. For example, one agreement with OQ Trading priced LNG at 11.90% of the three-month average Brent crude price plus US$0.50 per MMBtu. In 2022, spot LNG prices soared due to global events, with some cargoes purchased at US$35.89 per MMBtu and US$36.95 per MMBtu. Although Bangladesh continued importing LNG under long-term contracts and, to a limited extent, from the spot market, overall prices remained high.

Given the severe gas shortage—particularly affecting industries and fertilizer plants—it has become essential to reassess gas utilization priorities. Areas where gas can be substituted with alternative fuels must be identified so that the gas saved can be redirected to higher-value sectors. Continued operation of compressed

natural gas (CNG) stations and the supply of piped gas to residential kitchens, even if limited to selected areas, require careful review. While CNG offers environmental benefits and domestic gas use reduces foreign exchange spending on cooking fuels, the current crisis demands prioritization of essential sectors. Balancing the needs of transport and residential consumers with those of industry and fertilizer production has become critical.

In 2001–02, it was widely claimed that Bangladesh was "floating on gas." At least that was the view of some experts and oil companies. A few years earlier, US-based Unocal had discovered the Bibiyana gas field and argued that Bangladesh lacked sufficient domestic demand to justify developing such a large resource. Unocal even sought government approval to export gas to India. At the same time, the Asian Development Bank (ADB) was supporting a government initiative—the Clean Fuel Project—to promote the use of compressed natural gas in the transport sector.

The CNG program proved immensely successful after its launch in 2002–03, largely because it was far cheaper than alternative fuels and created lucrative business opportunities in vehicle conversion and refueling infrastructure. Hundreds of CNG stations were established, and hundreds of thousands of vehicles and three-wheelers were converted within a few years. By the end of that decade, CNG use was reportedly saving Bangladesh around US$800 million annually in petroleum imports.

However, the rapid expansion of the CNG network significantly destabilized gas supply pressure by 2010. By then, the Bibiyana gas field was producing substantial volumes for the domestic market, yet Bangladesh was already facing gas shortages. The country was never truly "floating on gas." The CNG sector alone was consuming about one-tenth of the total daily gas supply of roughly 2,000 million cubic feet per day (mmcfd), while the domestic sector accounted for approximately 12.1% of total natural gas sales. Despite this, there was already a demand shortfall of 400–600 mmcfd.

This situation compelled the government to halt new gas connections for all categories of consumers, although some industrial connections were approved under special arrangements. These restrictions largely remain in place today, as demand has never been fully met amid steadily declining supplies. At the same time, demand continued to grow rapidly due to the country's fast-paced economic development.

This widening supply-demand gap ultimately forced the government to begin importing LNG at high cost from 2018–19 onward. Imported LNG has since been blended with domestic gas and supplied through the national grid to keep gas-dependent industries, power plants, and other consumers operational.

Over the last decade, there has been no significant new discovery of oil or gas. As a result, the domestic share of gas supply has been steadily declining over the past four years. At present, the government can supply a maximum of around 3,000 million cubic feet per day (mmcfd) of gas, of which 600–800 mmcfd comes from imported LNG. Gas demand in 2010–11 stood at about 2,400 mmcfd. Given an annual demand growth rate of roughly 10%, total demand should have exceeded 5,000 mmcfd by now. This has created a severe gas deficit, directly affecting power generation, which is vital for the national economy.

Despite the crisis, the use of compressed natural gas (CNG) continues to grow. CNG is no longer cost-effective, involves long waiting times, and, most importantly, there is not enough gas even for industries that generate export earnings and provide the largest number of jobs. Yet, policy inertia has allowed the continued expansion of CNG vehicles, as if the gas shortage does not exist.

A similar situation exists in the domestic use of gas. In the early days of gas distribution, household kitchens were the primary customers of gas companies. Various incentive schemes were introduced to encourage residential adoption of natural gas. Initially, uptake was limited, but changes in fuel prices and consumer behavior eventually drove demand to levels that became difficult to manage. Domestic consumers became increasingly aggressive, and gas companies and related stakeholders became entangled in widespread illegal practices.

Titas Gas has been actively disconnecting illegal gas connections—including industrial, commercial, and residential lines—as part of a broader crackdown on unauthorized gas use. Between September 2024 and April 2025, the company disconnected 29,617 illegal connections, removed 67,120 burners, and dismantled 144 kilometers of illegal pipeline. The disconnection drive has targeted unauthorized connections across multiple regions and customer categories. Its objectives include preventing gas theft, ensuring lawful usage, and recovering outstanding dues. In one operation alone, Titas Gas disconnected 400 illegal connections in Savar, including one commercial establishment, and removed 1.5 kilometers of illegal pipeline.

Alongside enforcement, Titas Gas has conducted public awareness campaigns to inform consumers about the consequences of illegal connections and to encourage cooperation in preventing gas theft. Individuals involved in illegal gas connections have faced fines and, in some cases, imprisonment. These efforts have resulted in significant gas savings, with estimates suggesting that millions of cubic feet of gas are being conserved daily.

Energy Adviser Muhammad Fouzul Kabir Khan recently stated that, if given the opportunity, he would disconnect all domestic gas connections in Dhaka to curb wastage. According to him, "Providing gas to households is a waste, especially when industrial sectors are struggling with shortages. There will be no new residential gas connections going forward—this option should be permanently closed." This underscores the urgency of reconsidering existing policies.

It may now be time for the government to seriously consider phasing out CNG vehicles and replacing natural gas in household kitchens with alternative fuels. The country must adjust to the hard reality of having limited gas resources. Unless policy direction changes, the continued use of gas for CNG and unrestricted domestic consumption—the merry burning of blue flames in kitchens—will only worsen shortages for high-value users.

Given the energy crisis arising from the rapid depletion of natural gas reserves, with no clear signs of adequate replenishment through new discoveries, it is imperative to explore innovative solutions that can extend the availability of gas for priority sectors of the economy. One such option could be the introduction of biogas as a substitute, produced in and around existing town gas distribution systems, using current infrastructure to supply households that now depend on piped natural gas.

An innovative biogas production project could be designed to establish commercial biogas generation facilities near city gate stations, operated using cow dung sourced from surrounding suburban and rural areas. A complementary incentive-based scheme could encourage households

outside city limits to keep a small number of cows, ensuring a steady supply of milk and cow dung. Cow dung could be sold to milk processors and biogas production units operated by gas distribution companies.

Under this model, a ring main could be constructed around the city, with gas compressors installed near existing city gate stations to raise pressure to predetermined levels for distribution. Biogas plants would collect cow dung from surrounding areas, where families could be encouraged to maintain herds of four to six cows, generating both milk and dung for income. Gas companies would appoint specialized agents to collect cow dung from households at scheduled times using mechanized vehicles. Each agent would issue receipts indicating the volume collected.

The collected cow dung would be transported to centralized receiving stations at biogas generation facilities. Agents would be paid for collection and delivery services, while households would receive digital payments for the supplied cow dung. A transparent financial mechanism would be established to manage payments and reconciliation among households, agents, and gas companies. With a sufficient number of collection agents, the system could operate without supply bottlenecks.

The cow dung will be digested through an established process, and the biogas generated will be transferred to a chamber from which it can be compressed to a predetermined level. The compressed gas will then be supplied to the city gate station for onward distribution through the city gas pipeline network.

In this way, a portion of the current gas supply for domestic use could be replaced by cow dung–based biogas, while the natural gas saved could be redirected to industrial and commercial users that generate higher value addition for the national economy. This project would create substantial employment opportunities and support the development of the cattle, agricultural, and dairy sectors. It would also open significant income-generating avenues for households located near biogas production facilities operated by existing gas distribution companies. Initially, a limited number of pilot biogas units could be established within gas franchise areas. If successful, the model could be replicated across all gas distribution companies, thereby diversifying gas input sources and expanding the role of renewable energy in the country's energy mix.

A feasibility study on this concept should be initiated as a joint venture involving gas distribution companies or Petrobangla, along with the relevant agricultural and livestock departments. Such coordinated efforts would help ensure optimal use of existing infrastructure while promoting a cleaner environment—providing households with cleaner kitchen fuel on one hand and new income-generating opportunities on the other.

The proposed project is not without precedent. Similar initiatives have already been launched at the corporate level in neighboring India. Mumbai-based natural gas distribution company Mahanagar Gas Limited, a well-known public sector unit of GAIL, is investing approximately Rs 1,323 crore with partners to establish a battery manufacturing unit and a compressed biogas production facility over the next two years as part of a diversification strategy. In line with

government policies promoting clean mobility, the company aims to expand into non-fossil fuel segments. Currently, about 70 percent of Mahanagar Gas's revenue comes from CNG, prompting the company to seek long-term growth by entering at least one non–fossil fuel business. It has already formed a joint venture with the US-based International Battery Company to set up a gigafactory in Karnataka.

In another example, the Indian state of Uttar Pradesh has rolled out the Gram-Urja model to enhance energy self-sufficiency and create employment opportunities for rural households. According to a state government statement issued on July 15, 2025, the initiative promotes local production of organic fertilizer and aims to reduce domestic LPG consumption by 70 percent. The program is being integrated with the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme and is designed to directly benefit farmers. Under the model, biogas units will be installed near individual households or farms, enabling farmers to produce cooking gas and organic fertilizer for personal use. This will reduce farming costs, improve productivity, and create new income streams. Rural households will also benefit from the construction of personal cattle sheds, with dung used in biogas units to generate kitchen fuel. Additionally, the government plans to establish biogas and organic fertilizer plants in 43 selected cow shelters, each expected to produce up to 50 quintals of slurry per month – a valuable resource for nearby farmers engaged in organic farming.

POWER GENERATION STATISTICS

Fuel-wise power generation for FY-2021-22

Fuel Type	Quantity (MkWh)	% of Total power generation
Hydro	744	0.87
Gas	47136	55.06
Furnace Oil	22867	26.71
Diesel	1483	1.73
Coal	5342	6.24
Renewable Energy	323	0.38
Power Import	7712	9.01

Source: BPDB

PER UNIT COST OF POWER GENERATION (TK/KWH) FY 2021-22

Fuel types in generation	Unit cost (Tk/kWh)
Furnace Oil	17
HSD	26
LNG	13
Imported Coal	8.1
Domestic Coal	6
Domestic Gas	2.57
Hydro	1
Solar Power Plant	12
Nuclear8	14
Imported Power	6.48

Source: Power Division

GAS CONSUMPTION IN KITCHENS

Year	Volume (MMCM)	Value (million Taka)
2019-20	3757,790	46415.66
2020-21	3799,824	46469.51
2021-22	3620,208	45593.92
2022-23	2848,559	49805.75
2023-24	2837,428	49015.61
2024-25 (March 25)	2085,429	35789.95

Source: Petrobangla

It must be recognized that electricity is the backbone of all economic activity in a country. Scrutiny reveals that the progress Bangladesh achieved from the late 1990s through the early 2020s owed much to the largely continuous availability of electricity across key economic sectors.

This, in turn, was made possible by a relatively seamless and uninterrupted supply of natural gas to the power sector. If gas supplies are disrupted, the country's outlook will be bleak. Without access to gas at an affordable price for power generation, national economic stability will be at risk.

After gas, coal remains the most viable alternative for large-scale power generation. Bangladesh possesses substantial coal reserves that have remained largely untapped to date due to various political, environmental, and social pressures. Under the current circumstances, it may be prudent to reconsider coal mining as a means of supporting power generation. Coal could continue to serve as a primary fuel for electricity generation during a transition period, until acceptable and scalable renewable energy sources – possibly including kinetic energy from river flows – can be developed to meet the country's full electricity demand.

At the same time, the government must continue more robust financial and technical programs for oil and gas exploration. An integrated Energy System Master Plan addressing all critical issues, including biogas development and coal mining, should be initiated without delay to ensure long-term energy security and economic resilience. EP

Mohammad Mosharraf Hossain
Former Chairman of Petrobangla and BERC

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Clarity In Labor Law Can Unlock FDI

Mollah Amzad Hossain

Yet foreign investors consistently raise concerns about policy ambiguity, particularly regarding labor compliance obligations for wholly foreign-owned companies.

As Bangladesh moves toward LDC graduation amid rising domestic demand and an increasingly competitive global manufacturing landscape, foreign direct investment (FDI) has become more critical than ever. Large infrastructure projects, capital-intensive industries, and oil and gas exploration all depend on steady inflows of long-term capital, technology transfer, and institutional expertise. Yet despite steady economic growth, Bangladesh continues to lag behind regional peers in attracting meaningful volumes of FDI.

In the most recent fiscal year, Bangladesh received less than USD 2.0 billion in net FDI inflows. By contrast, Vietnam attracted more than USD 18 billion, while Indonesia exceeded USD 20 billion, despite Bangladesh's comparable labor-cost advantages and market potential. The gap highlights a deeper issue: investors today prioritize regulatory certainty over promotional narratives.

Investors increasingly compare regulatory environments rather than marketing slogans. Vietnam has sustained strong FDI inflows for more than two decades, largely because investors understand the rules of engagement and can rely on stable and predictable labor and fiscal regimes. Malaysia and Indonesia have followed a similar path. Bangladesh, meanwhile, has a large and youthful labor force, a strong RMG and textile export legacy, and a strategic geographic position between South and Southeast Asia. Yet foreign investors consistently raise concerns about policy ambiguity, particularly regarding labor compliance obligations for wholly foreign-owned companies.

A prominent example is the Workers' Profit Participation Fund (WPPF) under Section 232 of the Bangladesh Labor Act, 2006. The WPPF was designed to ensure that a portion of corporate profits is shared with workers, a reasonable principle in a labor-intensive economy. Recognizing the

distinct nature of fully foreign exchange–investing companies, the Labor Act was amended in 2013 to allow a tailored mechanism "instead of WPPF." However, more than a decade later, the specific rules envisaged under Section 232 have yet to be issued. The result is a persistent legal and regulatory vacuum.

The impact of this uncertainty is tangible. Investors frequently cite ambiguity around labor obligations and the risk that regulatory interpretations may change after investment decisions are made. A multinational energy or technology company may already offer above-market salaries, global benefits, private health insurance, international training, and performance-based compensation. From their perspective, undefined WPPF obligations represent overlapping labor costs and poorly defined compliance risks, especially if enforcement varies across agencies or evolves. Few international investors are willing to commit capital for 20 years without clarity on how regulations will be applied five years down the line.

This issue extends well beyond a single sector. Capital-intensive industries such as energy, pharmaceuticals, petrochemicals, ports, technology parks, and even RMG backward linkages all depend on long-term investment backed by international balance sheets. Yet foreign investment across Bangladesh's broader manufacturing and industrial ecosystem remains modest compared with Vietnam, Cambodia, or China's extended manufacturing belt.

The most recent offshore bidding round illustrates the problem. While geological complexity, global energy prices, and contract terms played important roles, industry feedback suggests that unresolved regulatory issues, including uncertainty surrounding labor obligations such as WPPF treatment for fully foreign exchange–investing companies, also factored into investors' risk assessments. In high-stakes sectors like offshore energy, even secondary uncertainties can tilt investment decisions elsewhere.

For the government, clarifying Section 232 is not about weakening worker protections. On the contrary, it offers an opportunity to strengthen them. One practical approach would be to mirror the existing framework for 100 percent export-oriented enterprises, where firms make a clear, fixed annual contribution to a national workers' welfare fund instead of firm-level WPPF distributions. Such a model would enhance predictability for investors while expanding welfare coverage to a broader group of workers.

Policymakers now have a chance to convert ambiguity into assurance. A time-bound, tripartite process involving government agencies, worker representatives, and foreign exchange–investing companies could finalize a transparent, durable, and enforceable rule. This would signal that Bangladesh is serious about regulatory reform that balances investor confidence with labor welfare.

As global capital becomes more cautious and competition for investment intensifies, Bangladesh cannot afford to lose opportunities due to avoidable uncertainty. Clarifying Section 232 is not merely a technical labor-law adjustment – it is a strategic signal that Bangladesh intends to compete credibly and sustainably for the next generation of global investment. EP

Import Reliance, Sectoral Debt and LNG Spending Threaten Energy Security: CPD

Import dependency in the power and energy sector is increasing, the Centre for Policy Dialogue (CPD) said on 10 January, warning that this trend poses significant risks for long-term energy security.

The observation came during CPD's independent review of the state of the Bangladesh economy for the first half of FY2025–26, presented at a press conference in Dhaka.

CPD noted that the sector is facing multiple pressures, including a debt burden of Tk20,000 crore that must be repaid, stagnant production capacity, and a continued reliance on imported fuel.

According to the organization, the overall energy mix remains unchanged, while dependency on imported LNG is rising sharply.

It said Tk58,000 crore is expected to be spent on LNG imports alone, a situation CPD described as a matter of grave concern for energy security.

The independent think tank pointed out that transmission lines have increased by 12.5% and distribution lines by 1.25%, with some growth in renewable-based generation.

SS Power Threatens Shutdown from Jan 16 Due to Non-Payment of Dues

The S S Power Limited situated at Banshkhali has threatened to go into shut down from January 16 if their overdue bill is not settled by January 15.

In a letter to the Bangladesh Power Development Board (BPDB), the SS Power Limited said that it would be forced to shut down at least one unit unless overdue payments are settled by January 15. According to S S Power sources, the total dues amount to Taka 4000 crore. If the BPDB fails to make payment within the stipulated time, the SS Power would go into shut down.

As result, the country could face disruption, raising the risk of load-shedding at the advent of the year 2026.

BPDB sources said that even a partial shutdown of the S S coal-fired power plant which regularly generate over 1,200 MW daily, would create an instant supply gap, despite lower electricity demand during the winter season.

Govt Unveils 25-Year Power, Energy Master Plan

The government has unveiled a new 25-year power and energy master plan, to be implemented from 2026 to 2050.

According to a recent press release from the chief adviser's press wing, implementing the plan will require an estimated $177 billion to $192 billion. Muhammad Fouzul Kabir Khan, adviser to the Ministry of Power, Energy and Mineral Resources, submitted the master plan to Chief Adviser Prof Muhammad Yunus at State House Jamuna in presence of several advisers and senior officials.

Policy gaps in the previous three master plans -- prepared in 2005, 2010, and revised in 2016 -- were identified and briefly reviewed during the meeting, the release added.

The new plan projects peak electricity demand of 59,000 megawatts (MW) by 2050, compared to 70,500 MW in the 2023 plan. Current demand is around 16,700 MW. The 2023 integrated power and energy master plan, prepared with JICA's support, was criticized by local experts for overestimating demand and including high-cost fuel sources. Following the formation of the interim government, various quarters called for a review with input from local experts.

BPC Retenders SPM O&M Contract

The government has renewed efforts to appoint a contractor for the operation and maintenance (O&M) and marine services of Bangladesh's first single-point mooring (SPM) for a five-year period.

The Tk 80-billion facility, a flagship energy infrastructure project that has remained idle despite being completed more than a year ago, is seen as critical to reducing fuel import costs and improving energy logistics.

State-run Bangladesh Petroleum Corporation (BPC) has floated an international tender for the second time after scrapping an earlier bid over pricing concerns. The deadline for bid submission has been set for February 1.

Officials say the prolonged delay in operationalizing the SPM is forcing the country to incur additional costs by continuing to rely on lighter vessels to transport fuel from offshore tankers.

BCIC Seeks Stable Gas Supply to Keep Factories Operational

The state-run BCIC has sought an uninterrupted supply of at least 197 million cubic feet of gas per day (MMCFD) to keep four urea fertilizer factories operational for 11 consecutive months.

The Bangladesh Chemical Industries Corporation (BCIC) recently made a proposal to the Ministry of Industries (MoI) for taking its necessary steps to this effect in line with the recommendations of a committee formed by the Energy and Mineral Resources Division.

The corporation has also requested the authorities to amend Clause 10.3 of BERC (Bangladesh Energy Regulatory Commission) Order No. 2023/20 in order to raise the guaranteed daily gas supply to 197 MMCFD from 140 MMCFD for the sake of uninterrupted fertilizer production. The BCIC, operating under the industries ministry, runs seven fertilizer factories.

Urea fertilizer alone accounts for nearly 80 per cent of BCIC's overall output, sources said, adding that the corporation currently runs five urea fertilizer plants, all of them heavily dependent on natural gas as their primary raw material.

Due to a severe gas crisis in the country, an uninterrupted gas supply to most urea factories remained largely unavailable since 2007-08.

Gas supply remains suspended between April and November each year, forcing the BCIC fertilizer plants to shut their production for extended periods routinely, it was learnt.

LNG Imports from Long-Term Suppliers to Rise 54pc in 2026

Bangladesh's liquefied natural gas (LNG) imports from long-term suppliers will surge to 86 cargoes, up by 53.57 per cent, in 2026 as three long-term sales and purchase agreements (SPAs) become effective from January, sources said.

In 2025, state-run Petrobangla imported a total of 56 LNG cargoes from two long-term suppliers, according to official data from Rupantarita Prakritik Gas Company Ltd (RPGCL).

In the new year, the country will import 56 LNG cargoes from its existing two long-term suppliers – QatarEnergy and OQ Trading – and 30 additional cargoes under three new SPAs: two with QatarEnergy and OQ Trading and one with US-based Excelerate Energy, a senior Petrobangla official said.

BPDB Warns of Immediate Load-Shedding Risk as Power Payment Crisis Deepens

The Bangladesh Power Development Board (BPDB) has warned that electricity supply could face immediate disruption, raising the risk of load-shedding, if generation from SS Power I Limited is suspended due to unpaid bills exceeding Tk4,000 crore.

BPDB officials acknowledged that even a partial shutdown of the coal-fired power plant, which supplies over 1,100 megawatts to the national grid, would create an instant supply gap, despite lower electricity demand during the winter season.

The warning comes after SS Power informed BPDB that persistent payment delays have severely strained its operations, limiting its ability to procure coal, spare parts and other essentials. In a letter, the company said it would be forced to shut down at least one unit unless overdue payments are settled by 15 January.

BPDB officials stressed that the loss of reliable baseload generation at this stage would significantly heighten the risk of load-shedding, particularly as alternative sources are already stretched.

Govt Expects 143 MMCFD Gas from 11 Wells

As part of its efforts to meet the country's growing energy demand, Petrobangla is working to supply 143 million cubic feet per day (mmcfd) of gas through the exploration and workover of 11 wells in different gas fields.

"Upon the successful completion of drilling and workover operations of 11 wells simultaneously, about 143 mmcfd of gas is expected to be supplied to the national pipeline," Petrobangla Spokesperson Tariqul Islam Khan said recently.

Khan, who is also Deputy General Manager (Public Relations) of Petrobangla, said that Bangladesh Petroleum Exploration and Production Company Limited (BAPEX) has been carrying out drilling and workover activities as part of its exploration program.

Drilling and workover operations are underway at 11 wells, including Sylhet-10, Sylhet-11, Rashidpur-11, Srikail-5, Habiganj-5, Kailashtila-1, Beanibazar-2 and Semutang-6, he said.

Rooppur Unit 1 Nears Power Generation, Grid Connection Likely in March-April

Bangladesh's first nuclear power plant is now approaching the power generation stage, with fuel loading at Unit 1 of the Rooppur Nuclear Power Project likely to begin in early February, project officials said.

If the process moves ahead as planned, trial electricity generation could start between early March and late April, allowing partial power to be fed into the national grid for the first time, they added. Officials, however, cautioned that the highly sensitive and safety-critical nature of nuclear operations means the plant will not immediately reach full capacity.

According to the operational roadmap, it may take another eight to ten months after physical startup to gradually scale up generation to the full 1,200 megawatts. If everything proceeds as planned, full commercial production from the first unit may be possible by mid-2026.

Any technical anomaly detected during fuel loading, reactor startup or trial operations could lead to adjustments in the timeline, they said, noting that safety and quality assurance are being prioritised over speed at every stage of the commissioning process.

BPC Plans 40,000-tonne LPG Plant amid Growing Demand

Citing rapidly rising demand for LPG cylinders, BPC has requested 50 acres of unused land owned by the Water Development Board (WDB) in the city's South Kattoli area to establish a plant with an annual capacity of 40,000 tonnes.

The proposed site, close to Chattogram port, is seen as strategically advantageous. The Energy and Mineral Resources Division recently wrote to the Ministry of Water Resources seeking allocation of the land at market or mouza value.

In its letter, signed by Deputy Secretary Shahadat Hossain, the division said WDB owns two unused plots in South Kattoli – one of 25 acres and another of 33.51 acres – previously acquired but not used for their intended purpose.

"For ensuring energy security and environmentally friendly, affordable fuel supply, we request consideration for allocating 50 acres of this land in favour of BPC," the letter stated.

Advisory Council Committee Recommends Deal with Swiss Company for LNG Supply

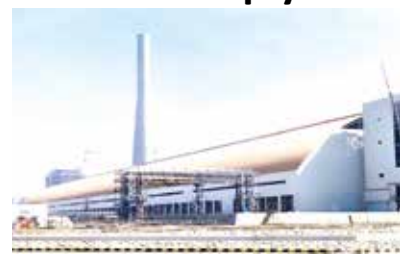
The Advisers Council Committee on Economic Affairs recently recommended approving a proposal in principle submitted by SOCAR Trading SA, Switzerland for the short-term supply of Liquefied Natural Gas (LNG).

The recommendation came from the 41st meeting of the Advisers Council Committee on Economic Affairs in this year held virtually with Finance Adviser Dr Salehuddin Ahmed in the chair.

The proposal was considered for processing under the Government-to-Government (G2G) procurement method in line with Section 68 of the Public Procurement Act, 2006 and Rules 99(2) and 107(2) of the Public Procurement Rules, 2025.

The proposal was placed by the Energy and Mineral Resources Division. After detailed discussion, the committee recommended approving the proposal in principle.

Matarbari Plant's Power Generation Falls Sharply



The Matarbari Ultra Super Critical Coal-Fired Power Project continues to struggle with serious technical and operational issues that have significantly reduced power generation and triggered mounting financial losses, according to a recent review meeting at the Economic Relations Division (ERD).

Amid ongoing unresolved technical disputes and stalled corrective work, the plant's power availability has plunged to 47% for Unit-1 and 53.6% for Unit-2, prompting officials to describe the situation as causing "huge financial losses".

Officials from the Coal Power Generation Company Bangladesh Limited reported that since early this year the facility has been hampered by severe ash slagging and fouling inside the boilers, sharply reducing its operating capacity. Despite repeated requests to the Engineering, Procurement and Construction contractor, Sumitomo-Toshiba-IHI Consortium (STIC), no effective actions have been taken to restore full boiler functionality.

AIIB to Lend $881m for Modernizing BREB's Power Supply Networks

The Asian Infrastructure Investment Bank (AIIB) is set to provide US$881 million to help modernize electricity distribution networks in four divisions, aiming to enhance the reliability and efficiency of power supply for nearly 18 million consumers under the Bangladesh Rural Electrification Board (BREB).

To this effect, the Power Division has proposed two projects with a combined cost of Tk 152.26 billion to construct and modernize around 49,500-kilometre distribution lines, along with the installation and augmentation of substations, having a total capacity of 3,447 megavolt-amperes (MVA).

The initiatives aim to introduce Supervisory Control and Data Acquisition (SCADA) systems and other modernization measures across BREB networks in Rajshahi, Rangpur, Chattogram and Sylhet divisions, officials at the Planning Commission (PC) and the Economic Relations Division (ERD) confirmed.

Rampal Power Plant Tops IPP Generation for Second Straight Month

The Maitree Super Thermal Power Project at Rampal in Bagerhat supplied 640 million kilowatt-hours (MkWh) of electricity to the national grid in December 2025, emerging as the highest electricity generator among Independent Power Producers (IPPs) during the month.

Maitree accounted for 11.5 percent of the country's total net electricity generation of 5,531 million units, marking the second consecutive month in which the plant achieved this distinction—highlighting its consistent and reliable operational performance.

Fuel security at the plant has improved significantly in recent months. Approximately 800,000 metric tons of coal were unloaded over the past two months, while the plant maintained a coal stock of nearly 200,000 tons, ensuring uninterrupted power generation, including during the upcoming holy month of Ramadan.

Global Coal Demand Reaches a Plateau, may Decline Slightly by 2030

Global coal demand is forecast to edge down through the end of this decade as competition intensifies with other power sources – including renewables, natural gas and nuclear – according to the 2025 edition of the IEA's annual market report.

Coal 2025, out recently, explores current market dynamics and provides forecasts through 2030 for demand, supply and trade at the global and regional level. It also examines key trends in investment, costs and pricing.

The report finds that global coal demand is on course to rise by 0.5% in 2025, reaching a record 8.85 billion tonnes. In several major markets, consumption patterns diverged from their recent trends.

In India, an early and intense monsoon season resulted in a decline in annual coal use for only the third time in five decades. In the United States, higher natural gas prices and policy measures that slowed coal plant retirements lifted coal consumption, which had been on a downward trajectory for the previous 15 years.

BERC-BUET Sign Deal to Study Residential Gas Consumption

The Bangladesh Energy Regulatory Commission (BERC) and the Bangladesh University of Engineering and Technology (BUET) have signed an agreement to conduct a study on gas consumption by unmetered residential consumers.

Under the study, BUET will install 2,000 prepaid gas meters on a random basis to assess actual gas usage by residential customers. The agreement was signed on 6 January at the BERC conference room.

The signing ceremony was attended by BERC Chairman Jalal Ahmed, Commission Members Md. Abdur Razzak, Md. Mizanur Rahman, Dr. Syeda Sultana Razia, and Brigadier General (Retd.) Mohammad Shahid Sarwar, along with senior officials from both BERC and BUET.

The findings of the BUET study are expected to play a decisive role in resolving the long-standing debate over gas consumption by unmetered residential users.

Green page

Paramount Textile to Add Solar Power as New Revenue Stream

Paramount Textile is going to diversify into solar power generation, expecting nearly Tk 3.07 billion in revenue from solar plants over 20 years from FY28.

The fabric producer, one of the most profitable textile companies among those listed, made the disclosure recently.

The new possible revenue stream is more than 25 per cent of revenue in FY25. The company earned Tk 12.26 billion in revenue and secured Tk 1.21 billion in net profit, with a 9.90 per cent profit margin.

According to the disclosure, Paramount Textile and Paramount Holdings were jointly awarded the project to develop four solar plants at different locations across the country, with a combined capacity of 295 megawatts.

The company also informed that the joint venture partners had received the Notification of Award (NOA) from the Bangladesh Power Development Board (BPDB), issued under the Public Procurement Rules 2008.

The Power Purchase Contract (PPC) will be executed within 28 days from the date of the NOA, and the project implementation period is two years from the date of the PPC.

Renewables Hit by Fossil Fuel Dominance: Report

Continued strategic dominance of and heavy reliance on fossil fuels remain the primary obstacles to the expansion of renewable energy-based power generation, according to a new research report. Governance deficits, policy neglect, and collusion by vested interest groups are exacerbating long-term environmental and economic risks in the renewable energy sector, it said.

This alarming picture has emerged from the report titled "Generating Power from Renewable Energy in Bangladesh: Governance Challenges and Way Forward", unveiled by Transparency International Bangladesh (TIB) at a press conference at its Dhanmondi office recently.

TIB Executive Director Dr Iftekharuzzaman, Adviser and Executive Management Prof Dr Sumaiya Khair, and Director of the Research and Policy Division Muhammad Bodiuzzaman were present at the event.

Bangladesh Seeks Contractors for 220 MW Solar Project

Bangladesh's EGCB is inviting construction and consulting firms interested in working on the 220 MW Sonagazi solar project to contact the company for further details. A closing date has not been published.

The 220 MW Sonagazi plant, approved earlier this month, will be built in southeast Bangladesh near an existing 75 MW facility.

Once completed, it will be the country's largest solar power project to date.

The procurement notice says the project comprises both the construction of the solar power plant and consultancy services, including design review, supervision, and monitoring. Construction works cover the design, supply, installation, testing, and commissioning under an engineering, procurement and construction (EPC) contract.

The project will be jointly financed by the government of Bangladesh, EGCB, and the Islamic Development Bank, which has committed $143.28 million. Eligible firms interested in providing goods, works, or consulting services should contact EGCB; no closing date has been set.

Bangladesh, Germany Sign €21.77m Grant Agreement for Five Development Projects

The Governments of Bangladesh and Germany have signed grant agreements worth a total of €21.77 million for five development projects proposed by GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit).

The projects include Policy Advisory for Promoting Energy Efficiency and Renewable Energy (PAP) II, Strengthening Urban Integration Capacities of Internally Displaced Persons and Supporting Host Communities (INTEGRATE), Professional Education in Industrial and Environmental Safety (PRECISE), Green Room Air-Conditioning (GRACE), and Digital Skills to Succeed in Asia (DS2S).

The agreements were signed recently at the Economic Relations Division (ERD) in Sher-e-Bangla Nagar, Dhaka. On behalf of the Government of Bangladesh, Md Shahriar Kader Siddiky, Secretary of ERD, signed the agreements, while Mr Heinrich-Juergen Schilling, Country Director of GIZ Dhaka Office, signed on behalf of the German Government.

The PAP II project will be implemented under the Power Division of the Ministry of Power, Energy and Mineral Resources from 1 August 2025 to 31 July 2029.

IDCOL Supports Underprivileged Children's Educational Program UCEP

Infrastructure Development Company Limited (IDCOL), as part of its Corporate Social Responsibility (CSR) initiatives, has contributed a significant amount to UCEP Bangladesh to support the education and skill development of underprivileged children.

On behalf of IDCOL, Mr. Alamgir Morshed, Executive Director & CEO, IDCOL, handed over the cheque to Mr. Md. Abdul Karim, PhD, Executive Director, UCEP Bangladesh, at a ceremony held at IDCOL's office premises on 28 December 2025. Senior officials from both IDCOL and UCEP Bangladesh were present at the event.

Established in 1972 by New Zealander Lindsay Allan Cheyne, UCEP Bangladesh is a non-governmental organization working under the motto "Help to Learn, Skills to Earn." It provides Second Chance Education and TVET to out-of-school children, youth, and adults, with a strong focus on social inclusion for females and underprivileged communities, contributing to the global "Leave No One Behind" agenda.

Greenpage

China to Abolish Solar Export Tax Rebates in April

China will eliminate value-added tax (VAT) export rebates for photovoltaic products from April 1, 2026, according to a joint notice released on Jan. 9 by the Ministry of Finance of the People's Republic of China and the State Taxation Administration.

Under the policy adjustment, VAT export rebates for solar products will be fully removed from April 1, 2026. For battery products, the export rebate rate will be cut from 9% to 6% between April 1 and Dec. 31, 2026, before being eliminated entirely from Jan. 1, 2027.

The published product lists indicate that the solar category covers monocrystalline silicon wafers with diameters above 15.24 cm, both above and below 220 micrometers in thickness, which are doped for electronic industry use.

Industry sources note that most mainstream PV wafers currently produced fall within this definition. The list also includes unassembled solar cells and finished photovoltaic modules.

The battery category extends beyond lithium-ion batteries and battery packs to include other energy storage technologies, such as all-vanadium redox flow batteries. It also encompasses key upstream materials used in lithium-based batteries, including lithium hexafluorophosphate, lithium manganate, lithium cobalt oxide, and lithium nickel cobalt manganese oxides.

This marks the second major adjustment to China's export rebate regime for solar and battery products in just over a year. In the previous round, announced on Nov. 15, 2024, and implemented from Dec. 1, 2024, export rebate rates for selected refined oil products, solar equipment, batteries, and certain non-metallic mineral products were reduced from 13% to 9%.

Asia Energy Storage to Accelerate in 2026

Stronger government signals and new industry initiatives to support energy storage systems (ESS) in Asia-Pacific are set to accelerate deployments, creating ripple effects across the battery and lithium market in 2026 as participants eye a new growth engine. ESS deployment remains uneven across Asia-Pacific. China accounts for 88pc of the region's 85GW capacity in 2024, according to industry group Energy Institute. The remainder is concentrated mainly in Australia and South Korea.

These countries aim to scale up ESS buildout further. China is targeting 180GW of capacity by 2027, while South Korea plans to reach 2.22GW capacity by 2029. Australia has committed A$500mn ($337.75mn) to expanding local battery manufacturing. Other Asian nations are also picking up pace. Vietnam is targeting up to 16.3GW of ESS by 2030, while Malaysia launched its first 400MW auction this year.

Governments are increasingly supporting integrated renewables and battery projects. India and the Philippines awarded such projects this year; Australia is auctioning dispatchable clean power contracts, and Malaysia intends to do this year, according to lawmakers.

India's Energy Storage Market Set for Breakout Year in 2026

India's energy storage system industry is expected to move from tendering to execution in 2026, according to a new report from the India Energy Storage Alliance (IESA). As of Dec. 31, 2025, a total of 224 GWh of energy storage capacity had been tendered, comprising 92 GWh of battery energy storage systems and 132 GWh of pumped hydro storage. Of that total, 95 GWh is in various stages of execution, 80 GWh remains under tender, and 47 GWh of tenders have been canceled.

The report notes that 2025 marked an unprecedented year for tendering activity, with 69 tenders totaling 102 GWh issued during the year. That volume was nearly equal to the combined total of tenders issued between 2018 and 2024. Projects awarded since mid-2023 are expected to begin commissioning in 2026, in line with standard project development timelines of 18 to 24 months.

"All eyes will remain on whether the performance of these projects is in line with what was committed," said Debmalya Sen, president of IESA. "2026 will be the year when a number of projects enter the operational phase. The next challenge is financing these projects, especially those with low tariffs."

Greenpage

Türkiye Installs 4.7 GW of Solar in 2025

Türkiye deployed 4,694 MW of new solar in 2025, according to data from the country's national transmission system operator TEİAŞ, taking cumulative solar capacity to 24,795 MW.

Although down on the record amount of solar deployed in 2024, 2025's figures represent continued momentum for Türkiye's solar market, after 3.1 GW was added in the first half of the year and the country surpassed its annual deployment target by the end of June.

Unlicensed power plants generating electricity for self-consumption made up 4,175 MW of added solar in 2025 and now account for a total 22,255 MW.

Bahadır Sercan Gümüş, energy analyst at Ember, told pv magazine the share of residential solar in this figure is "negligibly small", meaning nearly all of the unlicensed solar capacity in 2025 came from the C&I segment.

Gümüş explained that through most of 2025, businesses benefited from a policy mechanism that allowed solar power plants for self-consumption to be located in a different location from the consumption point.

পাওয়ার গ্রিড বাংলাদেশ পিএলসি
POWER GRID BANGLADESH PLC

(An Enterprise of Bangladesh Power Development Board)

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মানসম্পন্ন বিদ্যুৎ নিরবচ্ছিন্নভাবে দেশের সকল মানুষের নিকট পৌঁছে দেয়াই আমাদের অঙ্গীকার

- গ্রিড উপকেন্দ্র, গ্রিড লাইন ও টাওয়ার জাতীয় সম্পদ, তা রক্ষা করা সকলের দায়িত্ব।
- গ্রিড উপকেন্দ্র, সঞ্চালন লাইন ও বৈদ্যুতিক টাওয়ারের গুরুত্বপূর্ণ যন্ত্রাংশ চুরি প্রতিরোধে সহায়তা করুন, বিদ্যুৎ বিপর্যয় থেকে দেশকে বাঁচান।
- উচ্চ ভোল্টেজের বৈদ্যুতিক টাওয়ার ও লাইন হতে নিরাপদ দূরত্ব বজায় রাখুন।
- বিদ্যুতের গ্রিড লাইন ও টাওয়ার হতে নিরাপদ দূরত্বে স্থাপনা নির্মাণ করুন।
- বৃক্ষ রোপনে গ্রিড লাইন ও টাওয়ার হতে নিরাপদ দূরত্বে স্থান নির্বাচন করুন।
- বিদ্যুৎ ব্যবহারে সাশ্রয়ী হোন। আপনি বিদ্যুৎ সাশ্রয় করলে তা অন্য একজন ব্যবহার করতে পারে। এমনকি সাশ্রয়কৃত বিদ্যুৎ গুরুতর অসুস্থ কারও জীবন বাঁচানোর কাজে লাগতে পারে।
- বিদ্যুৎ অপচয় রোধে সচেতনভাবে ফ্যান, বাতি ও অন্যান্য বৈদ্যুতিক যন্ত্রপাতি ব্যবহার করুন।
- বিদ্যুৎ সাশ্রয়ী (LED/CFL/T5) বাল্ব ব্যবহার করুন।
- যথাসম্ভব দিনের আলো ব্যবহার করুন।
- বিকাল ৫:০০ টা হতে রাত ১১:০০ টা পর্যন্ত সময়ে বিদ্যুতের চাহিদা বেশী থাকে। এ সময় দোকান, শপিংমল, বাসা-বাড়ীতে আলোকসজ্জা হতে বিরত থাকুন।

Bangladesh Moves Toward Its First National Climate Finance Strategy

Bangladesh has taken a major step towards its first National Climate Finance Strategy, aiming to bridge the gap between ambitious climate commitments and the financing needed to protect vulnerable communities.

Through a series of nationwide consultations, from November to December 2025, convened by the Finance Division, with UNDP providing technical assistance and financing from Agence Française de Développement (AFD) under the Inclusive Budgeting and Financing for Climate Resilience (IBFCR II) project, the country is laying the foundation for a comprehensive roadmap to mobilize and manage climate finance at scale.

Climate finance is increasingly woven into Bangladesh's public financial management systems, and these dialogues will further deepen that integration and unlock new investment streams for resilience.

Climate Change Intensifies Drought Risks in Barind Region: Experts

The vast Barind region is facing increasingly unpredictable droughts due to inadequate and uneven rainfall, affecting the timing of monsoon onset and withdrawal, experts said.

Sharing his observations, Prof Niamul Bari of the Department of Civil Engineering at Rajshahi University of Engineering and Technology (RUET) said the Barind region is among the worst drought-hit areas of the country, with the number of consecutive dry days and temperature steadily rising over the last three decades.

He said drought episodes have become more erratic due to climate change, a trend that is likely to intensify in the coming years, creating severe challenges for vulnerable communities.

During prolonged dry spells, most surface water sources dry up, leaving people without sufficient water for drinking, sanitation and agriculture, he added. The human cost of drought includes increased disease incidence, particularly among children, malnutrition caused by crop failure, rising poverty and hindered socio-economic development, Prof Bari noted.

Prof Chowdhury Sarwar Jahan of the Department of Geology and Mining at Rajshahi University said the Barind region receives an average annual rainfall of about 1,400 millimeters, significantly lower than the national average of around 2,300 millimeters.

Experts Say Oceans Soaked Up Record Heat Levels in 2025

The world's oceans absorbed a record amount of heat in 2025, an international team of scientists said recently, further priming conditions for sea level rise, violent storms, and coral death.

The heat that has accumulated in the oceans last year increased by approximately 23 zettajoules – an amount equivalent to nearly four decades of global primary energy consumption.

This finding -- published in the journal Advances in Atmospheric Sciences -- was the highest reading of any year since modern record keeping began in the early 1950s, researchers said. To derive these calculations, more than 50 scientists from 31 research institutions used multiple sources including a thousands-strong fleet of floating robots that track ocean changes to depths of 2,000 meters.

Environmentalists Question Feasibility of Aminbazar Waste-to-Energy Project

Environmental activists and local residents urged authorities concerned to scrap a proposed waste-to-energy power plant at Aminbazar on the outskirt of the Dhaka city, citing health risks, high costs and environment pollution.

On the second day of a series of protests held on Monday in Aminbazar, speakers warned that the planned 42.5-megawatt facility would expose millions of residents to long-term health hazards while compelling the government to expensive electricity purchases for decades.

The Dhaka North waste-based plant is backed by China Machinery Engineering Corporation, a subsidiary of Sinomach, and is designed as a 25-year independent power producer under agreements signed with Bangladeshi authorities in 2021.

The project would require at least 3,000 tonnes of municipal waste a day to operate.

IRENA Assembly Charts Bold Energy Transition Agenda for 2026

The 16th International Renewable Energy Agency (IRENA) Assembly convened from 10-12 January 2026 in Abu Dhabi, marking the first international energy meeting of the year.

Under the theme 'Powering Humanity: Renewable Energy for Shared Prosperity', the global gathering brought together 1,500 ministers and high-level delegates from IRENA's 171 Member States, CEOs, investors, international organizations and youth to build a shared agenda and international cooperation priorities for a better energy future the international community can rally in 2026.

Key discussions focused on regional energy transitions, critical enablers like grids, energy planning, digital innovation and Artificial Intelligence (AI), mobilizing finance including sustainable aviation fuels as well as the question of how renewables can boost agri-foods systems and green industrialization.

Bangladesh Among Countries Least Equipped to Manage Climate Risks

A new report has identified a stark disparity in climate vulnerability and financial capacity; and countries highly exposed to climate effects, including Bangladesh, Bhutan, India, Myanmar, Nepal and Pakistan are the least equipped to manage these risks.

The report, 'Climate Finance Synthesis Report: Needs, Flow and Gaps in the Hindu Kush Himalaya Countries', was launched at the 'Enhancing Climate Actions in the Hindu Kush Himalaya' conference held in Paro, Bhutan recently.

Afghanistan and Bangladesh face significant challenges, with the lowest readiness scores (0.214 and 0.207) and higher vulnerability (0.586 and 0.554).

India, Nepal, Myanmar and Pakistan show moderate levels of readiness and vulnerability, reflecting a mix of capacities and risks across the region.

German Climate Goals at Risk as Emissions Cuts Slow: Study

The pace of German greenhouse gas emissions cuts slowed further in 2025, putting in jeopardy climate goals in Europe's biggest economy, a think tank warned recently.

Emissions fell by 1.5 percent in 2025 from the previous year, according to a study by Agora Energiewende, compared to a three-percent drop in 2024 and 10 percent the year before that.

"At the current rate of reduction, there will still be a climate protection gap with regard to 2030," said the study. By 2030, Germany aims to reduce its emissions by 65 percent compared to 1990 levels.

To achieve its goals, Germany will have to cut its emissions four times faster than it did last year from 2026 onwards, Agora warned.

Last year's emissions cuts were driven by falls in energy-intensive industries, many of which are struggling as the economy stagnates, and record solar power generation.

Regional Temperature Records Broken Across World in 2025

Central Asia, the Sahel region and northern Europe experienced their hottest year on record in 2025, according to an analysis based on data from the European Copernicus program.

Globally, the last 12 months are expected to be the third hottest ever recorded after 2024 and 2023, according to the provisional data, which will be confirmed by Copernicus in its annual report in early January. But the average, which includes land and oceans, masks overall records for certain parts of the world.

Many poorer nations do not publish detailed climate data, so AFP has completed the global picture by independently analysing Copernicus data from climate models, measurements from about 20 satellites, and weather stations.

The data spans the whole world, hour by hour, since 1970.

Nature Conservation Award 2025 Ceremony Held

Syeda Rizwana Hasan, Adviser to the Ministry of Environment, Forest and Climate Change; the Ministry of Water Resources; and the Ministry of Information and Broadcasting, said that courageous and responsible institutions working for the welfare of nature and people are what the country needs most.

She noted that the government alone cannot reach every corner of society, and such institutions are the government's strongest partners. She emphasized that institutions delivering doorstep services at the grassroots level in areas such as healthcare, environmental conservation, and the protection of culture and heritage must work in close coordination with all government agencies. The Environment Adviser made these remarks recently while speaking as the chief guest at a program jointly organized by the Nature and Life Foundation and Channel i at Chetana Chattar of Channel i in the capital.

At the event, in recognition of her long-standing outstanding contributions to nature, the environment, and the lives of marginalized people in Bangladesh, the 'Nature and Life Foundation–Channel i Nature Conservation Award 2025' was presented to Runa Khan, Founder and Executive Director of the social development organization Friendship.

Adani Green Energy Commissions 307.4 MW of Renewables in India

Adani Green Energy Ltd. (AGEL) has commissioned an aggregate 307.4 MW of renewable energy capacity at Khavda in Gujarat, India.

AGEL has commissioned a combined 307.4 MW of renewable energy capacity at its Khavda site in the Indian state of Gujarat, expanding its operational clean energy portfolio. With the operationalization of these projects, AGEL's total operational renewable

generation capacity has risen to 17,237.2 MW.

The newly commissioned capacity comprises 100 MW of solar power, 176 MW of hybrid renewables capacity, and 31.4 MW of wind power.

Australia Declares State of Disaster as Bushfires Rage

Australian authorities declared a state of disaster on Saturday after bushfires destroyed houses and razed vast belts of forest in the country's southeast.

Temperatures soared past 40C as a heatwave blanketed the state of Victoria this week, with hot winds fanning some of the most dangerous fire weather seen since the Black Summer bushfires of 2019-2020.

One of the most destructive bushfires ripped through almost 150,000 hectares (370,000 acres) near Longwood, a region cloaked in native forests.

Fire crews have started tallying the damage, with early reports of at least 20 houses destroyed in the small town of Ruffy, about two hours' drive north of state capital Melbourne.

State premier Jacinta Allan on Saturday declared a state of disaster, giving fire crews emergency powers to force evacuations.

"It's all about one thing: protecting Victorian lives," she said.

Russia Launches 4 GWh Annual Capacity Lithium-Lon Battery Plant

Rosatom's Fuel Division, managed by TVEL, has launched pilot production at Russia's first lithium-ion energy storage factory, "gigafactory" in the Kaliningrad Region. The facility marks a major step toward ensuring Russia's technological independence in advanced energy storage technologies.

With an annual production capacity of 4 gigawatt-hours, the gigafactory is the country's only large-scale facility producing lithium-ion batteries. It covers the full production cycle, from cell chemistry to finished modules and complete battery systems.

At full capacity, the plant can produce approximately 1.5 million charging modules or 50,000 traction batteries annually for electric vehicles.

Energy storage systems are a rapidly growing sector, used in electric cars, buses, trucks, industrial equipment, logistics, mining, and power infrastructure. They also support uninterrupted power supply, load balancing, and electricity cost optimization.

লাল তীর

কেমিক্যালের গন্ধমুক্ত অ্যারোসল

আর নাই ভয়
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RECOGNIZING LPG AS GREEN ENERGY IS A GAME-CHANGING DECISION

Granting green energy status to the LPG sector by the Energy Division, to ensure clean cooking for all, is a transformational and timely policy decision. Bringing LPG-sector loans under the Green Fund framework will significantly help secure investments in the sector and revive operators who have already become financially distressed. Ultimately, consumers will benefit from this initiative.

At the same time, if the government introduces a program to provide one LPG cylinder free of cost to each household, even while keeping LPG prices unsubsidized, it would be possible to bring 75–80 percent of households under clean cooking by 2030.

These views were expressed by Abu Sayeed Raza, Chief Marketing Officer (Sales & Marketing), Meghna Fresh LPG Limited, in a discussion with Energy & Power Editor Mollah Amzad Hossain.

How do you assess the recent LPG supply crisis in the domestic market? What preparations should be taken to prevent similar crises in the future?

Both domestic and international factors contributed to the current situation. During winter, monthly LPG demand in Bangladesh increases by 25,000–30,000 tonnes, starting from November. Due to market distortions, financial losses, and banking constraints, many operators lost their import capacity during this peak period.

In November, about 140,000 tonnes of LPG were imported, rising to 155,000 tonnes in December. Some operators even brought their December cargo forward into November. Imports in January are expected to remain between 130,000 and 150,000 tonnes. Although 23 operators have import facilities, only 5–6 companies were able to import LPG during this period.

In addition, US sanctions imposed on 48 companies and vessels involved in transporting products from sanctioned countries severely disrupted global LPG supply and shipping availability. This further constrained imports.

It should also be noted that operators have no direct control over retail pricing. Even when operators supplied LPG at regulated prices through rationing, shortages emerged at the retail level. Returning to normalcy may take until mid-February.

To prevent such crises in the future, the government must help ease operators' financial burdens and remove approval barriers for capable importers—steps that the Energy Division has already begun by allowing additional imports. Declaring LPG as green energy has also opened the door to concessional loans from the Green Fund.

In my view, alongside operators and LOAB, the Energy Division must actively monitor demand trends and ensure timely imports. At the same time, stronger market monitoring is essential to ensure consumers receive LPG at regulated prices.

Despite meetings between LOAB and the Energy Division and ongoing efforts by BERC, the cylinder shortage and high prices persist. How long will consumers continue to suffer?

Once a supply disruption occurs, it inevitably takes time to recover—especially for a strategic commodity like fuel. Due to the Energy Division's initiatives, the LPG dealers' strike has been withdrawn, and operators have received approval for additional imports.

However, the current level of supply is insufficient to meet total market demand. It may take 30 to 45 days for the situation to stabilize fully.

Although 56 companies received licenses to invest in the LPG sector, only 28 are currently active. Of the 23 companies with import and bottling infrastructure, only 6–7 are importing LPG. Why has this happened?

Bangladesh's LPG market has experienced intense competition. During normal times, 12-kg cylinders were often sold BDT 30–40 below BERC-fixed prices. To stay in business, many operators sold at minimal or zero profit.

As this trend continued for years, most operators became financially distressed. Without policy support to revive them, banks will face mounting non-performing loans, and long-term supply security will remain at risk.

Currently, Fresh, Omera, BM, Jamuna, Petromax, Delta, iGas, and Total can import LPG regularly. Another 7–8 companies import for six to seven months each year. The remaining operators have almost entirely lost their import capacity.

Some argue that excessive investment caused today's crisis, while others blame rising interest rates, currency depreciation, and inadequate cost reflection in BERC's pricing. How do you see this?

The claim of overinvestment is incorrect. Bangladesh currently has around 55 million LPG cylinders, along with bottling plants, import terminals, and transport infrastructure. The sector currently supplies 1.5–1.8 million tonnes annually, but its actual capacity exceeds 3.0 million tonnes.

However, BERC's pricing mechanism cannot fully reflect several cost factors. Operators had to purchase dollars at

Abu Sayeed Raza

If the entire LPG sector's investment is brought under the Green Fund, it would play a transformative role in reviving distressed operators. Additionally, the Energy Division has recommended reducing the 4.0 percent advance income tax at the import stage and the 7.5 percent VAT at the bottling stage.

rates higher than official benchmarks for extended periods, but these costs were not fully recognized in pricing. At the same time, bank interest rates increased sharply.

Moreover, to expand the market, operators subsidized up to 70 percent of cylinder costs. Combined with regulatory complexities and tax burdens, these factors significantly affected investors.

Without addressing these structural issues, financial stress in the sector will persist, undermining both supply security and consumer welfare.

Over the past 25 years, the LPG market has grown from just 40,000 tonnes annually to between 1.3 and 1.8 million tonnes. How do you assess the future growth of demand in the domestic market? And beyond residential use, how much potential do you see for expansion in autogas and industrial applications?

Bangladesh has approximately 45 million households. Of these, only about 4.3 million households have access to piped natural gas, while around 10 million households use LPG. Another 700,000 to 1 million households use improved cookstoves. That means nearly 30 million households remain outside the clean cooking ecosystem. Yet, under its SDG commitments, Bangladesh aims to ensure clean cooking for all by 2030.

To achieve this goal, there is no alternative to LPG. In my view, domestic LPG demand will exceed 3 million tonnes by 2030. However, unless the financially distressed operators are brought back into full operation, meeting this demand will be extremely difficult.

Due to the shortage of natural gas, industries are increasingly being forced to use LPG, even though it is more expensive than natural gas. Industries prefer LPG because it ensures an uninterrupted supply. With proper policy support and cost rationalization, LPG use in the industrial sector could expand significantly.

Autogas is another important area. Currently, about 5 percent of natural gas is used in CNG vehicles. The import cost of LNG is now around BDT 55 per cubic meter, while CNG is sold at BDT 43. Although autogas prices are approximately 30 percent higher than those of CNG, their usage is increasing steadily. If BERC sets CNG prices on a subsidy-free, monthly adjustment basis—similar to autogas—it would be possible to gradually replace CNG with LPG in the transport sector.

To ensure clean cooking in the residential sector, the government could consider subsidizing cylinder prices or providing the first cylinder free of cost to new users. The current production cost of an LPG cylinder is about BDT 3,000. Operators subsidize and sell it at around BDT 1,000, which makes rapid market expansion financially unsustainable for them. If the government provides the first cylinder free of cost, 75–80 percent of households could be brought under clean cooking within the next five years.

Consumer rights organizations have alleged that the current crisis is the result of excessive profit-seeking by operators and regulatory failure by the Energy Division and BERC. How do you view these allegations?

These allegations are completely unfounded. Such claims are made without understanding the LPG sector or examining the full set of facts.

Recently, the Energy Division announced five initiatives, including declaring LPG as green energy, facilitating LC opening and loans through Bangladesh Bank, recommending reductions in advance income tax and VAT at import and bottling stages to the NBR, and approving pending proposals for additional imports. How beneficial will these measures be for operators, and will consumers benefit?

After a long time, the Energy Division has taken bold and people-oriented steps. Declaring LPG as green energy is a breakthrough. The decision to ease LC opening and financing through the Bangladesh Bank is equally important.

If the entire LPG sector's investment is brought under the Green Fund, it would play a transformative role in reviving distressed operators. Additionally, the Energy Division has recommended reducing the 4.0 percent advance income tax at the import stage and the 7.5 percent VAT at the bottling stage. The approval for additional imports will also increase market supply.

In my assessment, if these measures are implemented effectively, consumer prices could be reduced by at least BDT 100 per cylinder.

With LPG now declared green energy, access to concessional loans from Bangladesh Bank's Green Fund is expected. What initiatives might LOAB take in this regard?

LOAB has welcomed this decision by the Energy Division. We have already initiated steps to submit a proposal to the Bangladesh Bank, requesting that LPG sector loans be transferred to the Green Fund following its green energy designation. We are hopeful that the Governor of the Bangladesh Bank will respond positively.

It is often said that due to inadequate bulk import infrastructure and regulatory challenges, LPG prices in Bangladesh are higher than in India. The Energy Adviser has also stated that a 12-kg cylinder should sell for BDT 1,000. How do you assess this statement?

The statement that a 12-kg cylinder should cost BDT 1,000 has sent a negative signal to the market. Even with full knowledge of international and domestic LPG markets and pricing mechanisms, such remarks are not desirable.

That said, removing barriers to business expansion would indeed allow consumers to benefit from lower prices. For instance, operators currently need 27–28 licenses per bottling plant, costing nearly BDT 30 million annually. Introducing a single-window service through BERC or the Energy Division would significantly reduce costs and benefit consumers.

Another issue is the requirement to establish a testing laboratory at every bottling plant, which is unnecessary. Instead, centralized testing laboratories could be set up at technical institutes or universities in Dhaka, Khulna, and Chattogram, with operators accessing services on a fee basis.

Fresh LPG's market share is growing rapidly. What strategies are you planning for future expansion?

Private investment in Bangladesh's LPG sector began 20 years ago, and Fresh entered the market as an operator in 2018. Within seven years, we have become one of the market leaders.

Meghna Group of Industries aims to ensure clean cooking fuel across the country. From the outset, we established bottling plants in multiple locations. Currently, we operate bottling plants in Sonargaon (Dhaka), Bhaluka (Mymensingh), Bogura, and Mongla, along with two import terminals.

Following approval for additional imports to address the current crisis, we are actively sourcing LPG from new international suppliers. Fresh LPG will continue working to maintain market leadership and strengthen consumer trust. EP

Reverse Swing

Farid Hossain

CITY'S KITCHENS HARD HIT BY DISAPPEARING GAS

Dhaka, the overcrowded capital city of Bangladesh, offers more troubles to its nearly 20 million residents than comfort. High cost of living, persistent traffic jams, air and sound pollution, a dilapidated public transport system are some of the life-crippling woes. Add to these the gas crisis that has recently hit the kitchens of households and restaurants, as well as auto gas stations.

Most Dhaka dwellers rely on pipeline gas and LNG cylinders for cooking their meals. Last Thursday (January 8), residents across the city woke up to find their kitchens without pipeline gas. Bulbuli Akthar, a housemaid at Uttara, first thought her employer had forgotten to refill the gas card. Her employer soon discovered that the pipeline gas disappeared from the entire Uttara, a rare gas outage for the area. She tried to order breakfast from restaurants only to hear: We are also without gas and could not prepare any food items. She finally sought help from her neighbor having an electric stove to cook her breakfast and lunch.

"It was a tough day for us," says homemaker Hasina Akthar, who has a family of eight. "The worst thing was that we had no prior notice from the gas distribution company, Titas, about the outage." Later, she learned that the trouble was caused by an accident-related leak in Titas's pipeline beneath the River Turag. It took hours for the repair of the leak, but it did not improve the supply as a valve explosion in the pipeline in Sher-e-Bangla Nagar triggered a further outage in the areas, including Mirpur, Shaymoli, and Dhanmandi.

The outage came on a day when the suppliers of LPG cylinders stopped the supply due to the demand that the authorities raise the regulated price of the cylinder gas. They cited a shortage of supply due to the unavailability of ships for LPG imports. It was like a pair of twin missiles hitting the city's gas consumers.

Not all Dhaka residents can afford pipeline and LPG cylinders. The poor people manage with alternative fuel like straw, kerosene stoves, and fallen leaves gathered from under trees. But those who use either pipeline gas or LPG cylinders are still having tough times with twin problems: the LPG cylinders are selling for more than double the price fixed by the regulators, and the erratic supply of pipeline gas. For many, it meant spending more on cooking gas and even on buying meals from restaurants. Some are rushing to markets to buy electric stoves, another item whose use will increase the electricity bill. There is no good news for the city residents struggling with long-persistent high inflation and a host of other service-related issues.

When a 12-kg LNG cylinder sells for Tk2,400 to Tk 2,500, nearly double the regulated price of Tk1,306, there can be no consolation. Living cannot be easy when the pipeline gas dries up without any notice. According to figures available from Petrobangla, Dhaka city has been witnessing a steady decline in the daily average supply of gas for cooking. For example, in the first ten days of January, the average daily supply has currently dropped to 2,596 million cubic feet (mmcfd) from 2,826 mmcfd in 2022. This is happening even though the import of LNG has increased in recent times. In 2025, the government imported a total of 109 cargoes of LNG compared with 94 in 2024. The Daily Star newspaper quoted Fouzul Kabir Khan, adviser to the power, energy, and mineral resources, the pipeline gas supply has increased during the tenure of the interim government. Responding to the issue of volatility in the LNG supply, the adviser told the newspaper the government is exploring importing on a government-to-government basis, cutting down reliance on the private sector, which currently imports 98 percent of LPG or Liquefied Petroleum Gas. EP


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