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February 1, 2026

# ENERGY & POWER


# The Energy Interregnum

- Bangladesh's LPG Market Under Strain
- One Election, Two Ballots & Too Many Questions
- Upcoming Govt's Biggest Challenge: Reducing Power Generation Costs & Fuel Import Dependence

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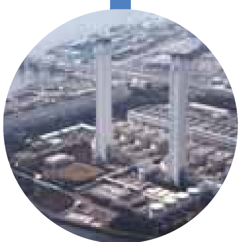
- LNG Receiving Terminals in Japan **11 terminals**

**Domestic Power Generation**



- Thermal Power Station **26 stations**
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- Power Generation Output **Approx.235 TWh**
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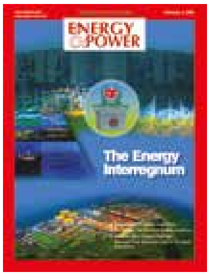


# ENERGY & POWER

## EDITORIAL

Political transitions are often measured in weeks or months. Energy crises, by contrast, unfold over years—and worsen when leadership hesitates. Bangladesh now finds itself in an energy crisis: the old order has collapsed, the new one has yet to take shape, and the power and gas sector is drifting without clear direction. The sector is burdened by rising import dependence, ballooning subsidies, unpaid dues, and eroding institutional capacity. Yet election campaigns have focused more on price promises than on hard choices. Assurances of "no tariff hikes" ring hollow without a roadmap to reduce costs, boost domestic supply, or restore financial discipline. The danger of this situation is delay. Every month without decisions deepens losses, weakens public utilities, and disrupts industry. Gas shortages are already cutting industrial output, while electricity generation costs continue to climb due to overcapacity, fuel misallocation, and currency pressure. None of this will correct itself once a new government is sworn in. What Bangladesh needs is not another cycle of short-term fixes, but early consensus on long-term priorities: accelerating domestic gas exploration, using coal and gas efficiently, sharply reducing reliance on furnace oil, and scaling up renewables with urgency. Equally important is restoring transparency, ending policy exemptions, and rebuilding trust in sector governance.

Transitions can be moments of reset, or of drift. If energy policy remains hostage to political caution, this interregnum will harden into a prolonged crisis. The next government must act quickly, decisively, and collectively. Energy security cannot wait for political comfort.

## *highlights*

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Keeping the financially fragile power sector operational, while managing potential electricity shortages during the upcoming Ramadan and summer, will be the new government's biggest challenge. Unless steps are taken to clear arrears in the power sector, public and private power plants will not be able to operate at full capacity … Engr. Shafiqul Alam tells EP

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Experts believe that adopting policies followed by countries such as Thailand, India, and Vietnam—particularly extending license validity and introducing a single-point service—could substantially reduce costs and benefit consumers. LPG remains the only fuel in Bangladesh that does not require government subsidies, with 98 percent of supply coming from the private sector........ More in Roundtable

### COVER

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Bangladesh's energy and power sector is caught in a policy limbo between an outgoing political order and an incoming one. While elections promise change, the sector remains trapped in policy paralysis, deep financial distress, and rising import dependence. Political parties have offered assurances but few concrete pathways to reform. As gas shortages worsen, costs soar, and institutions weaken, the transition period itself has become a risk multiplier. The real challenge lies not only in managing scarcity but in governing decisively during uncertainty.



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## Greenpage

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

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## Thailand's Election Pledges for Cheaper Power Risk Energy Transition, Experts Warn

As candidates promise to lower power bills to win public support, economists warn that broad electricity subsidies could cause long-term harm.

With Thailand's general election less than a month away, electricity prices have taken center stage. As candidates promise to lower power bills to win public support, economists warn that broad electricity subsidies could slow the country's energy transition and ignite a fiscal crisis.

"The universal subsidies are not good for long-term economic growth," said Praipol Koomsup, an economist at Thammasat University.

The push for electricity price caps reflects politicians' efforts to respond to a subdued economic outlook. Thailand's economy is expected to grow by only 1.5 to 1.6% in 2026, the weakest in Southeast Asia, according to Kriengkrai Thiennukul, chairman of the Federation of Thai Industries.

## Natural Gas Prices Surge 23% on Cold Shock, Short Covering


US natural gas prices recently surged sharply, posting one of the largest single-day gains seen this winter as the market quickly repriced near-term supply risk.

Front-month Henry Hub futures spiked more than 25 percent and briefly traded near $3.90 per million British thermal units. It is a level not seen in weeks.

The immediate driver is the weather. Forecast models over the past 48 hours flipped decisively colder, showing a sustained Arctic outbreak in the Midwest and Northeast into late January.

That matters because heating demand had already been running above normal, and storage levels entered the heart of winter thinner than many had assumed after a mild December.

When the weather outlook hardened, short positions became untenable. Funds that had been leaning bearish on expectations of ample supply and manageable winter demand were forced to cover quickly.

## Mitsubishi to Enter US Shale Gas Business

Mitsubishi Corp. has agreed to acquire all equity interests in Aethon III LLC, Aethon United LP, and related entities and interests, marking MC's entry into the US shale gas business.

Mitsubishi Corp. (MC) has agreed to acquire all equity interests in Aethon III LLC, Aethon United LP, and related entities and interests, marking MC's entry into the US shale gas business.

The $5.2-billion equity deal is aimed at strengthening MC's integrated energy and power business, the company said in a release Jan. 15, 2026.

MC's North American energy assets include upstream shale gas development with Ovintiv in British Columbia, midstream marketing and logistics through CIMA Energy in Houston, LNG exports via LNG Canada and Cameron LNG, and power generation through Diamond Generating Corp.

Aethon's shale gas assets primarily lie in the Haynesville shale formation, spanning Texas and Louisiana, and currently produce about 2.1 bcfd of natural gas.

## Chevron-Led Partnership Sanctions Increased Gas Production Measures at Leviathan Offshore Israel

The phased program will initially entail adding more wells, subsea facilities and enhancements to the platform, which receives gas from the Leviathan Field in the eastern Mediterranean Sea.

The Leviathan Field is located in the Israeli EEZ, about 130 km off the shores of Haifa.

Chevron Mediterranean Ltd. and its partners have taken FID on expanding production capacity from the deepwater Leviathan gas field offshore Israel.

The planned program includes drilling three more offshore wells, installing additional subsea infrastructure and enhancements to process facilities on the Leviathan production platform, which is located 10 km offshore Dor on the Israeli mainland.

The goal is to deliver about 21 Bcm/year from Stage One of the expansion project, rising eventually to 23 Bcm annually under Stage Two. This, however, would depend on the receipt of regulatory approvals, laying of a fourth pipeline between the field and the platform as well as additional subsea facilities.

## Power Generation Halted at Barapukuria Plant after Boiler Tube Bursts

Power generation at Unit-1 of the Barapukuria Thermal Power Plant in Dinajpur was suspended on January 18, 2026 after a boiler tube burst, bringing electricity production at the plant to a complete halt.

As a result, all three units of the plant, with a combined capacity of 525 megawatts (MW), went out of operation.

Abu Bakar Siddique, chief engineer of the power plant, said that of the three units, Unit-1, with a capacity of 125 MW, had been generating around 60 MW of electricity at the time of the incident. "The boiler tube of Unit-1 burst around 11am due to excessive heat pressure. The water flowing inside the boiler has a temperature of around 1,000 degrees Fahrenheit," he said.

He added that it may take about a week for the boiler to cool down, after which the extent of the damage can be assessed. "If repairs are completed successfully, power generation can be resumed," he said.

## Gas Supply Disrupted in Uttara, Surrounding Areas after Pipeline Valve Failure

Gas supply was suspended in several parts of northern Dhaka recently after a valve connected to an industrial service line ruptured near the Uttara-Tongi Bridge, causing a high-pressure gas leak.

In a press release, Titas Gas Transmission and Distribution PLC said it had shut down the main pipeline supplying Uttara as an emergency measure following the incident.

According to the statement, the leakage forced authorities to shut down the 12-inch diameter main distribution pipeline in Uttara, leaving gas supply suspended in Uttara, Uttarkhan, Dakshinkhan and adjacent areas. Work to replace the damaged valve was underway.

The valve is used to regulate gas flow and is installed at different points along the pipeline network, Titas said.

## CPD Trashes Energy Master Plan 2026-2050

Centre for Policy Dialogue has said the draft of the Energy and Power Sector Master Plan 2026-2050 by the interim government was faulty.

The local think-tank said that the draft presented at a meeting of the advisory council on January 7 almost echoed the master plan hurriedly prepared by the previous Awami League government before being ousted in August 2024, in the wake of a mass uprising.

While highlighting different aspects of the new draft at a press conference at its office in the city, CPD research director Khondaker Golam Moazzem blamed the interim government for relay on bureaucrats for the faulty paper, implementation of which will increase dependency on fossil fuels.

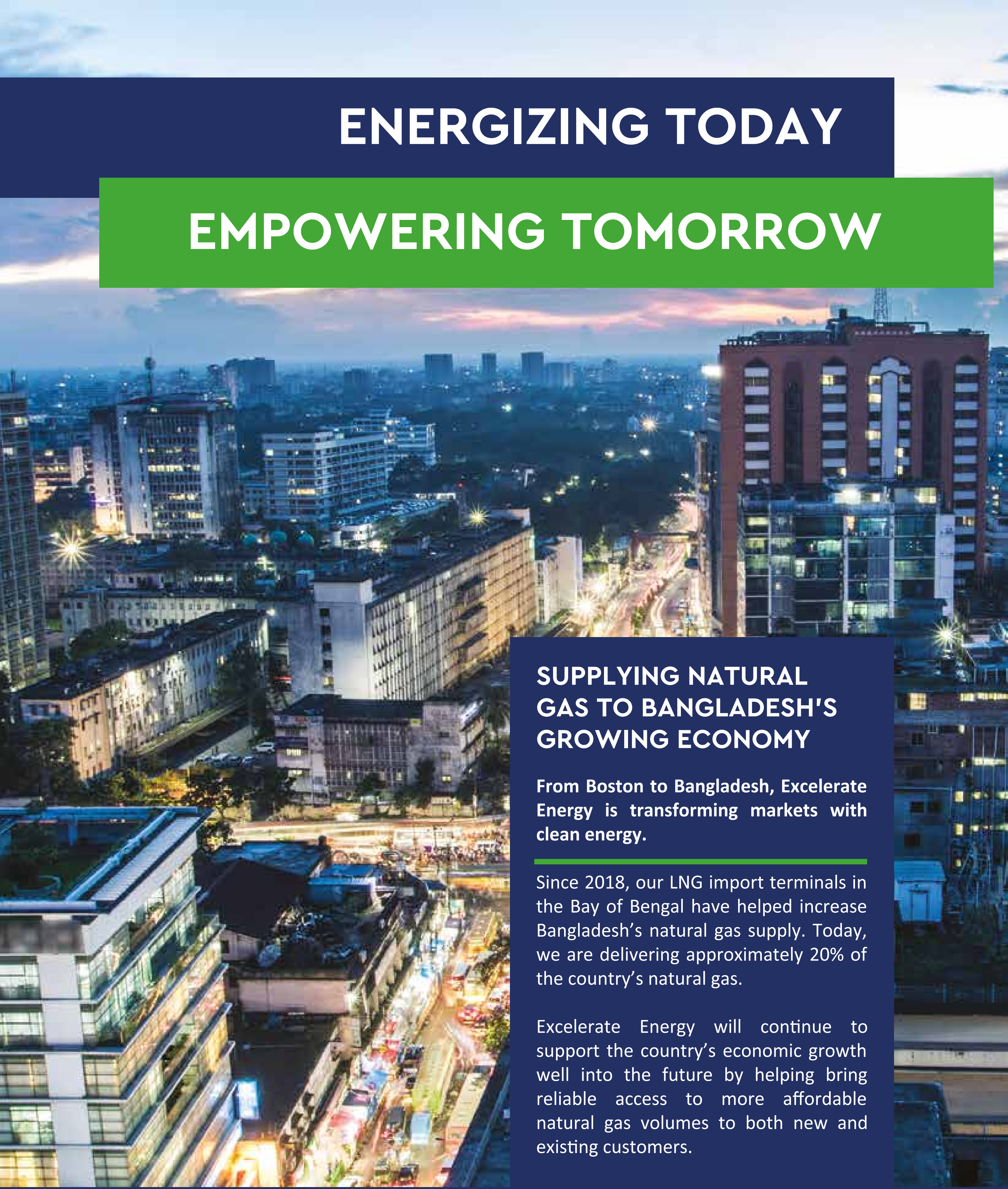
Besides, the much-demanded transition toward renewable energy will remain elusive, said the research director.

## CAB Jubo Sangshad Urges Parties to Scrap Adani Power Deal

The Consumers Association of Bangladesh (CAB) Jubo Sangshad has called on political parties contesting the upcoming national election to pledge cancellation of the agreement with India's Adani Power.

Presenting a 13-point agenda for reforming the energy sector, the youth wing urged parties to adopt the demands in their manifestos at a press conference held at the Dhaka Reporters' Unity on 13 January.

According to their written statement, the demands include quick disposal of CAB's writ petition seeking repeal of the Special Provision Act for rapid electricity and energy supply, cancellation of all contracts and licenses made under the Act, stopping furnace oil-based power generation, re-establishing electricity and primary energy as a service sector, reducing fossil fuel imports, halting LNG import growth, prohibiting expansion of coal-based power capacity and so on.



# AkijBashir Group Launches 3-Layer Insulated Cable


AkijBashir Cables has introduced Bangladesh's first three-layer insulated cable manufactured using advanced technology.

The newly-launched cables feature pure copper build with three-layer insulation, designed to provide enhanced protection and heat resistance up to 105 degrees Celsius, says a press release.

The brand was formally launched on January 8 at the Bangladesh-China Friendship Conference Center in Dhaka, in the presence of industry professionals, business partners, trade leaders, and other key stakeholders.

The brand was officially unveiled by Mohammod Khourshed Alam, Chief Operating Officer, AkijBashir Group, in the presence of the group's top management, including Helal Ahmed, Deputy Managing Director, Mohammad Omar Faruke, Head of Business - Cable Operations, along with other senior officials.

# BIPPA's AGM, Highlights Achievements and Sets Priorities for 2026


The Bangladesh Independent Power Producers Association (BIPPA) successfully held its 10th Annual General Meeting (AGM) on 11 December 2025 at the BIPPA Secretariat in Dhaka.

The meeting reviewed a year of significant achievements while outlining strategic priorities for 2026. Since its establishment in 2014, BIPPA has been working to protect, promote, and safeguard the interests of Independent Power Producers (IPPs) in Bangladesh.

Among its major accomplishments in recent years, including 2025, BIPPA secured permanent exemptions on Advance Income Tax (AIT) and Value Added Tax (VAT) for imported power plant equipment.

The Association also achieved relief from multi-tier taxation on dividend income for IPPs. Additionally, BIPPA played a key role in facilitating the settlement of long-overdue payments to its members through the issuance of Special Treasury Bonds.

# Citizens Bank Inks Deal with Titas Gas

Citizens Bank has signed an agreement with Titas Gas Transmission and Distribution at Titas Bhaban, Dhaka. Citizens Bank will collect gas bills and demand notes from customers under the domestic (metered and non-metered), industrial, commercial, CNG, captive, and power categories.

Alamgir Hossain, managing director, Citizens Bank; Shahnewaz Parvez, managing director, Titas Gas T&D; Md. Abdul Latif, deputy managing director of Citizens Bank; and Md. Lutful Hyder Masum, company secretary of Titas Gas T&D; signed the deed of agreement.

# Bangladesh Bank Allows 270-Day Credit for LPG Imports

Bangladesh Bank has relaxed import rules for liquefied petroleum gas, permitting importers to use credit facilities of up to 270 days, a move aimed at easing dollar liquidity pressure and ensuring steady LPG supplies in the domestic market.


Under the new arrangement, LPG imports will now be treated as industrial raw materials, enabling businesses to import LPG on deferred payment terms through suppliers' credit or buyers' credit for a maximum period of 270 days, according to a circular issued by the central bank.

The circular, sent to all scheduled banks by the Foreign Exchange Policy Department of Bangladesh Bank, noted that LPG is primarily imported in bulk and subsequently bottled for distribution.

Considering the multiple stages involved in processing and marketing, the central bank has decided to categorize LPG as an industrial raw material.


# The Energy Interregnum

Mollah Amzad Hossain

**On 12 February, Bangladesh is heading into a crucial national election, alongside a referendum on reforms. A new government – formed by the winning party or coalition – is expected to be in place before Ramadan begins. Expectations are high, particularly around bread-and-butter issues such as energy, electricity, and the cost of living. Yet, as campaigning unfolds, clarity remains scarce.**

On 12 February, Bangladesh is heading into a crucial national parliamentary election, alongside a referendum on reforms. A new government – formed by the winning party or coalition – is expected to be in place before Ramadan begins. Expectations are high, particularly around bread-and-butter issues such as energy, electricity, and the cost of living.

Yet, as campaigning unfolds, clarity remains scarce. So far, only the NCP has published a full election manifesto. The BNP has outlined some energy-related commitments within its 31-point program, while Jamaat-e-Islami has shared policy ideas through a recent summit. These proposals talk about reducing corruption, expanding renewable energy, and even holding energy prices steady for several years.

What is missing, however, is the "how." None of the major parties has clearly explained how these promises will be implemented, how a truly people-friendly energy and power sector will be built, or how the sector will be rescued from its deepening financial crisis.

Energy analysts point out that, after 54 years of independence, Bangladesh's power and energy sector is now in one of its most fragile states. Over the past three decades, the cost of producing and supplying energy and electricity has risen steadily. But political and social realities have made it impossible to pass the full burden on to consumers. The result has been rising subsidies and a steady erosion of the financial health of state-owned energy institutions.

At the same time, the sector has failed to guarantee what citizens care about most: a reliable supply of quality electricity and gas. Bangladesh's inability to systematically develop its own energy resources – particularly gas, coal, and renewables – has pushed the entire system toward heavy import dependence.

Today, more than 56 percent of Bangladesh's combined energy and electricity supply depends on imports. Experts warn that without a significant increase in domestic gas and coal extraction, and a meaningful expansion of renewable energy, import dependence could climb to 80–90 percent within the next five to seven years.

**the entire sector is sinking into irregularities, corruption, and a lack of transparency. Restoring good governance and making the sector corruption-free has become a necessity—though everyone knows this will not be easy.**

This growing dependence has made the sector increasingly vulnerable to global fuel price volatility and the steady depreciation of the taka against the US dollar. As a result, the cost of gas and electricity supply continues to rise, placing even greater financial pressure on already weakened institutions.

Official figures show that in 2024 alone, Bangladesh spent about USD 20 billion on energy and power imports and debt repayments. If the country were to meet full demand for electricity and fuel, this figure could cross USD 24 billion in the current year.

Against this backdrop, the government that takes office after the election will face an enormous challenge. It will need to cut electricity generation costs, secure adequate gas and coal supplies, ensure access to foreign currency for imports, clear mounting arrears, and rein in subsidies, all at the same time.

Perhaps the hardest task of all will be reducing losses and subsidies without raising gas and electricity prices, while still ensuring an uninterrupted supply. This challenge is urgent. Gas shortages and poor-quality electricity have already disrupted industrial production by an estimated 30–40 percent, while energy constraints have effectively stalled new investment.

Meanwhile, the entire sector is sinking into irregularities, corruption, and a lack of transparency. Restoring good governance and making the sector corruption-free has become a necessity—though everyone knows this will not be easy.

Although there was hope that political parties would finalize specific plans and strategies before the election, the contesting parties appear unprepared. Civil society organizations and NGOs have continued to present recommendations on what political parties should do in the energy and power sector, urging them to adopt these proposals and include them in their manifestos. However, political parties have not formally accepted or rejected these recommendations.

This lack of preparedness may waste valuable time after the government is formed, delaying the finalization of strategies to address the energy and power crisis, thereby prolonging the crisis further.

Public expectations regarding the energy sector are high ahead of the election. People particularly want uninterrupted gas supply, affordable gas and electricity, and proper investigations into the various financial irregularities and corruption that have occurred in recent years.

Although in some areas candidates have promised during campaigning to resolve the ongoing gas crisis, this is not realistically possible under current conditions. In fact, the crisis is likely to worsen.

Let us now look at what the major political parties are saying about the power and energy sector:

## BNP

The BNP, one of the country's largest political parties, has not yet released an election manifesto. However, party policymakers have said that the

BNP's declared "31-point program for repairing the state structure" will form the core basis of its election manifesto.

In the BNP's 31 points, point 18 calls for the modernization of the power, minerals, and energy sectors and the establishment of good governance. It states that all "black laws," including the indemnity law related to power, energy, and mineral resources, will be repealed. It also pledges to stop the ongoing unlimited corruption involved in purchasing electricity from anti-public-interest quick rental power plants, with the aim of preventing bleeding of the national economy.

The BNP also says that, instead of import dependence, it will pursue electricity generation based on renewable and mixed energy sources, and will take appropriate steps to discover and extract neglected gas and mineral resources. It claims that the programs followed under Shaheed Zia and former Chairperson Khaleda Zia's Vision 2030 will also be considered in shaping energy and power sector policies.

Although BNP Chairperson Tarique Rahman's election campaign across the country has raised many local issues, it has not clearly explained how fundamental problems like electricity and energy will be solved.

In one election rally, Tarique Rahman assured residents that the water and gas crisis would be addressed. He said that people pay their bills but do not receive gas properly. Regarding gas well exploration, he said, "In the past, obstacles were created against exploring new gas in the country. If we are elected, we will ensure planned investment in oil and gas exploration."

BNP Standing Committee member and former State Minister for Power Iqbal Hasan Mahmud Tuku said that the shortage and financial crisis in the power and gas sector have become a major burden for the country. Therefore, resolving the accumulated crisis will not be easy in any way. However, he said the BNP is finalizing a specific plan for the power and energy sector, and if elected, work will begin based on that plan.

Reducing import dependence by expanding domestic gas, coal, and renewable energy is a major challenge. At the same time, ensuring a regular supply of dollars and taka for imports is also a major challenge in order to maintain supply continuity.

Moreover, because the gap between production cost and selling price is widening, subsidies continue to increase. Iqbal Hasan Mahmud believes that even with preparation, overcoming the crisis will not be easy for a new government.

## Jamaat-e-Islami

Bangladesh Jamaat-e-Islami has not yet published its election manifesto. However, the party held a policy summit in the capital on 20 January. At that event, Jamaat-e-Islami pledged that if it comes to power, it will not increase the prices of gas, electricity, and water for all industries over the next three years.

However, no clear explanation was provided on how the party would keep

**It promises that within five years, 20 percent of the country's total electricity generation will come from renewable sources. It also mentions load forecasting, grid upgrades, storage technology, overcapacity, and reducing system loss.**

prices stable. The summit also did not include any significant commitment on how import dependence would be reduced, or how the core crises in the power and energy sector would be addressed. Nevertheless, Jamaat has stated that if it comes to power, it will keep electricity and energy prices unchanged for three years.

On this issue, Jamaat's Assistant Secretary General Ahsanul Mahbub Jubayer claimed that frequent changes in both government and policy are among the biggest problems in the power and energy sector. He said the sector has fallen into a severe financial and supply crisis due to corruption and irregularities. He argued that establishing a national consensus among political parties is essential to overcome this situation, and that Jamaat would take such an initiative if it forms the government.

### NCP

In August last year, the NCP announced a 24-point manifesto aimed at establishing a "Second Republic." The 19th point focused on national resource management. It stated that the NCP is committed to strengthening domestic capacity for natural resource exploration and extraction.

Recently, the NCP published its election manifesto titled "Manifesto of Youth and Dignity." The manifesto promises a diversified energy mix, stating that as a developing economy, one of the country's strategic priorities is energy security.

It promises that within five years, 20 percent of the country's total electricity generation will come from renewable sources. It also mentions load forecasting, grid upgrades, storage technology, overcapacity, and reducing system loss. The manifesto targets reducing system loss from 10–12 percent to 5–6 percent over the next five years.

It also sets targets to reduce industrial peak electricity tariffs from Tk 15 to Tk 13, and off-peak tariffs from Tk 11 to Tk 9. In addition, it proposes several measures, such as making rooftop solar mandatory for government buildings and installing solar projects along riverbanks.

The NCP also promises to implement an "Energy Efficiency Master Plan," treating energy savings as a "fourth fuel." However, the manifesto does not clearly explain how these targets will be achieved.

### The Energy Crisis is Deepening

In Bangladesh, the backbone of primary energy is natural gas. Even 10 years ago, gas supplied about 80 percent of the country's total commercial energy. Today, that share has fallen to below 40 percent.

Currently, the minimum daily gas demand in the country is 4,000 million cubic feet per day (MMcfd). On 27–28 January, Petrobangla supplied 2,588 MMcfd, leaving a shortfall of 1,412 MMcfd. Petrobangla was able to supply only 65 percent of the total demand.

Of this supply, 67 percent came from domestic sources and 33 percent from LNG. Within domestic supply, national gas companies supplied 726 MMcfd, while IOCs supplied 1,020 MMcfd.

During the period in question, gas supply to the grid electricity was only 30 percent of demand.

Bangladesh's current LNG import infrastructure capacity is 1,100 MMcfd, against which a maximum of about 1,050 MMcfd can be supplied. However, on those particular days, LNG supply was only 842 MMcfd.

This data clearly indicates that the country's gas crisis is severe, and there is no quick way out. In fact, Energy Adviser Dr Fouzul Kabir Khan has said that domestic gas supply is declining by about 200 MMcfd per year.

### The Gas Crisis is Not New

The gas crisis is not new. In 2018, domestic gas supply peaked at around 2,786 MMcfd, and since then, the decline has continued. To address the shortfall, LNG imports began in that same year.

In 2018–19, domestic gas supply amounted to 965 billion cubic feet (BCF), while LNG imports were 116 BCF. By FY 2024–25, domestic production had fallen to 696.1 BCF, while LNG imports rose to 281.9 BCF.

### Gas Price Hikes under the Previous Government

During the tenure of the ousted Awami League government, gas prices were raised repeatedly despite promises of uninterrupted gas supply.

According to IEEFA analysis, from June 2022 to April 2025, the gas price for grid electricity rose from Tk 5.02 per cubic meter to Tk 14.75, an increase of 194 percent.

For captive power plants, the gas price was increased from Tk 16 to Tk 42, an increase of 162.5 percent.

For small industries, gas prices rose from Tk 10.78 to Tk 40, an increase of 271 percent.

For medium industries, prices increased from Tk 11.78 to Tk 40, an increase of 240 percent.

For large industries, the gas price per cubic meter rose from Tk 11.98 to Tk 40, an increase of 234 percent.

### Exploration and Production Efforts

After spending a long period with little progress in oil and gas exploration, the ousted Awami League government began exploration initiatives in 2020.

Under domestic efforts, a program of 50 wells was undertaken, including 18 exploration wells. By the end of 2025, only 20 wells had been completed. This added 181 MMcfd of gas to the grid, but it did not prevent the decline in domestic production.

Meanwhile, Petrobangla has finalized another plan to drill 100 wells. It has been stated that drilling of 50 wells will be completed by June of the current year, and from July, drilling of 20 wells will begin under the new plan.

Petrobangla claims that if this program is completed by 2028, it will add around 1,400 MMcfd of gas. However, during this period, production from the Bibiyana field, which currently produces around 900 MMcfd, may decline to its minimum level. Therefore, it is difficult to say how much domestic supply will actually increase.

Offshore bidding rounds have also failed to attract responses. Even if an elected government can issue tenders and attract investment, it would take around 10 years to see results.

### LNG Infrastructure Plans and Uncertainty

To increase LNG import capacity, the Awami League government had partnered with the Summit Group to install an FSRU, which was expected to come into operation within this year.

It had also finalized negotiations with Excelerate Energy to install another FSRU in Patuakhali. In addition, negotiations were at a final stage with two entities to import LNG via pipeline from India, which would have had a capacity of 1,200 MMcfd. However, those initiatives were later cancelled.

Even if a new government takes initiatives, installing an FSRU would take at least three years. Work is also underway to build a land-based LNG terminal under a PPP framework, but implementation does not appear likely before 2032.

The plan to connect Bhola gas to the national grid also remains uncertain. As a result, there is virtually no chance that the gas supply situation will improve before 2030.

**Data analysis shows that the lowest-cost electricity comes from gas. However, due to inadequate gas supply, 50 percent of gas-based generation capacity is sitting idle. After gas, coal power plants also provide an opportunity for relatively low-cost electricity.**

### The Power Sector in the Midst of Crisis

Bangladesh's current grid-based power generation capacity stands at 28,909 MW. In addition, industries have nearly 6,000 MW of captive power generation capacity. However, on 23 July 2025, the country's highest power generation was 16,794 MW.

Bangladesh's electricity demand pattern is also somewhat different. The residential sector consumes the highest share, up to 56 percent. The industrial sector accounts for 27 percent, and this share has remained stable for several years. Last year, considering grid electricity demand, the reserve margin was 61 percent.

In FY 2020–21, the per-unit cost of electricity generation was Tk 6.61. By FY 2024–25, it had risen to Tk 12.10. Over this period, the increase in generation cost was 84 percent. It is said that the continued rise in generation cost is driven by an excessive reserve margin, increased dependence on imported fuel and electricity, and the depreciation of the taka against the US dollar.

At present, the bulk selling price of electricity is Tk 7.04 per unit. As a result, more than Tk 5 is being lost on every unit of electricity sold.

Data analysis shows that the lowest-cost electricity comes from gas. However, due to inadequate gas supply, 50 percent of gas-based generation capacity is sitting idle. After gas, coal power plants also provide an opportunity for relatively low-cost electricity. Yet, because full financing for coal imports could not be ensured, the plant load factor of coal-based power generation last year was only 56 percent. If this could be kept above 75 percent, it would be possible to reduce generation costs.

On the other hand, in the last fiscal year, the share of furnace oil in electricity generation was 10.73 percent. If this could be limited to 5 percent, and if gas and coal supplies could be increased, it would be possible to reduce per-unit generation cost by Tk 1 to Tk 1.50.

Despite payments being made to clear outstanding dues, arrears have once again risen to nearly Tk 30,000 crore. IPP entrepreneurs have claimed that if these arrears are not cleared, it will not be possible for them to supply electricity according to demand during the upcoming Ramadan and summer season. Financial constraints in public sector companies have become severe. As a result, after the election, the winning party or coalition that forms the government will face a major crisis in ensuring electricity supply according to demand.

### The Financial Burden of the Power and Energy Sector

The financial capacity of institutions in the power and energy sector is gradually weakening. Even with continued subsidies, losses at institutions such as Petrobangla and BPDB continue to rise.

Since 2022, complications have emerged regarding the price of gas supplied by IOCs, LNG prices, and

payments for electricity purchased from IPPs. In this context, the Awami League lost power amid public protests, and an interim government took responsibility. At that time, outstanding dues amounted to USD 3.1 billion.

Although the interim government gradually cleared these dues and restored relative normalcy in the power and energy sector, BPDB's arrears have started rising again. At present, arrears stand at nearly Tk 30,000 crore.

Despite receiving Tk 38,300 crore in subsidies, BPDB's loss in FY 2023–24 was Tk 8,700 crore. In FY 2024–25, even after receiving Tk 36,600 crore in subsidies, BPDB's losses increased further to more than Tk 17,000 crore.

Meanwhile, Petrobangla continues to incur losses because it sells gas at an average price lower than the average cost of domestically produced gas and LNG. According to available data, from 2018 to last year, Petrobangla imported USD 17.6 billion worth of LNG. To cover the cost of LNG imports, Petrobangla has spent almost the entire amount accumulated in the fund created for oil and gas exploration.

According to Hydrocarbon Unit accounts, in 2024, the cost of importing oil, fuel, and electricity was USD 13.2 billion, accounting for 21 percent of the country's total import expenditure. During the same period, an additional USD 7 billion was spent on debt repayment and interest for the energy and power sector. That means total spending in the power and energy sector in 2024 amounted to USD 20.2 billion.

This estimate considers the reported 56 percent rise in power and energy imports annually. However, imports continue to increase. Considering that trend, experts believe that in the current fiscal year, this expenditure could rise further and exceed USD 24 billion.

As a result, the financial fragility of the power and energy sector will become the responsibility of whichever party or coalition forms the government after winning the election. The key question is what strategy they will adopt to overcome this situation.

However, BNP Standing Committee member and former State Minister for Power Iqbal Hasan Mahmud Tuku recently said at an event that this crisis cannot be overcome through a "business-as-usual" approach.

### What the Experts Think

Former BERC member Engineer Mizanur Rahman believes that reducing the cost of electricity generation is now the biggest challenge. Therefore, costs must be brought down by increasing the supply of comparatively low-cost fuels such as gas and coal, and by reducing furnace oil-based power generation to the minimum possible level. However, he noted that the task will not be easy.

Engr. Shafiqul Alam, Lead Energy Analyst (Bangladesh) at the Institute for Energy Economics and Financial Analysis (IEEFA), believes that to stop the use of furnace oil-based electricity during the daytime, a rapid expansion program for grid-connected solar is necessary. At the same time, the new government should undertake a rooftop solar crash program to add 1,000 MW within one year. He also said that to reduce losses, electricity selling prices must be adjusted alongside subsidies.

Former BAPEX Managing Director Murtuza Ahmed Faruque Chishti said, "The main reason behind the crisis in the gas sector is the lack of emphasis on exploration and extraction. It is difficult to predict how much success will come from the ongoing program to drill 50 and 100 wells. However, to achieve quick success, exploration should be initiated in the Chittagong Hill Tracts through IOCs (International Oil Companies). Still, it is hard to say how much this will reduce the gas shortage. The crisis will continue until 2030. The only real option is to reduce the shortfall by expanding LNG import infrastructure."

Energy expert and geologist Professor Badrul Imam said, "There is no immediate solution in the gas sector. Investment is needed. In particular, a method is required through which Bangladesh can exit LNG imports within a defined timeframe. It is not possible to sustain the national economy using expensive fuel. Moreover, given the kind of interventions taking place in the global energy market, a country like ours could face major risks at any time."

Although there are plans to increase gas supply domestically, a large share of the supply is still dependent on imports. Gas supply management will be handled in two ways. Under the interim government's integrated energy plan, the energy sector has been structured in three phases, to be implemented from 2026 to 2050. Implementing this plan will require USD 70–80 billion in investment in the energy sector.

Referring to this, Energy Division Secretary Mohammad Saiful Islam told a daily newspaper, "To overcome the gas crisis, the government will increase both imports and domestic gas extraction. As part of this, an initiative has been taken to build another floating LNG terminal. Work on a land-based LNG terminal is also progressing. On the other hand, BAPEX and other companies are working on domestic gas exploration and extraction. Two new rigs are being purchased, and deep drilling is underway. Previously, the plans that were taken were not part of any integrated initiative, which is why various crises emerged in the gas sector."

Regarding the government's plan to address the gas crisis, the secretary said, "Greater importance has been given to surveys in the domestic gas sector. The integrated energy plan outlines how energy security will be ensured. The program to drill 100 wells is already ongoing. At the same time, to reduce expensive spot LNG imports, a decision has been taken to move toward short-term LNG contracts over the next three years."

Professor M. Tamim, Vice Chancellor of Independent University, Bangladesh (IUB), said that beyond ongoing efforts

**Although remittance inflows have improved in recent months, the broader trend is troubling: over the past seven years, dependence on imported power and energy has risen to at least 56 percent—and many believe the real figure is even higher.**

for domestic gas and coal exploration and extraction, special initiatives are required. Alongside domestic investment, foreign investment and technology must also be attracted for oil and gas exploration. Foreign experts should be hired to rapidly increase production from domestic gas reserves. At the same time, special strategies must be adopted to expand renewable energy and ensure efficient energy use. Advancing all of these in an integrated way will be the new government's biggest challenge. However, he said, it cannot be confidently claimed that this will be enough to curb imports.

Professor Ijaz Hossain believes that Bangladesh must ensure, through wartime-level preparedness and drilling 100 wells per year, whether new gas discoveries are realistically possible. Based on that, a new energy supply plan must be developed. The elected government must adopt special strategies to explore and extract domestic resources, such as gas and coal. Even then, he said, he is not optimistic about reducing import dependence.

## Conclusion

Bangladesh's deepening power and energy crisis did not emerge overnight. Years of hesitation and political indecision, particularly around exploring domestic gas and coal resources, have steadily weakened the country's energy security. While coal-fired power plants were built, no serious effort was made to use domestic coal. Renewable energy expansion lagged far behind regional peers. The outcome has been a growing reliance on imported fuel and electricity, exposing the economy to global shocks.

Today, the country is supplying roughly 30 percent less gas than required. Factories are operating below capacity, export earnings are under pressure, and industrial confidence is eroding. Although remittance inflows have improved in recent months, the broader trend is troubling: over the past seven years, dependence on imported power and energy has risen to at least 56 percent—and many believe the real figure is even higher.

Experts warn that without breakthroughs in domestic gas, coal, and renewable energy development, import dependence could rise to 80–90 percent in the coming years. If that happens, annual fuel import bills will continue to climb, placing unbearable pressure on foreign exchange reserves and public finances.

This leaves the next elected government with little room for delay or half-measures. Addressing the accumulated crisis in the power and energy sector will require a clear, long-term strategy built on national consensus – not partisan politics. It will also require skilled institutions, transparent decision-making, and the political courage to implement difficult reforms. Without these, the energy crisis will continue to deepen, steadily tightening its grip on Bangladesh's economy and everyday life. EP

***Mollah Amzad Hossain***
*Editor, Energy & Power*

# BPDB's Debt Spiral Threatens Power Stability

**Engineer A R Mohammad & Parvez Mazumder**

The financial position of the Bangladesh Power Development Board (BPDB) has deteriorated to an alarming level. Caught at the center of mounting sector-wide stress, BPDB—the sole intermediary between power generation and distribution—has been overwhelmed by escalating losses driven by high global fuel prices, currency devaluation, unpaid bills, and the growing burden of capacity payments. This situation has triggered a domino effect across the country's private power sector, threatening both operational viability and the investment climate that once underpinned Bangladesh's rapid expansion in generation capacity.

As of January 2026, BPDB remains trapped in a precarious financial position due to a persistent cycle of rising debt. The deficit stems largely from the widening gap between high power purchase costs and relatively low retail tariffs. To contain the crisis, the government allocated Tk 620 billion in subsidies in FY 2024–25 and Tk 370 billion in FY 2025–26. It also issued special bonds worth Tk 265 billion in an attempt to stabilize the sector and clear a portion of outstanding foreign liabilities. However, these measures provided only temporary relief. By late 2025 and into early 2026, declining revenues and the continued accumulation of capacity charges pushed BPDB into a renewed liquidity crunch.

Unpaid bills to Independent Power Producers (IPPs) have now become a serious threat to grid stability. In January 2026, the government faced a shortfall of more than Tk 200 billion in clearing outstanding dues—out of a total IPP bill of around Tk 270 billion—raising fears of widespread load-shedding during the coming summer. Although payment delays briefly improved in mid-2025, with arrears reduced to about 70 days, delays have since stretched to six to seven months and, in some cases, up to nine months. Meanwhile, BPDB's system loss has climbed to 10.13 percent, well above the global benchmark of around 8 percent.

The impact of BPDB's deficit has been a severe erosion of operational liquidity, creating what many describe as a "liquidity trap" for IPPs. BPDB's inability to settle dues within the 45-day payment window stipulated in Power Purchase Agreements has disrupted the financial cycle of private generators. Timely payments are essential for IPPs to open letters of credit for fuel imports. As a result, the sector now faces the risk of idle power plants—not due to technical faults, but

**This situation has triggered a domino effect across the country's private power sector, threatening both operational viability and the investment climate that once underpinned Bangladesh's rapid expansion in generation capacity.**

because empty coffers have reduced stocks of furnace oil and coal.

IPPs are currently carrying billions of taka in receivables on their balance sheets, straining their cash flows and limiting their ability to procure fuel, spare parts, and specialized maintenance services. This situation has been further aggravated by BPDB's imposition of liquidated damages (LDs), which has become a major source of friction with private operators. While BPDB often delays payments by more than 180 days, it continues to penalize IPPs for "forced outages"—many of which are caused by fuel shortages directly linked to delayed payments. This contradiction has deepened mistrust in the sector and raised serious concerns about the sustainability of Bangladesh's power market under the current financial framework.

The crisis has now gone beyond the power grid and into the vaults of the banking system. The relationship between IPPs and commercial banks has always been reciprocal; however, BPDB's inability to pay has turned this relationship adversarial. The banking sector seems exposed to 'Power Sector Risk'. As IPPs fail to receive payments, they, in turn, struggle to pay back project loans. This has led to a tightening of credit lines, and banks are increasingly reluctant to issue new LCs or extend working capital. The result is a stagnant investment environment, where even viable renewable projects are examined through the lens of BPDB's insolvency.

The discourse of capacity charge paid to IPPs remains on standby. This charge is carefully designed to ensure huge investment security. The Government, pressured by BPDB, has begun to implement 'No Electricity, No Payment' clauses in newer contracts and is seeking to negotiate down existing obligations. Verily, this will further increase the purchase rate of electricity from IPPs. For the private sector, it signals a shifting of policy that may deter future foreign direct investment (FDI). Presently, the country has an installed capacity exceeding 28,000 MW, and the peak demand often hovers around 16,000-17,000 MW, while failing to generate maximum by the BPDB.

The impact on the IPP sector due to the BPDB's present financial deficit could be summarized with the following Matrix:

| Type | Impact on the IPP Sector due to the BPDB's Financial Deficit |
|---|---|
| **Financial** | Severe liquidity crisis, inability to settle fuel bills or service debt, and banks are reluctant to issue new LCs or extend working capital. |
| **Operational** | Frequent 'forced outages' due to fuel shortages, maintenance delays |
| **Legal** | Conflicts over penalty deductions (LDs) and breach of the PPA |
| **Strategic** | Heightened risk for FDI, shift away from fossil-fuel IPPs |

The financial stress of the BPDB has grown into a systemic threat to the IPP sector. The gap between production costs and retail prices sips liquidity, which ultimately hampers operational efficiency and strains the banking sector. Today, the integrity of the energy sector demands an all-inclusive approach: a transition away from expensive fossil-fuel-based power plants, maximum use of electricity as per installed capacity, restructuring of BPDB's debt, and, perhaps most importantly, a move towards a cost-reflective tariff management. Without these interventions, the private power sector, the engine of Bangladesh's industrial growth, risks an extreme financial imbalance and uncertainty. EP

***Engineer A R Mohammad,*** *Colonel (Retd) &*
***Parvez Mazumder,*** *afwc, psc*


# From Formula To Fairness: A Practical Way Out Of Bangladesh's LPG Cylinder Crisis

**Dr. Shahi Md. Tanvir Alam**

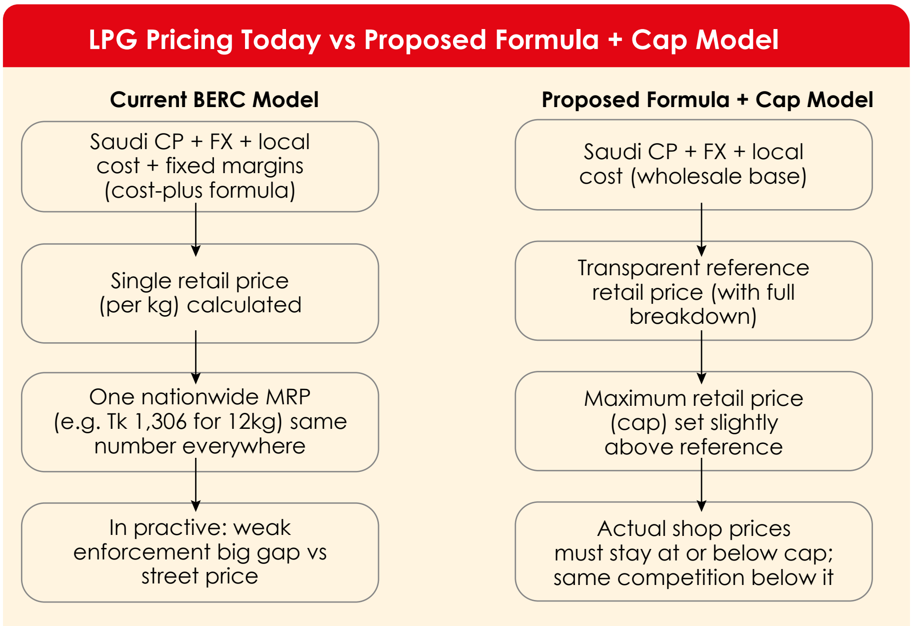
A few weeks ago, the Bangladesh Energy Regulatory Commission (BERC) announced that a 12-kilogram LPG cylinder would cost Tk 1,306. On paper, that is the maximum retail price. Try telling that to a family in Dhaka or Chattogram who have just paid Tk 2,200 or Tk 2,400 for the same cylinder or been told that there is "no stock" at any price. This gap between the official story and the street reality is no longer a minor irritation. For millions of households that depend on LPG to cook their daily meals, it is a direct hit to food security and to already strained budgets. It also signals that something is badly wrong with how we regulate, price, and police this essential fuel. The good news is that the LPG mess is not inevitable. If we are willing to adjust both the pricing formula and the incentives along the supply chain, Bangladesh can move from today's fire-fighting to a fairer and more predictable LPG market that works for consumers, retailers, importers, and the state.

### The formula says one thing, the market does the other

Since April 2021, BERC has been fixing LPG prices every month using a formula tied to the Saudi Aramco Contract Price (CP). The regulator adopts the international benchmark, adds freight, port, and handling charges, taxes, and standard margins for importers, distributors, and retailers, and publishes a per-kilo ceiling that translates into a set of maximum retail prices for different cylinder sizes. For January 2026, this calculation produced an official price of Tk 1,306 for a 12 kg cylinder, up from Tk 1,253 in December. In November, the same cylinder cost around Tk 1,215. Month to month, the pattern looks measured and technocratic: small adjustments in line with movements in global LPG prices and the exchange rate. But anyone who actually tried to buy a cylinder in late December or early January knows a different story. Across many urban neighbourhoods, consumers have reported paying Tk

2,000 to Tk 2,500 for a 12 kg cylinder, often after visiting multiple shops.

*Figure 1: Official BERC price for a 12 kg LPG cylinder versus indicative average street prices in selected months. The chart illustrates how the formal price adjustment has been much slower than the jump in what consumers report paying.*




In some areas, retailers have said there is no supply. Importers and some officials point to familiar pressures: difficulties in opening letters of credit, higher freight and insurance costs, shipping delays, and the lingering effects of sanctions and disruptions on global energy trading. By the time a cargo reaches Mongla or Chattogram, the effective cost per tonne can be higher than what the formula assumes. Consumer groups and many media outlets emphasise another part of the story. The Consumers Association of Bangladesh (CAB), for example, has warned of "artificial shortages" and "syndicates" in the LPG and essential goods market, suggesting that some actors in the supply chain are restricting supply or pushing up prices beyond any reasonable cost increase.

The truth is that both sides capture part of the reality. There are genuine cost pressures in bringing LPG into a country with tight foreign exchange and higher financing costs. There are also clear signs of distortion and abuse in a market where enforcement is weak and information is limited. If we focus only on one side, we miss the opportunity to fix the system as a whole.

### LPG is now a basic fuel, not a middle-class luxury

LPG used to be seen as a modern cooking fuel for middle-class households. Today, in large parts of urban and peri-urban Bangladesh, it is effectively a basic fuel. Where piped gas is not available, and electricity is expensive or unreliable, households lean heavily on LPG cylinders. In economic terms, household demand for LPG for cooking is "price inelastic" in the short run. When the price doubles within a few weeks, families cannot simply stop cooking. They cut back on other expenses, borrow from relatives, or reduce the quality and quantity of food they prepare. If high prices persist, some switch back to dirtier fuels such as low-grade biomass or kerosene, with obvious health and environmental consequences.

On the supply side, importers must pay for LPG in dollars. They face foreign exchange rationing, higher bank charges, and sometimes demurrage charges if ships wait too long at congested ports. Distributors and retailers, in turn, handle heavy cylinders that must be transported, stored, and delivered safely. They face leakage, damage, and the risk that customers cannot pay on time. If the regulated margins at each level do not reflect these realities, actors in the chain will look for ways to compensate. Some will quietly add informal mark-ups. Others will cut corners in service or simply withdraw from the market until conditions improve. The result is what we are seeing now: a formal pricing regime that looks neat on paper, and a parallel reality in which the poorest households pay some of the highest effective prices per kilogram of cooking fuel.

### A key clarification: this is about reforming BERC's framework, not ignoring it

Before going further, one point must be clear. Nothing in this proposal suggests that retailers should ignore BERC's existing LPG price orders, or that market forces should override the law. The recommendations here are aimed at BERC and the government themselves: they describe how the current regulatory framework could be reformed so that the official formula better reflects real costs, and the official price is actually enforceable in practice. In other words, this is a call for formal, transparent change in the rules, not for anyone to break the rules that exist today.

### Short-run: a crisis band instead of a fictitious single price

In the next three to six months, the priority is straightforward: cylinders must be available at prices that may be painful but are at least tolerable and predictable. The worst abuse needs to be shut down quickly. One practical step would be to move from a rigid single number to a narrow crisis band. Instead of only announcing Tk 1,306 for 12 kg, BERC could declare, for example, a reference price of Tk 1,306 and a permitted retail band of, say, Tk 1,280 to Tk 1,380 for that cylinder size during the crisis period. Within this band, retailers would be considered compliant. This respects the reality that costs vary somewhat between locations. At the same time, any price above the top of the band would trigger presumptive violations, fines, and, for repeated cases, licence suspension. A Tk 2,300 cylinder could no longer be explained away as a small variation; it would clearly fall into the abusive zone.

Legally, this can be done within BERC's

existing powers. The commission already sets a maximum retail price. It could set the band ceiling as the MRP and publish the reference price inside that. Selling above the ceiling would remain illegal, just as today. Retailers could still discount below it if competition or local conditions allow. To make a crisis band meaningful, supply must also be unlocked. The government can support this with a time-bound LC and a working capital window for licensed LPG importers. Rather than crowding out the private sector, any imports by the Bangladesh Petroleum Corporation could complement private cargoes. In exchange for access to a special LC or FX line, participating importers would commit to publishing their monthly import volumes and respecting the BERC price band, with random audits of their stocks.

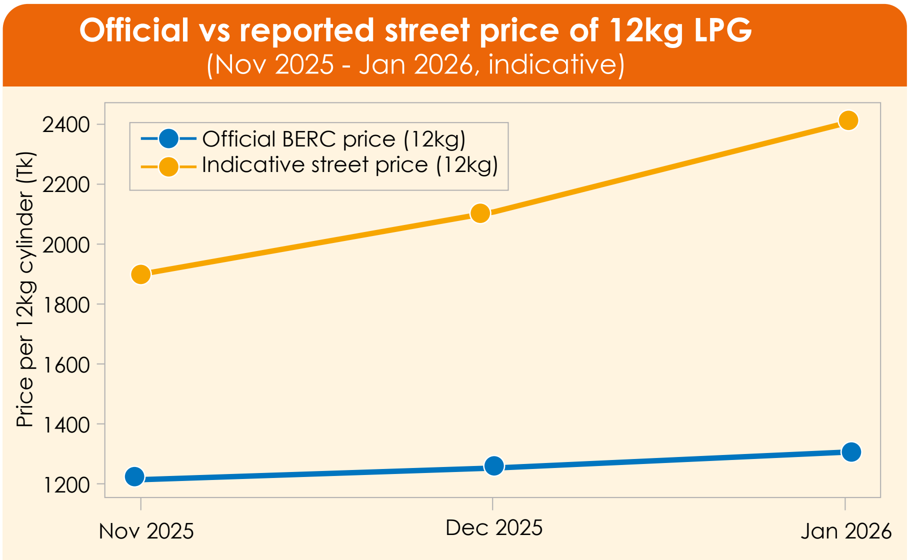
On the enforcement side, Bangladesh needs to move away from a model based mainly on sporadic raids. It would be easy to build a simple mobile tool – via SMS, USSD, or QR code – that lets consumers check the current official band for their cylinder size and district and report any outlet charging well above it. If the Directorate of National Consumer Rights Protection and BERC published weekly reports summarising actions taken, the message would spread quickly: systematic overcharging is now risky, not routine.

Finally, the poorest households need targeted protection. Instead of trying to subsidise all LPG for everyone, the government could use existing social safety net databases to provide a small, time-bound LPG transfer to vulnerable families. This might cover part of the cost of one small cylinder per month, or take the form of a modest cash transfer via mobile money. The objective is not to insulate everyone from any price increase, but to prevent the most vulnerable from being pushed into hunger or debt by fuel price shocks.

## Medium-term: make the formula credible and the market contestable

Crisis tools can buy time, but they do not remove the underlying vulnerability. If Bangladesh simply waits for global LPG prices and the foreign exchange situation to improve, the next shock will produce the same scramble. The medium-term task is to make BERC's pricing formula transparent, credible, and compatible with real competition. The first step is full transparency. Every month, alongside the new price, BERC should publish a simple breakdown of the official per-cylinder price: the international benchmark component, freight and insurance, port and handling, taxes and duties, and the margins at importer, distributor, and retailer levels. Right now, parts of this are known but not presented in a simple, consistent way. A clear breakdown would shift public debate from "the price is arbitrary" to "this component is too high" or "that tax is too heavy". It would also make it easier for policymakers to see where reform is possible and where there is little room to move.

*Figure 2: Illustrative build-up of the official 12 kg LPG price (Tk 1,306), showing each component in taka and approximate US dollars (assuming 1 USD ≈ 120 Tk). This kind of transparent breakdown would help clarify which part of the chain drives price changes and where reforms should focus.*



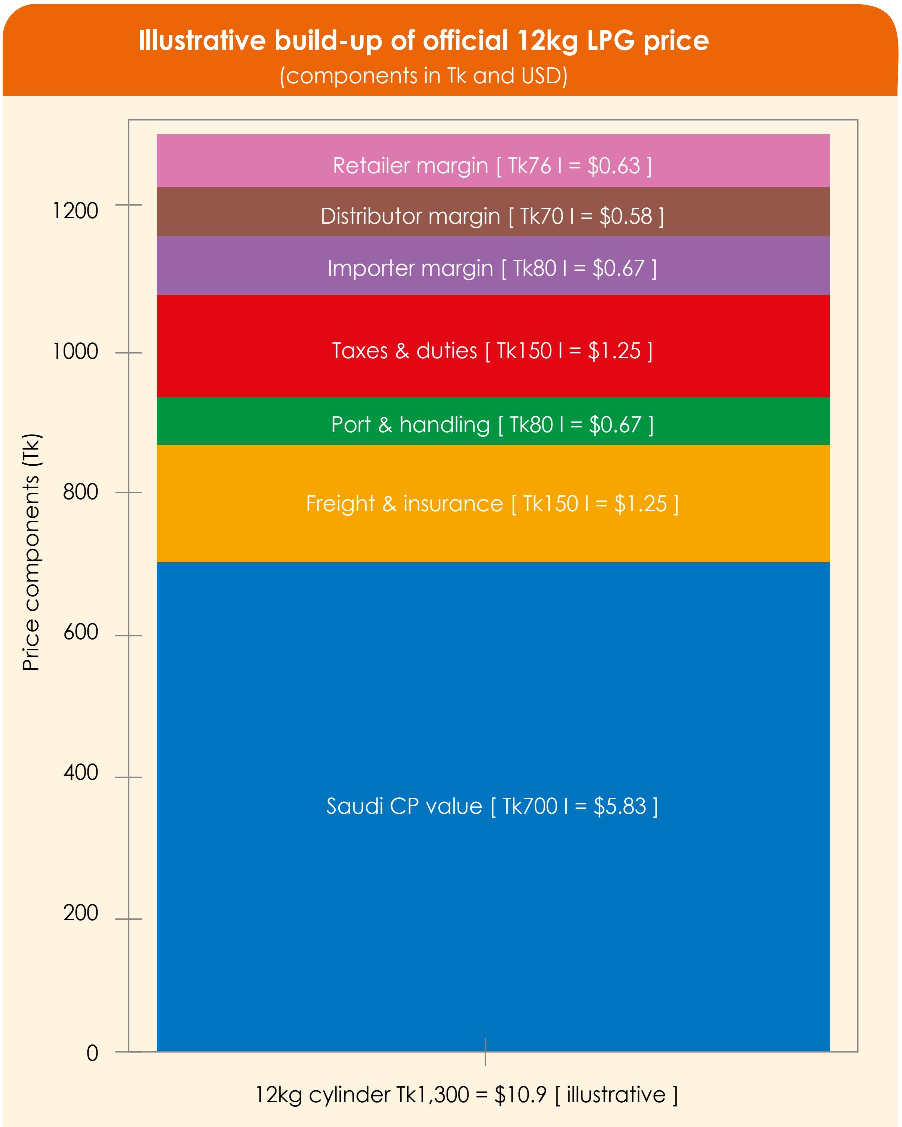

Second, BERC should strengthen the way it reflects foreign exchange and financing shocks in its formula. If the taka depreciates sharply, or if financing costs and demurrage charges rise significantly, those realities should be captured transparently in the formula, rather than being treated as a separate excuse for market behaviour. This does not mean fully passing through every shock to consumers, but it does mean being honest about where pressures are coming from.

Third, in the medium term, LPG pricing should move towards a formula plus cap model. The formula would continue to define a justified wholesale cost at the depot gate, based on CP, freight, FX, and local charges. BERC would then set a maximum retail price for each cylinder size. Within that ceiling, companies and dealers could compete on price, delivery, and service quality. This is different from today's one-number-everywhere logic. It accepts that some competition at the retail level is healthy and can benefit consumers, provided there is a clear upper limit enforced by the state.

Fourth, the margins allowed for distributors and retailers need to be updated on a professional cost-of-service basis. BERC can commission a study to map the real costs faced by typical dealers: transport routes, rents, wages, leakage, bad debts, and so on. If the current legal margin per cylinder is genuinely too low, it should be adjusted upwards to a realistic level. In return, dealers' associations should commit to a clear code of conduct and accept meaningful penalties, including the suspension of licenses for persistent overpricing.

Finally, the structure of the LPG market needs attention. A sector dominated by a small number of importers with limited storage will always be vulnerable to supply holidays and poor coordination. Licensing should encourage more qualified entrants with their own storage and distribution capacity, subject to strict safety and technical standards. Over time, Bangladesh can also explore modest LPG storage obligations or joint storage facilities that increase resilience to global disruptions.

*Figure 3: Both models use the Saudia CP-based formula; the proposed approach makes it transparent and pairs it with a clear legal cap, so enforcement targets only serious overpricing while allowing some flexibility below the ceiling*




## Who stands to gain?

The objective of these reforms is not to take the side of one group against another. It is to redesign incentives so that doing the right thing is more profitable and less risky than exploiting loopholes.

Consumers stand to gain from a price system they can actually see and understand. If BERC publishes a clear breakdown and a realistic band or cap, and if people have a simple way to check and report prices, the scope for blatant exploitation shrinks. Targeted support for the poorest helps ensure that basic cooking needs can be met even in periods of high international prices.

Retailers and distributors would gain from a margin structure that is grounded in their real costs, not in assumptions from another time. If the legal margin allows them to operate sustainably, many will prefer to stay on the right side of the law rather than risk fines and licence loss.

Importers would benefit from a formula that more accurately reflects the cost of sourcing, shipping, and financing LPG into Bangladesh. Time-bound support on LCs or foreign exchange during crises would reduce the temptation to delay cargoes or quietly squeeze supplies when conditions are difficult.

For the government and BERC, the gain is political as much as technical. Instead of being trapped in a cycle of low credibility and constant accusations, regulators could explain, defend, and adjust a system that is visibly more transparent and fairer than the status quo. Interventions in the LPG market would look less like panic and more like policy.

## A small test of a bigger shift

The LPG cylinder crisis is only one part of Bangladesh's wider energy story. It sits alongside rolling electricity load-shedding, foreign exchange pressures from fuel imports, and the broader challenge of moving towards cleaner and more secure sources of energy. Fixing LPG will not, by itself, solve all these issues. But it is a concrete and manageable test of whether the country can design reforms that combine economic logic, regulatory clarity, and basic fairness. The upcoming national election in February 2026 gives the next government a natural moment to reset expectations. Whatever party forms the government, it will inherit both the problem and the opportunity. A practical LPG policy – anchored in BERC, but responsive to real-world costs and incentives, would be an early signal that the new administration is serious about protecting consumers, supporting legitimate business, and building a more resilient energy system.

Bangladesh does not need a miracle to solve its LPG crisis. It needs clear rules, honest numbers, and a willingness to treat cooking fuel not as a political football, but as a basic service that must work, quietly and reliably, in kitchens across the country every single day. EP

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# BANGLADESH'S LPG MARKET UNDER STRAIN

**Bayezid Milky**

**Household consumers, in particular, are the worst affected. Many are unable to obtain gas for cooking, while others are forced to buy LPG cylinders at nearly double the regulated price.**

The liquefied petroleum gas (LPG) sector is passing through a critical juncture. Suddenly, the sector is facing a crisis in both local and international markets, creating deep trouble for household and industrial users alike. Household consumers, in particular, are the worst affected. Many are unable to obtain gas for cooking, while others are forced to buy LPG cylinders at nearly double the regulated price.

Regarding the LPG crisis, the government has placed the blame on operators, citing international market conditions and the role of retailers. However, the suffering of consumers continues to intensify with each passing day.

Operators and energy experts argue that the LPG sector is facing difficulties at every stage of the value chain—from import and bottling to distribution and sales. LPG operators state that they must obtain licenses and approvals from as many as 28 different authorities throughout the year, at an annual cost of Tk 1.0–1.5 crore. This process, they say, is excessively complicated, time-consuming, and costly.

Experts suggest that, following the practices of other countries in the region, Bangladesh should set the license validity period at five years, subject to annual compliance checks. At the same time, a single-point service should be introduced to issue all licenses and approvals. Responding to this proposal, Bangladesh Energy Regulatory Commission (BERC) Chairman Jalal Ahmed said that if the government so wishes, BERC could provide such a single-point service. He also stated that he sees no obstacle to extending the license validity period from one year to five years.

"There will be no LPG crisis from February," assured BERC Chairman Jalal Ahmed at a recent roundtable discussion. He described the current crisis as temporary but acknowledged that a consolidated and coordinated action plan is required for a lasting solution. However, other stakeholders believe that the crisis will not subside overnight and that only a comprehensive and well-structured plan can bring sustainable stability to the sector.

Speakers at the roundtable emphasized the need for regulatory reform in the LPG sector and suggested that the existing regulatory structure should be overhauled to improve overall performance. They argued that rules and regulations should be designed to protect both public interests and the viability of companies operating in the sector. If the ongoing price spiral is not controlled, they warned, all reform efforts will ultimately prove futile. According to the organizers, import limits are not the primary barrier; rather, a coherent government plan and concerted efforts are urgently needed.


BREAKING
BOUNDARIES
TOUCHING THE LIVES
OF MILLIONS
Meghna Group of Industries
Fresh
No.1
NUMBER 1
SUPER
PurE
Actifit
GEAR

The roundtable discussion on "Regulatory Challenges in the LPG Market" was organized by the LPG Operators Association of Bangladesh (LOAB) and Energy & Power magazine on January 15, 2026. Editor of Energy & Power, Mollah Amzad Hossain, moderated the discussion and noted that people are struggling to obtain gas for their daily needs. Regulation, he emphasized, should facilitate better operations rather than create obstacles. He also reiterated the need for a single-point regulatory system for the LPG sector.

He further highlighted the current state of the LPG sector and stressed that proper planning is essential to safeguard the interests of both consumers and producers. With adequate facilities and cooperation from the government, he said, LPG could play a vital role as a clean cooking fuel.

### M Tamim

Energy expert and Vice Chancellor of Independent University, Bangladesh Dr. M. Tamim said there are serious weaknesses in the regulatory structure and overall system governing the LPG sector. He described the licensing process as overly complex and burdensome. LPG, he noted, plays a critical role in addressing Bangladesh's ongoing gas crisis and supporting the country's energy transition. The sector is entirely driven by the private sector, with investments totaling around USD 3.5 billion.

Dr. Tamim explained that LPG supports households, transport, industries, and rural energy access, but remains fully dependent on imports. Operators, he said, must secure more than 26 separate approvals for routine operations. He called for comprehensive regulatory reforms and urged that all formalities be brought under a single regulatory authority.

He added that although challenges in the LPG sector have existed for some time, the situation has worsened recently as demand continues to grow steadily. The multiple-authority approval system, he said, is a major structural problem in Bangladesh. Licensing is not only complicated but also excessively expensive, placing additional pressure on operators.

If these costs are not reduced, Dr. Tamim warned, they will inevitably be passed on to consumers through higher prices. He also pointed out that LPG has relatively low environmental emissions and should therefore be recognized as a green industry. Extending license renewal periods to five to ten years, he said, would reduce operational risks and uncertainty for companies. He further suggested shifting from a control-based regulatory system to a safety-based regulatory framework.

### Jalal Ahmed

BERC Chairman Jalal Ahmed said as chief guest the government is working on regulatory reforms and aims to ease operational procedures for LPG operators, which would ultimately benefit consumers. He noted that LPG imports had declined in recent months due to both international and domestic factors, but expressed optimism that supply conditions would normalize soon.

He rejected claims that LPG imports were restricted, stating that most companies actually import more than their assigned ceilings. The government, he said, is also considering extending license durations and expanding online services for operators. Measures are being taken to resolve import-related issues and to exercise greater control over prices in local markets.

Ahmed also said BERC is working to improve its own efficiency and strengthen its regulatory authority. "We are trying to be proactive rather than reactive," he said. "With collective efforts, we will overcome the present crisis. This has been a learning experience, and we hope such problems will not recur."

He assured participants that regulatory complications would be reduced, license durations extended, and fees lowered. "We will sit together and find a proper solution to overcome this problem," he said.

### AHM Shofiquzzaman

Former Secretary and Consumers Association of Bangladesh (CAB) President AHM Shofiquzzaman said LPG should be declared an essential commodity and that the price-setting process must be made fully transparent. He added that proper governance has not yet been ensured in the sector.

He argued that government agencies should not be directly involved in LPG business operations, which should instead be left to private enterprises. A single-point regulatory system, he said, would help consumers access LPG at fair prices without unnecessary hassles.

Shofiquzzaman also noted that the government is planning to declare LPG a green sector and provide access to green financing. However, he pointed to a lack of coordination among government agencies, warning that without proper cooperation, a healthy business environment cannot be sustained.

### Mohammed Amirul Haque

LOAB President Mohammed Amirul Haque said the LPG sector is going through a critical period. "This is a longstanding problem," he said. "We are facing challenges in both international and domestic markets."

He cautioned that investment would

stagnate if regulatory bottlenecks are not removed. According to him, key challenges include the complex licensing process, high renewal fees, and limited cargo discharge facilities. International supply shortages have further compounded the crisis.

"If these problems are not addressed, the crisis will persist," he said, adding that solutions cannot come from operators alone. "The days of hide-and-seek are over. We must be open-minded; otherwise, no one will invest in this sector. We need at least 28 licenses every year, which has made operations almost impossible."

**Shamsuzzaman Sarkar**

Deputy Director of the Department of Environment, Shamsuzzaman Sarkar, said LPG bottling plants have been reclassified from the red category to the yellow category. He added that a decision has been taken to declare the LPG industry as a green industry. He also assured participants that environmental clearance would be issued within seven working days.

**Md Abul Hasan**

Md Abul Hasan, Chief Inspector of Explosives, said that his office has introduced an online service for LPG operators. He noted that licenses would be issued to operators in the shortest possible time. Emphasizing the need for reform, he said a single-window system should be introduced for the LPG sector and that supervision should be conducted by a single authority. "LPG is the best tool for green cooking," he said.

**AKM Fazlul Haque**

AKM Fazlul Haque, Joint Secretary at the Energy and Mineral Resources

Division, said the LPG sector faces challenges related to pricing, safety systems, and market operations. He noted that around six million families currently use LPG as a clean cooking fuel. However, he stressed that ensuring public safety and security remains the government's responsibility.

"We are working to formulate a comprehensive and sustainable policy framework for the LPG sector," he said, adding that the division has requested Bangladesh Bank to introduce green banking support for LPG industries to provide easier access to loans.

During the discussion, journalists raised questions about the recent abnormal increase in LPG prices. Operators and other stakeholders responded that the crisis had been caused by inadequate supplies from the international market. They also pointed to problems related to limited landing facilities and weaknesses in price management. According to them, LPG prices should be fixed in line with international market prices.

**Shahjahan Shaju**

Shahjahan Shaju of Universal Gas said that six operators currently dominate the market, while the remaining operators have little influence. He added that many companies are facing serious difficulties due to the complexity of the licensing process and demanded subsidies to support the healthy growth of the sector.

**Sakib Ahmed Siddiqui**

Sakib Ahmed Siddiqui of Unitech LP Gas said operators are not receiving adequate supplies from the market.

**LPG operators state that they must obtain licenses and approvals from as many as 28 different authorities throughout the year, at an annual cost of Tk 1.0–1.5 crore.**

"We are purchasing LPG at high prices—how can we sell it at a lower price?" he asked, adding that LPG prices should be determined in line with international market rates.

**Abu Sayed Raza**

Abu Sayed Raza of Meghna Fresh Gas said operators are facing both international and domestic challenges. "The pricing structure needs to be rational," he said, adding that his company has not violated any government rules and has always tried to keep the market stable, even at the cost of its own losses.

He described the LPG crisis as a global issue, noting that cargo shortages persist in the international market. Since prices are set by BERC, he argued, there is little scope for syndication. However, he acknowledged that supply-demand imbalances exist and should be addressed collectively.

**Bangladesh should set the license validity period at five years, subject to annual compliance checks.**

### Belayet Hossain

Belayet Hossain of Jamuna Space-Tech said LPG operators are facing both political and economic challenges. He also pointed to difficulties related to import limits and emphasized that LPG prices should be fixed in accordance with international market prices. "Otherwise," he warned, "this problem will not go away."

### Ali Iqbal Md Nurullah

Former Petrobangla Director Ali Iqbal Md Nurullah said the monitoring system for the LPG sector remains very weak. He emphasized that LOAB and regulatory authorities should not act as rivals but instead cooperate for the greater benefit of the sector. Regular interaction between the two, he said, is essential for improving governance and market discipline.

### Abdur Razzak

JMI Chairman Abdur Razzak said that only five out of 27 LPG operators have the capability to import, leaving the remaining companies in a vulnerable position. If the current situation continues, he warned, the entire market could face

deeper trouble. He noted that it is impossible for companies to sell LPG at lower prices when they are purchasing it at high rates. "There must be balance in the market," he said, "otherwise operators will not survive."

### Humayun Rashid

LOAB Vice President Humayun Rashid said that, following the example of other countries in the region, Bangladesh should extend the validity period of licenses issued by various institutions from one year to five years. He also reiterated the need for a single-point service for obtaining licenses and approvals, noting that such reforms would have a positive impact on consumer-level pricing.

### Zahir Uddin Swapan

BNP leader Zahir Uddin Swapan said every government should have a clear and specific plan for expanding the energy sector, with policies designed in the public interest. He also suggested easing excessive administrative control over the LPG sector for the benefit of consumers.

### Ruhin Hossain Prince

Former General Secretary of the Communist Party of Bangladesh (CPB), Ruhin Hossain Prince, said that crises are sometimes created artificially to generate excess profits. He suggested bringing the LPG sector under government control and restricting imports to safeguard consumers' rights.

## KEY RECOMMENDATIONS FROM THE ROUNDTABLE

1. Introducing a single-point licensing system
2. Reducing license fees and extending validity periods
3. Declaring LPG a green industry and providing green financing
4. Installing exclusive cargo anchorage facilities for LPG
5. Lifting import limits on LPG
6. Aligning LPG prices with international market prices
7. Shifting from control-based to risk-based regulation
8. Introducing digital governance in the LPG sector
9. Providing targeted consumer subsidies
10. Developing a long-term, comprehensive growth plan for the LPG industry

### Conclusion

Over the past decade, Bangladesh's LPG sector has expanded rapidly. Current annual demand—covering residential, industrial, and autogas use—stands at around 1.5 million tonnes and is expected to double by 2030 and quadruple by 2040.

However, the sector's growth is constrained by the requirement for operators to obtain licenses from 28 different institutions, at an official annual cost of around Tk 1.5 crore, with unofficial costs believed to be significantly higher.

Experts believe that adopting policies followed by countries such as Thailand, India, and Vietnam—particularly extending license validity and introducing a single-point service—could substantially reduce costs and benefit consumers.

LPG remains the only fuel in Bangladesh that does not require government subsidies, with 98 percent of supply coming from the private sector. Recognizing LPG as a green fuel and bringing it under green banking could address many of the sector's challenges while enhancing competition and supporting industries facing natural gas shortages. EP

# Bhola Gas: A Costly National Paradox

Saleque Sufi

It is deeply unfortunate and frustrating that, while Bangladesh's energy sector continues to suffer from an acute gas shortage, the gas at the Bhola gas fields remains stranded due to the absence of evacuation infrastructure. Natural gas was discovered at the Shahbazpur field in Bhola by BAPEX in the mid-1990s. From 1995 to 2026, more than three decades have passed. During this time, BAPEX drilled and developed several additional wells and discovered two more gas structures.

Over the years, short-sighted proposals surfaced, such as converting the gas to CNG or LNG, or setting up fertilizer and power plants at Bhola. GTCL surveyed several routes for constructing gas transmission pipelines, either to Khulna via Barishal or directly to Dhaka. Yet, due to a flawed and often irrational decision-making process, gas from the Bhola fields remains stranded, while the national gas supply chain continues to endure a chronic crisis. Alarmingly, Petrobangla has not even conducted a comprehensive gas reservoir study by engaging specialized international firms to properly assess the proven recoverable reserves of the Bhola gas fields.

In the late 1990s, US-based UNOCAL proposed the Western Region Integrated Project (WRIP) to develop these gas resources. The project aimed to evacuate gas from Shahbazpur, Bhola, to Digholia in Khulna through a 120-kilometer, 20-inch-diameter gas transmission pipeline, and to set up three power plants—one each at Bhola, Barishal, and Khulna. UNOCAL proposed an investment of about US$750 million at the time and committed to bearing the resource risk, project implementation risk, and market risk.

Petrobangla and BPDB negotiated the Production Sharing Contract (PSC), Gas Purchase and Sales Agreement (GPSA), Gas Sales Agreement (GSA), Gas Transportation Agreement (GTA), Power Purchase Agreement (PPA), and Implementation Agreement (IA) with UNOCAL. Power plant locations were selected, and the pipeline right-of-way was identified. However, at the final stage, a lack of consensus between the Government of Bangladesh and UNOCAL led to the abandonment of the WRIP.

## Why a Pipeline Should Be the Preferred Option

Globally, the standard practice is to transport gas from the source to load centers or distribution hubs through high-

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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।

pressure gas transmission pipelines, whether the fields are located in deserts, deep seas, or dense forests. There are thousands of kilometers of such pipelines worldwide, including from Russia to Western Europe, from Bolivia to Brazil, from Canada to the United States, and from Norway to Switzerland via the Netherlands and Belgium.

No country chooses to convert 2–3 Tcf of natural gas into LNG by investing billions of dollars in LNG plants, vessels, and terminals. Equally impractical is the idea of converting natural gas into CNG at such a scale. Even if a fertilizer plant or a large power plant were established at Bhola, long-term fuel security over 40–50 years would still require connection to the national gas grid.

Proven technologies already exist for constructing submarine pipelines beneath tidal rivers at safe depths. This writer personally surveyed pipeline routes across the Tetulia and Meghna rivers with U.S. experts and has also reviewed the design of Gazprom's Nord Stream 2 pipeline at its Moscow office. From a technical standpoint, constructing a gas transmission pipeline from Bhola to Khulna or from Bhola to Dhaka is entirely feasible.

Connecting Bhola's gas resources to the national grid at Khulna would be the most logical first step, as anchor loads already exist there to justify the investment. While such a pipeline would require major international pipeline construction companies on an EPC basis, the long-term benefits would far outweigh the costs. Even if the project required an investment of US$1 billion and three years to complete, gas would then become available to the greater Barishal and Khulna regions. In the future, an additional pipeline could be constructed from Barishal to Dhaka.

The presence of a major gas pipeline would also encourage international oil companies to invest in exploration across southern Bangladesh, both onshore and offshore. Industrialization in the southern region would receive a significant boost, and many struggling industries in Khulna would gain a new lease on life.

### LNG is Not a Practical Solution

An economically viable LNG plant would require an investment of approximately US$3–4 billion and proven gas reserves of at least 3–4 Tcf. Proposals for smaller LNG plants are simply unrealistic. LNG would also need to be transported by specialized carriers to land-based terminals near the gas grid and then regasified.

Bangladesh's own experience underscores these challenges. Since 2008, over 18 years, the country has managed to establish only two floating storage and regasification units (FSRUs) at Maheshkhali. The cost of LNG utilization remains extremely high, placing a heavy burden on the economy.

### Regional Equity and Energy Security

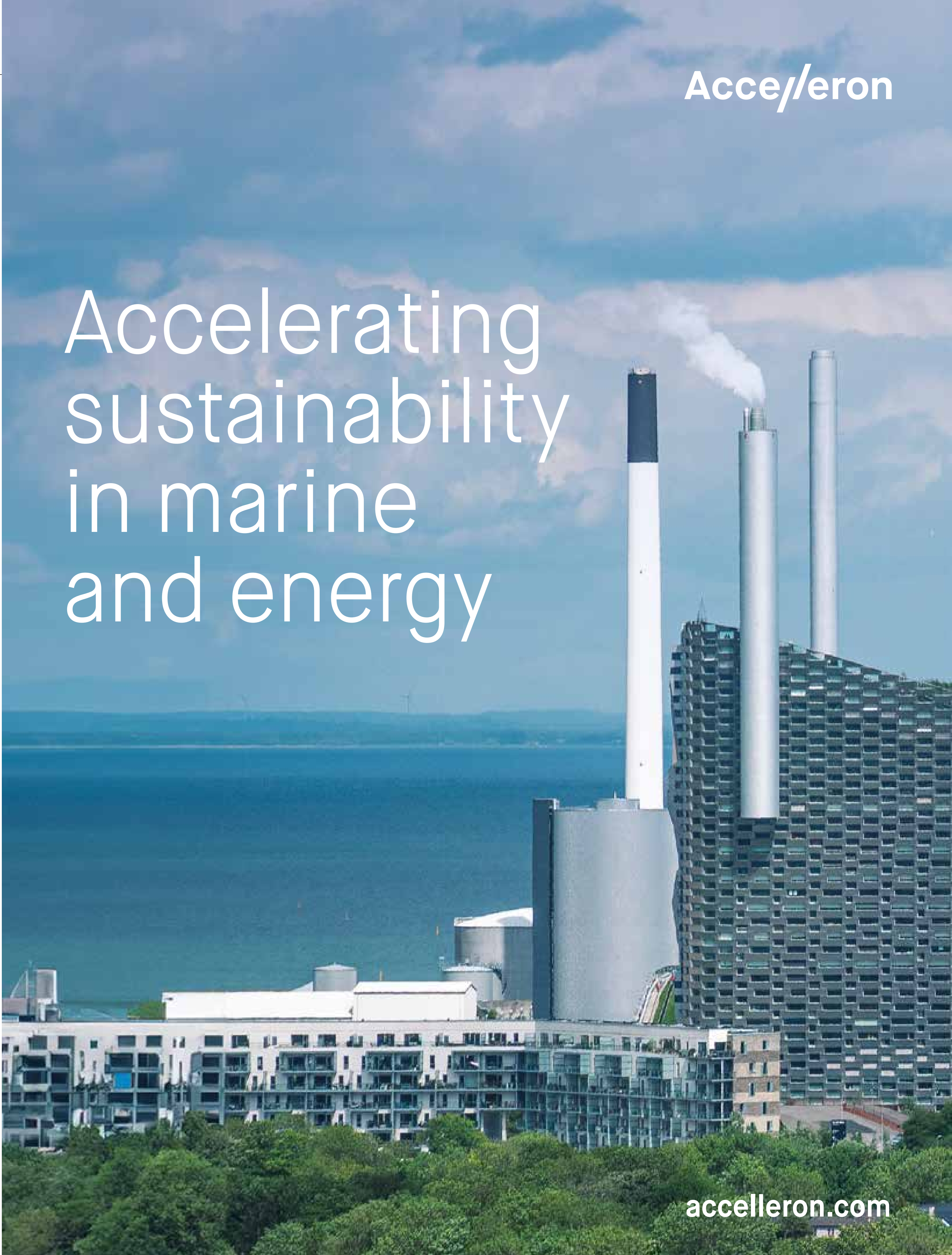
The gas fields at Bhola represent the only realistic hope for supplying gas to the greater Barishal and Khulna regions. People in these regions already suffer from significant energy disparities. It would be deeply unjust to further deprive them by leaving gas stranded at Bhola or by diverting it elsewhere through costly LNG conversion.

### Conclusion

The immediate priority should be to engage accredited reservoir assessment companies to professionally evaluate the gas reserves at Bhola. At the same time, the government should initiate a transparent tender process to engage a reputable international contractor to construct a gas transmission pipeline connecting Bhola to the national gas grid.

If such an initiative is taken in 2026, the project could realistically be completed by 2030. Bangladesh is expected to face a severe gas shortage around that time, as existing proven reserves may be largely exhausted. In hindsight, the failure to approve UNOCAL's WRIP in 2000, reportedly due to misguided advice, stands out as a major missed opportunity. The country cannot afford to repeat such mistakes. EP

***Saleque Sufi***
Energy & Climate Anaylest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## 25yr Roadmap Seeks Massive Investment in Gas, Power Sectors

The interim government has approved a transformative 25-year roadmap aimed at overhauling Bangladesh's crisis-ridden energy and power sector by drastically reducing import reliance, increasing domestic gas exploration, and pivoting towards sustainable green energy.

In a meeting on 7 January, chaired by Chief Adviser Muhammad Yunus, the Energy and Power Sector Master Plan 2025 seeks massive investment to secure long-term energy sovereignty as the nation grapples with depleting gas reserves and a crippling subsidy burden.

Officials say the plan seeks to gradually move the country away from its heavy reliance on imported fuels, which currently account for more than 70% of primary energy consumption.

Power, Energy and Mineral Resources Adviser Fouzul Kabir Khan said a draft of the master plan had been presented to the chief adviser, who consented to its formulation.

"We have already prepared the draft and will place it for public scrutiny, allowing stakeholders to share their views," he said.

"After incorporating feedback from stakeholders, we will finalise and approve the master plan so that the next elected government has a clear framework to operate from," the adviser added.

## Summit Group Eyes Data Centers as LNG Demand Surges


Bangladesh's Summit Group is stepping into the country's data center market while continuing to pursue its growing LNG projects, as the nation's demand for liquefied natural gas is expected to remain strong.

In interviews with Platts, part of S&P Global Energy, Summit Group Chairman Muhammed Aziz Khan discussed the company's plans to leverage its existing power capacity and infrastructure to expand into data centers and LNG.

"Bangladesh and Summit are uniquely positioned with excess electricity capacity for the next few years. We would like to be a pioneer in this global AI race," Khan said.

He noted that the country's recently enacted Personal Data Protection Ordinance, 2025, is also expected to stimulate demand for domestic data centers.

The group intends to utilize its subsidiary, Summit Technopolis Hi Tech Park, or vacant land alongside its power plants and the river, to build its first large-scale facility in Dhaka, Khan said.

## Heavy Dependence on Imported Fossil Fuels Driving Economic Risks: Study

Bangladesh's heavy dependence on imported fossil fuels is driving significant economic risks, including reduced GDP and heightened inflation, while disproportionately impacting the country's poorest households, according to a year-long research study.

The findings were disseminated on 20 January during an online workshop titled "Navigating Bangladesh's Energy Transition: Economic Resilience, Green Incentives, and Industrial Efficiency," organized by the South Asian Network on Economic

Modeling (Sanem) in collaboration with the Tara Climate Foundation.

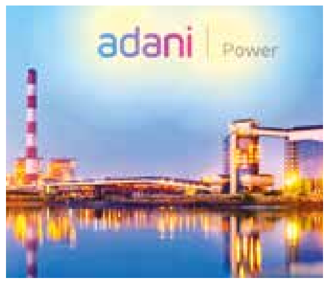
According to the study, price volatility leads to sharp output contractions in energy-intensive sectors and worsens the cost-of-living crisis for rural communities.

## National Committee Finds Irregularities in Past Power Plant Deals

Evidence of various irregularities has been found in all power plant contracts signed by the previous government, including the Adani power deal, as well as in the contracting process, according to information provided by four members of the National Committee.

The members believe that the ongoing power purchase agreement with Adani's power plant built in Jharkhand, India, contains "irregularities serious enough to warrant cancellation".

They also think that legal action can be taken against the Indian conglomerate Adani through the courts




by presenting evidence of these irregularities. However, the four committee members declined to speak on the matter officially.

It has been learnt that the National Committee submitted its report to Power, Energy and Mineral Resources Adviser Muhammad Fouzul Kabir Khan recently.

# Govt to Import LPG to Stabilize Market

The government is planning to import liquefied petroleum gas (LPG) through the state-owned Bangladesh Petroleum Corporation (BPC) to stabilize the domestic market and protect consumers from artificial shortages and price volatility.

The BPC has already sought approval to import LPG on a government-to-government (G2G) basis, sending a letter to the Ministry of Power, Energy and Mineral Resources on 10 January.

Energy Adviser Muhammad Fouzul Kabir Khan said the government would allow the BPC to import LPG under G2G arrangements to reduce the country's heavy dependence on the private sector for meeting domestic demand.

BPC Chairman Md Amin Ul Ahsan said importing LPG from the same international suppliers that provide fuel oil to Bangladesh would help create a more competitive and stable market environment.

Meanwhile, private sector operators have also welcomed the initiative, saying it could help ease supply constraints if BPC imports LPG at lower prices and supplies it to private operators.

# India, UAE Sign $3.0b LNG Deal

India has signed a $3.0 billion deal to buy liquefied natural gas from the United Arab Emirates, making it the UAE's top customer, as the leaders of both countries held talks to strengthen trade and defense ties.

The agreement was signed during a very brief two-hour visit to India by UAE President Sheikh Mohammed bin Zayed Al Nahyan for talks with Indian Prime Minister Narendra Modi.

They pledged to double bilateral trade to $200 billion in six years and form a strategic defense partnership.

Abu Dhabi state firm ADNOC Gas will supply 0.5 million metric tonnes of LNG a year to India's Hindustan Petroleum Corp (HPCL.NS), opens new tab for 10 years, the companies said.

ADNOC Gas said the agreement brings the total value of its contracts with India to over $20 billion.

# 2025 was World's Third-Warmest Year on Record: EU Scientists

The planet experienced its third-warmest year on record in 2025, and average temperatures have exceeded 1.5 degrees Celsius of global warming over three years, the longest period since records began, EU scientists said recently.

The data from the European Union's European Centre for Medium-Range Weather Forecasts (ECMWF) found that the last three years were the planet's three hottest since records began – with 2025 marginally cooler than 2023, by just 0.01 C.

Britain's national weather service, the UK Met Office, confirmed its own data ranked 2025 as the third-warmest in records going back to 1850. The World Meteorological Organization will publish its temperature figures later on Wednesday.

ECMWF said the planet also just had its first three-year period in which the average global temperature was 1.5 C above the pre-industrial era - the limit beyond which scientists expect global warming will unleash severe impacts, some of them irreversible.

# Process Ongoing for LNG Deal with Truant Firm Socar


Preparation is on stream to award a liquefied natural gas (LNG)-supply contract to a truant foreign firm that had previously left Bangladesh without completing a contracted drilling job, sources say, stoking fresh concerns.

Energy-industry insiders say the move towards deal-making with Socar, an Azerbaijani company, has triggered unease, given the firm's controversial track record in the country's oil and gas industry.

State-run Petrobangla is currently negotiating with Socar to select it, without a competitive tender, for LNG supply to Bangladesh for the first time, a senior Petrobangla official said.

Critics fear the decision could expose the country to renewed contractual and supply risks amid an already-strained gas market.

# Power Division Seeks Tk 24.48b in Urgent Subsidy

The Power Division has urgently sought Tk 24.48 billion in subsidies against tariff deficit as letter of credit (LC) complexities are disrupting coal and fuel imports, say sources.

It recently requested the finance ministry in favor of the Bangladesh Power Development Board (BPDB) to take necessary measures in this regard in order to help ensure uninterrupted electricity supply across the country.

The difficulties have arisen because of the government's non-payment of tariff deficit despite an approved power plant and two more undergoing the approval process by the Cabinet Committee on Government Purchase (CCGP).

The BPDB sustained the tariff deficit on account of selling electricity to bulk consumers at rates lower than the production/purchasing costs.

It generally purchases electricity from independent power producers (IPPs) and rental power plants.

Apart from that, it imports electricity from neighboring India.

# Long-Term Energy Strategy Prepared to Ensure Fuel Security: Salehuddin

Finance Adviser Dr Salehuddin Ahmed recently said the government has prepared a long-term energy strategy recognizing fuel security as one of Bangladesh's major challenges.

"Energy remains a critical issue for the economy as both power and energy sectors rely heavily on a secure supply. Without assured fuel supply local production will be affected," he told reporters after separate meetings of the Advisers Council Committee on Public Purchase and the Advisers Council Committee on Economic Affairs at the Secretariat.

"There are two dimensions—power and energy. A comprehensive approach has been taken. This includes offshore drilling initiatives and utilization of coal including domestic coal resources. All these have been consolidated into a single framework," he said.

# Rising Coal Demand Overshadows SE Asia's Transition to RE

Southeast Asia's demand for coal is growing faster than anywhere else in the world, undermining efforts to lower carbon emissions that contribute to global warming.

Regional coal demand will rise by more than 4% a year through the end of the decade, driven by rising needs for electricity as economies grow across the region of more than 600 million, according to a recent International Energy Agency report.

Indonesia, a nation of about 285 million people, will account for more than half of that, followed by Vietnam.

The trends raise questions over the $15.5 billion-dollar deals both countries signed in 2022 in Just Energy Transition Partnerships, or JETP, to help fund their renewable energy transitions.

Moves under U.S. President Donald Trump to reverse policies meant to address climate change add to the challenges.

This is a decisive decade for Southeast Asia as the region bears much of the burden of extreme weather and other impacts from climate change.

# Navy Seeks Land Work in Maheshkhali Solar Plant to Protect Submarines, Cables

Bangladesh Navy has expressed interest in carrying out land development for the 160 megawatt solar power plant being planned by Bay of Bengal Power Company (Pvt) Limited, a joint venture of Bangladesh Power Development Board (BPDB) and China Huadian Hong Kong Limited.

The navy cited concerns over the movement of its submarines and the safety of underwater submarine cables near the project site in Maheshkhali, Cox's Bazar.

It has submitted a formal request to BPDB, proposing that the land development work be assigned to the navy.

The solar plant will be built on 400 acres, requiring 8 million cubic meters of land filling at a cost of $40 million.

However, Bay of Bengal Power Company has yet to make a final decision on how the project's land development will be implemented.

## Samos Energy, FPSO Ventures Set to Own, Operate Bualuang FSO

The Suksan Salamander FSO is currently deployed on the Bualuang oil field offshore Thailand, operated by Medco Energi Thailand.

Investment group Samos Energy has agreed to acquire the FSO Suksan Salamander from Altera Infrastructure Group.

At present, the vessel is working for Medco Energi Thailand on the Bualuang oil field offshore Thailand.

Once Altera has completed delivery of the FSO, Samos' partner FPSO Ventures will assume responsibility for the vessel's current operations and maintenance contract.

Samos will take ownership of Suksan Salamander and its associated bareboat charter contract.

Samos currently owns three floating production units operating in Southeast Asia, all acquired from BlackRock in 2023.

## MHI, ITB Deepen Research Collaboration on Ammonia-Based Clean Power in Indonesia


Mitsubishi Heavy Industries, Ltd. (MHI) and Indonesia's Institut Teknologi Bandung (ITB) have signed a new research agreement to extend their long-standing collaboration on the exploration of clean power generation, further advancing research related to ammonia-based fuel applications.

Building on earlier joint studies, the extended agreement continues research into ammonia combustion, with a focus on strengthening understanding of how ammonia can be applied safely and effectively in gas turbine systems.

Through sustained collaboration, MHI and its power solutions brand, Mitsubishi Power, together with ITB, aim to reinforce the technical knowledge needed to support the practical use of ammonia in power generation and contribute to Indonesia's long-term decarbonization goals.

## Fuel Loading for RNPP's First Unit to be Completed by End-Feb: Salehuddin

Adviser to the ministries of Science and Technology and Finance Dr. Salehuddin Ahmed has said fuel loading for the Unit-1 of the Rooppur Nuclear Power Plant (RNPP) is expected to be completed by the end of the current month (February).

He made the remarks while visiting the RNPP construction site in Ishwardi, Pabna recently.

During the visit, he inspected the overall progress of the project and held discussions with officials, engineers, and workers involved in its implementation.

The adviser praised their relentless efforts and dedication in bringing the country's first nuclear power plant closer to completion.

Expressing optimism, Ahmed said the Rooppur Nuclear Power Plant would play a groundbreaking role in Bangladesh's power sector.

He noted that the project would significantly contribute to meeting the country's growing electricity demand, ensuring energy security, and achieving sustainable development goals.

## 68% of Global Oil Production Concentrated in Countries Exposed to US Pressure

A new analysis by 350.org and Zero Carbon Analytics finds that 68% of global oil production is impacted by US aspirations to dominate the world's oil and gas markets.

Andreas Sieber, Head of Political Strategy at 350.org, said dependence on oil has never made us more vulnerable and unsafe. More than two out of every three gallons of oil on the global market now come from countries where the Trump government either projects ruthless influence or threatens to do so.

"High energy bills, economic shocks, and political instability aren't accidents. They're the predictable result of letting a few actors dominate a system everyone depends on," Sieber says.

68% of global production oil is controlled by countries in the US sphere of influence, while 81% of global oil reserves are controlled by countries in the US sphere of influence and 53% of global gas production comes from countries in the US sphere of influence.

## Solar Generates Record 13% of EU Electricity in 2025

EU solar generation increased by over 20% for the fourth year running in 2025, with its share in the energy mix surpassing coal and hydro. For the first time in history, solar and wind generated more energy in the EU than fossil fuels.

Solar generated a record 369 TWh of energy across the EU in 2025, according to the European Electricity Review published by energy think tank Ember.

The result is an increase of 62 TWh on 2024 and more than doubles the 145 TWh generated in 2020. Ember says solar energy has grown at an average annual growth in generation of 21% over the past five years, a rate far beyond any other energy source.

This growth trajectory, buoyed by an added 65.1 GW of solar in the EU last year, led solar to generate a record 13% of the bloc's power in 2025, moving ahead of coal and hydro. Every EU country saw growth in solar generation increase year-on-year last year, led by Hungary with a 28% contribution to its power mix.

In Cyprus, Greece, Spain and the Netherlands, solar's share in the electricity mix was also over 20%.

## Grid-Sale Battery Economics Diverge in Texas, California

Grid-scale battery developers in the United States face different revenue risks in the Electric Reliability Council of Texas (ERCOT) and the California Independent System Operator (CAISO) markets, with ancillary market saturation compressing revenues in Texas.

Developers around the United States are increasingly taking note of the vast benefits offered to batteries in two of the largest wholesale markets in the United States: the CAISO and the ERCOT.

Still, the uptick in interest is pushing both markets closer toward saturation and raises the question of whether battery developers will be able to capitalize on ancillary service revenues in the months and years to come.

According to Evelyne Ruiz-Olivo, a market analyst at Amperon, the impact of that saturation looks quite different in both markets, though the differences stem less from technology or battery behavior and more from the market structures themselves.

## US Govt Cuts $83b in Loans, Reversing Energy Transition Funding

The U.S. Department of Energy moved to de-obligate or revise billions in financing for clean energy projects while prioritizing natural gas and nuclear power.

The U.S. Department of Energy (DOE) announced it will restructure or eliminate $83.6 billion in loans and conditional commitments, shifting focus away from renewable energy sources like solar and wind in favor of baseload power like gas and nuclear.

Along with this action the DOE has renamed the loaning organization, the Loans Programs Office to the Office of Energy Dominance Financing (EDF).

The action follows a review of the Biden administrations $104 billion principal loan obligations, "including approximately $85 billion rushed out the door in the final months after Election Day," said a press statement from DOE.

The department stated that nearly $30 billion has been or is being de-obligated, while an additional $53.6 billion is undergoing revision.

According to the department, approximately $9.5 billion in subsidies for wind and solar projects were eliminated.

## Survey Finds 47% of Solar Home Systems Failing Across Bangladesh

A joint survey by Centre for Policy Dialogue (CPD) and Bengali daily Samakal has found that 47 percent of household solar power installations in Bangladesh are no longer functioning, raising concerns over the sustainability of the country's renewable energy programs.

The survey shows that many systems installed under government and donor-backed initiatives have stopped working due to poor maintenance, limited technical support and weak monitoring mechanisms.

Household solar projects were introduced to reduce dependence on the national grid and promote clean energy, particularly in rural areas. They were initially seen as a success in expanding electricity access.

However, the findings suggest that substandard equipment, insufficient user training and fund mismanagement have reduced their effectiveness.

Families affected by non-functioning systems have been forced to rely again on unstable grid electricity or costly alternatives such as diesel generators, increasing household expenses and undermining confidence in solar power, the survey found.

## Bangladesh Seeks Consultants for 220 MW Solar Project

A tender is open in Bangladesh seeking consultants to support the development of the 220 MW Sonagazi solar project. The deadline for expressions of interest is February 3.

The Electricity Generation Company of Bangladesh (EGCB) is searching for a consultancy firm to support the development of the 220 MW Sonagazi solar power plant.

The project, set to be Bangladesh's largest solar site once completed, was formally approved in December.

The tender notice states that the successful bidder will provide consultancy services for the design review and supervise the chosen engineering, procurement and construction contractor.

They will also be responsible for compliance with health, safety, environmental and social safeguarding standards set by the Islamic Development Bank, which is financing the works, and implementing the livelihood improvement component of the project.

Green page

## BAU Researchers Develop Cost-Effective, Eco-Friendly "BAU Biochar Stove"

A team of researchers from Bangladesh Agricultural University (BAU) has developed a low-cost, environment-friendly stove named the "BAU Biochar Stove," which can be used simultaneously for cooking and biochar (organic charcoal) production.

The innovation has been developed with funding from the Bangladesh Climate Change Trust (BCCT) under the leadership of Prof. Md. Shahiduzzaman of the Department of Parasitology, BAU.

The project is currently being implemented at the field level in Mithapukur upazila of Rangpur district.

According to the researchers, the stove allows high-temperature cooking at 300 to 600°C while simultaneously producing biochar for climate-smart crop and livestock production.

It is particularly suitable for households that regularly use firewood, coal, or similar fuels for cooking. While conventional biochar production is relatively expensive, the newly developed stove enables biochar production at a very low cost and is farmer-friendly.

Explaining the scientific aspect, Project Director Dr. Md. Shahiduzzaman told UNB that biochar is a special form of charcoal produced at high temperatures in the absence of oxygen.

He said the stove was developed following scientific principles, and quality analysis of the produced biochar showed a high inorganic carbon content, making it high-quality biochar with strong carbon sequestration potential.

He added that the use of this biochar would help reduce methane emissions from agricultural land, livestock, and manure, thereby contributing to climate-friendly crop and livestock production.

## Norway Adds 117 MW of Solar in 2025

Norway installed 117 MW of solar in 2025, according to figures published by the Norwegian Water Resources and Energy Directorate (NVE).

The result is down on both 2024's result and the country's record year for solar deployment in 2023, taking cumulative capacity to around 876 MW.

The commercial and industrial market segment added the majority of Norway's solar in 2025, installing 81 MW across the commercial and institutional and other services sectors, as defined by NVE.

Hassan Gholami, a senior consultant on solar and storage at Multiconsult, told pv magazine that the main market driver last year was commercial actors seeking energy independence and cost savings amid moderately high daytime power prices.

In contrast the residential market, once the dominant segment in Norway's solar mix, added 13 MW in 2025. Gholami said this downturn was strongly influenced by lower spot prices, reduced subsidies and economic uncertainty.

"High interest rates, among the highest in Europe, also made many projects less appealing, especially for households and small to medium-sized enterprises," Gholami explained, before adding that 2025 was also marked by a wave of bankruptcies and layoffs in the sector.

## Renewables Jobs See First Slowdown Amid Global Deployment Growth

Despite renewable energy installations hitting a new peak, jobs in the sector only increased by 2.3% from 2023, reaching 16.6 million in 2024.

The newly released Renewable Energy and Jobs – Annual Review 2025 by the International Renewable Energy Agency (IRENA) and the International Labour Organization (ILO) highlights the increasing impact of geopolitical and geoeconomic frictions, as well as growing automation, to the renewable energy workforce.

As in previous years, uneven development continues across the world. China remains the preeminent force in both deployment of generating capacities and equipment manufacturing, mainly due to its integrated, large-scale supply chains that deliver equipment at unmatched prices.

In 2024, China created an estimated 7.3 million renewable energy jobs, or 44% of the global total. The EU followed suit with the same total as in 2023 at 1.8 million jobs.

Brazil's renewables employment runs to 1.4 million, while India's and the United States' barely grew from around 1 million to 1.3 million and 1.1 million, respectively.

Commenting on this trend, IRENA Director-General, Francesco La Camera, said, "Renewable energy deployment is booming, but the human side of the story is as important as the technological side. Governments must put people at the center of their energy and climate objectives through trade and industrial policies that drive investments, build domestic capacity, and develop a skilled workforce along the supply chain."



## Pakistan's Installs PV Capacity Estimated 27 GWof Solar in 2025

Pakistan has imported over 50 GW of solar modules from China, including 18 GW during the country's last fiscal year. In the absence of official installation figures, Islamabad-based thinktank Renewables First says up to 33 GW of solar capacity could have been deployed in Pakistan to date.

Pakistan imported a cumulative 51.5 GW of solar modules from China as of November 2025, according to figures shared by energy think tank Renewables First.

Data available through Renewables First's solar analytics portal highlights that imports of Chinese solar modules have accelerated over Pakistan's last two fiscal years.

At the end of the most recent fiscal year in June 2025, Pakistan had imported a cumulative 48 GW of modules, with associated costs totaling more than $2 billion.

There is currently no official data covering Pakistan's cumulative solar capacity due to data limitations in tracking behind-the-meter and off-grid installations. Official data is only available for Pakistan's net-metering capacity, the latest of which confirms 6.8 GW had been installed as of September 2025.

# Dhaka Chokes as Savar Brick Kilns Defy Shutdown

Despite the government's declaration of Savar upazila as a "degraded airshed", brick kilns in the area continue operating openly, raising serious concerns over air pollution in Dhaka.

The move, intended to protect the capital's northern entry points, appears to have little effect on kiln owners, who are finding ways to circumvent official orders.

On 17 August 2025, the government formally designated the entire Savar upazila as a "degraded air shed" under the Air Pollution (Control) Rules, 2022, explicitly banning all brick-burning and brick-manufacturing activities.

The decision followed mounting evidence that emissions from kilns in Savar significantly worsened air quality in Dhaka, especially during the dry season, posing grave health risks to the city's densely populated residents.

Yet, local residents and environmental activists report that many brick kiln owners treat the government's circular as mere paperwork. Although authorities demolished chimneys of several kilns late last year, many have been rebuilt and resumed operations.

# As Japan Declares Snap Elections, 350.org Calls for Progress on Climate Measures

Japanese Prime Minister Sanae Takaichi recently dissolved the House of Representatives and announced that snap elections will be held on February 8.

Climate group 350.org Japan calls upon all political parties and candidates to adopt policies that shift Japan away from fossil fuels and nuclear power and accelerate the transition to 100% renewable energy.

Masayoshi Iyoda, 350.org Japan Campaigner said: "Fossil fuel dependence and worsening climate impacts are creating a critical situation in Japan. In recent years, approximately 100,000 people in Japan were hospitalized due to heatstroke, while nearly 33,000 heat-related deaths were recorded over a five-year period. Damage from a single event of severe flooding costs us trillions of yen, severely impacting Japan's economy."

Price hikes, climate-related disasters, and health are concerns shared by all people living in Japan—regardless of gender, age, or political orientation. According to a 2025 survey, 71.2% of respondents stated they care about 'energy, environment, and climate change' when considering which candidate to support in the next elections.

# GEF Councils Approve $372m for Climate, Biodiversity, Pollution

The GEF Council approved a Work Program that will allocate USD 290.6 million to 30 projects and programs across 56 countries.

The LDCF/SCCF Council approved a Work Program of USD 52.26 million targeting climate change adaptation priorities in four LDCs, two of which are also SIDS, and in one non-LDC SIDS. The GBFF Council's new Work Program allocates USD 28.28 million to three projects in Colombia, Indonesia, and Madagascar, leveraging approximately USD 57.07 million in co-financing.

The Councils of the family of funds managed by the Global Environment Facility (GEF), comprising the GEF Trust Fund, the Least Developed Countries Fund (LDCF), the Special Climate Change Fund (SCCF), and the Global Biodiversity Framework Fund (GBFF), approved work programs totaling approximately USD 372 million in support of climate action, biodiversity conservation, pollution prevention and reduction, and integrated environmental action across Africa, Asia, Europe, and Latin America and the Caribbean (LAC).

# IDCOL Strengthens Climate Commitment by Joining PCAF


Infrastructure Development Company Limited (IDCOL) has become a signatory to the Partnership for Carbon Accounting Financials (PCAF), reinforcing its strong commitment to sustainability and climate action.

This strategic move establishes a robust framework for transparent sustainability reporting, enabling IDCOL to accurately measure and disclose greenhouse gas (GHG) emissions associated with its financing activities.

The Partnership for Carbon Accounting Financials (PCAF) is a global collaboration of financial institutions aimed at harmonizing the assessment and disclosure of GHG emissions linked to loans and investments. With more than 700 financial institutions across six continents, PCAF is rapidly expanding its footprint in North America, Latin America, Europe, Africa, and the Asia-Pacific region.

# Efforts Underway to Meet Addl Power Demand During Coming Irrigation Season

The government has started taking measures to ensure uninterrupted power supply for the coming irrigation season as the power consumption during the boro cultivation jumps up to additional 5,000MW.

"At present, the country is generating a maximum 11,608MW of electricity per day, while the electricity demand may reach 17,000MW for irrigation season during April," a BPDB official said.

To meet the additional demand, the state run Bangladesh Power Development Board (BPDB) has proposed a closer monitoring and restrictions on irrigation pump operations during peak hours, alongside efforts to encourage farmers to shift irrigation to off-peak periods.

According to power cell information, the total number of irrigation connection is now 4.98 lakh in the country, while the number of total power plants is now 135.

Currently, the country generates 11,608MW electricity while importing 2,696 MW, it said.

# 19 Companies Offered Offshore Licenses under Latest Norwegian Exploration Round

Many of the awards will support exploration close to existing offshore infrastructure. Others could open up new plays or development of technically demanding discoveries. Successful bidders include Equinor, Aker BP, Var Energi, OKEA and DNO, among others.

Equinor has been awarded 35 new production licenses by the Ministry of Energy in the most recent APA round.

Norway's Ministry of Energy has offered 57 new production licenses across the North Sea, Norwegian Sea and Barents Sea to 19 companies under the country's APA 2025 licensing round.

Terje Aasland, Energy Minister, said: "Norway is Europe's most important energy supplier, but in a few years, production will begin to decline. Therefore, we need new projects that can slow the decline and deliver as much production as possible."

The annual Awards in Predefined Areas (APA) exploration round covers much of the already opened, available acreage on the Norwegian continental shelf.

# Mitsubishi Power Lands Significant Gas Turbine Order for Qatar's Facility E IWPP Project

Mitsubishi Power, a power solutions brand of Mitsubishi Heavy Industries, Ltd. (MHI), announced recently that it has been awarded a contract in cooperation with Samsung C&T Engineering & Construction Group, an Engineering, Procurement, and Construction (EPC) contractor appointed by Ras Abu Fontas Power Company, and in partnership with Qatar General Electricity and Water Corporation (KAHRAMAA).

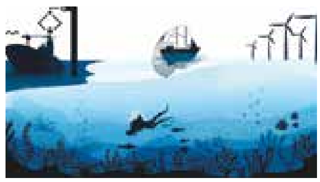
This involves supplying advanced gas turbine technology for Qatar's Facility E Independent Water and Power Project (IWPP).

The project will be powered by Mitsubishi Power's cutting-edge M701JAC gas turbines, renowned for their reliability, efficiency, and hydrogen readiness.

Facility E IWPP, located in the Ras Abu Fontas area, approximately 25 kilometers south of Doha, will serve as a critical infrastructure asset for Qatar.

# Regional Dialogue on Sustainable Blue Economy

A two-day regional dialogue titled "Northeast Indian Ocean Regional Dialogue on Sustainable Blue Economy, connectivity, and resilience" was held in Dhaka recently.



The high-level event brought together senior policymakers, maritime experts, and development partners from Bangladesh, India (Andaman & Nicobar Islands), Sri Lanka, and the Maldives. Jointly organized by the Sasakawa Peace Foundation (Japan), the Moheshkhali Integrated Development Authority (MIDA), and Peace and Policy Solutions (Bangladesh), the dialogue aimed at establishing a unified roadmap for ocean-based economic growth.

The primary objective of the summit was to draft the "Dhaka Statement," a shared regional position that will serve as a strategic guide for upcoming inter-regional and global dialogues.

# Rizwana Urges Stopping Unnecessary Honking to Curb Noise Pollution

Syeda Rizwana Hasan, Adviser for Information and Broadcasting and Environment, Forests and Climate Change recently urged people from all walks of life to avoid unnecessary honking as part of efforts to control noise pollution.

"Honking without reason has become a deeply rooted bad habit over the years," she said, adding that curbing noise pollution requires not only strict enforcement of laws but also a change in public behavior.

The adviser made the remarks while inaugurating a rally organized under the Department of Environment's ongoing Integrated and Partnership-based Project for Noise Pollution Control in Dhaka. The rally, jointly organized by the Department of Environment and the Dhaka Metropolitan Police (DMP), aimed to raise public awareness about noise pollution. With the slogan "No More Noise Pollution, Let Healthy Life Prevail," the adviser formally launched the colorful procession.

The rally started from Manik Mia Avenue (South Plaza of the National Parliament Building) in the morning, passed through Farmgate, Karwan Bazar, and Bijoy Sarani, and concluded at the Department of Environment in Agargaon.

# Türkiye Pushes for Climate Diplomacy Lead with COP31


The government launched preparations ahead of this year's COP31 summit, 'where countries will consult with Türkiye while making critical decisions,' according to the minister in charge of the summit.

The first preparatory meeting for the upcoming COP31 summit was held in Antalya, a Mediterranean city at the heart of a major diplomatic forum and a popular tourist destination.

Speaking at the meeting recently, Environment, Urban Planning and Climate Change Minister Murat Kurum said the leadership of the summit was crucial as every country declaring a decision on the fight against climate change would heed Türkiye's guidance.

The 31st Conference of the Parties is scheduled to take place on Nov. 9-20, 2026, primarily in Antalya, with a leaders' summit in Istanbul.

# SE Asia's Clean Energy Push: Climate Action as a Path to Economic Competitiveness

Southeast Asia is standing at an important moment as the global economy moves toward a low-carbon future. Countries such as Malaysia, Thailand, and Indonesia have recently updated their climate commitments, showing stronger intent to cut emissions and move away from fossil fuels.

While these pledges are important for protecting the environment, experts say the real value lies in strengthening long-term economic competitiveness.

Over the past year, several ASEAN nations revised their Nationally Determined Contributions under the Paris Agreement.

Thailand advanced its net-zero emissions target to 2050. Malaysia announced its first absolute emissions reduction goal. Indonesia reiterated its commitment to reach carbon neutrality by 2060 or earlier. These steps signal growing urgency, but analysts caution that targets alone are not enough.

# Australia's Cop31 Chief Negotiator Plans to Lobby Petrostates on Fossil Fuel Phaseout

Chris Bowen wants to use his stint as the world's chief climate negotiator to lobby Saudi Arabia and others to stop resisting progress at UN summits, heeding calls for a "hard-nosed" approach in dealing with big emitters obstructing the transition.

Appointed "president of negotiations" for Cop31 under the deal that handed Turkey hosting rights for the conference, Australia's climate change and energy minister has told Guardian Australia a focus ahead of the summit would be talking to countries "with whom we don't traditionally agree".

Bowen mentioned Saudi Arabia, the oil-rich Gulf state accused of repeatedly obstructing efforts at UN summits to accelerate the phaseout of fossil fuels.

"We won't get anywhere if we just have a jamboree of the willing," Bowen said.

"We need to have a Cop which really tries to cross some of those bridges that have been very difficult to cross in recent Cops."

# Afghanistan Seeks Azerbaijan's Support for COP31 Participation

Afghanistan is seeking Azerbaijan's support to help secure its official participation in the upcoming United Nations COP31 global climate change conference, scheduled to be held in Türkiye, as Kabul looks to strengthen its engagement on climate diplomacy and technical cooperation.

The Director General of Afghanistan's National Environmental Protection Agency, Matiulhaq Khalis, met with Ilham Mammadov, Azerbaijan's ambassador to Afghanistan this week, where the two sides discussed climate change, participation in international conferences and the expansion of bilateral environmental cooperation, according to a statement issued by the agency.

Khalis urged Azerbaijan to coordinate with the Turkish government, the United Nations Framework Convention on Climate Change (UNFCCC) secretariat and other relevant international bodies to pave the way for Afghanistan's official participation in COP31.

During the meeting, Khalis also thanked the Azerbaijani government for its diplomatic efforts during COP29, hosted by Azerbaijan in Baku in November 2024, noting that while Afghanistan was not formally invited, Baku's support and cooperation were "commendable" and appreciated by the Afghan government.

# Building Bridges for a Greener World: Singapore's Climate Strategy

Singapore is advancing climate action through collaborations with governments, businesses and international organizations.

Climate change is no longer a distant threat — it's here. The impact of global warming can be felt tangibly these days, from searing heat to lashing rain.

Singaporeans are not alone in feeling these changes. Around the world, rainfall patterns are shifting, droughts are intensifying and extreme weather events are becoming more frequent.

Climate change is already happening, disrupting lives and livelihoods.

# Centara Advances Climate Action Initiatives in Maldives

Centara Hotels & Resorts reported measurable environmental and community impacts at The Atollia in the Maldives, highlighting progress in renewable energy, waste reduction, and ecosystem protection.

Centara Hotels & Resorts has outlined a series of sustainability actions and environmental performance indicators at The Atollia by Centara Hotels & Resorts, its multi-island, dual-resort destination in the Maldives, as part of its wider climate action and ESG commitments.

The Atollia spans two islands connected by a bridge and comprises Centara Mirage Lagoon Maldives, which opened in November 2024, and Centara Grand Lagoon Maldives, which opened in April 2025.

Both resorts have embedded sustainability practices across operations, with a focus on energy efficiency, resource management, and ecosystem protection.

This has contributed to savings of 645,318 litres of diesel and a reduction of $CO_2$ emissions by 1.96 kilotons.

# ADB Approves $400m for Resilient, Inclusive Development in Bangladesh

The Asian Development Bank (ADB) recently approved a $400 million loan to help Bangladesh enhance its resilience against climate impacts, cut emissions in climate-critical sectors, and promote inclusive development.

The funding will support the second phase of the Climate-Resilient Inclusive Development Program (CRIDP), which includes nearly $113 million in cofinancing from the Agence Francaise de Developpement, and $400 million from the Asian Infrastructure Investment Bank (AIIB).

"The program will help Bangladesh achieve its climate goals more efficiently by bringing government agencies together and aligning their work with national policies," said ADB Senior Public Sector Economist Sameer Khatiwada.

"It will also remove obstacles to mobilizing climate finance, reinforce adaptation efforts in priority sectors, and speed up actions to reduce climate impacts."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জ্যাপেই
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## Upcoming Govt's Biggest Challenge

# Reducing Power Generation Costs and Fuel Import Dependence

Keeping the financially fragile power sector operational, while managing potential electricity shortages during the upcoming Ramadan and summer, will be the new government's biggest challenge. Outstanding in the power sector has already reached a massive scale. Unless steps are taken to clear these arrears, public and private power plants will not be able to operate at full capacity. At the same time, to ensure an optimal fuel mix, the government must secure adequate dollar supplies. However, there is no quick way out of the crisis in the power and energy sector.

These views were shared by Engr. Shafiqul Alam, Lead Energy Analyst (Bangladesh) at the Institute for Energy Economics and Financial Analysis (IEEFA), in a discussion with Mollah Amzad Hossain, Editor of Energy & Power. The full interview is presented below:

**Considering the current state of Bangladesh's energy and power sector, what will be the biggest challenges for the upcoming elected government? What kind of plans should the new government take in the short, medium, and long term?**

The new government will face multiple challenges immediately upon taking office. As Ramadan begins in February, and temperatures will likely rise in March alongside the need for irrigation, the power demand will surge. Furthermore, while electricity demand was lower due to relatively mild weather last year, the demand is expected to exceed 18,000 MW this summer. Hence, the first challenge will be ensuring sufficient fuel supply to support additional power generation as BPDB's revenue deficit (subsidy+loss) soared to Tk 55,600 crore in FY2024-25 from around Tk 47,000 crore in FY 2023–24. Ensuring sufficient fuel supply after managing such a high level of revenue deficit is itself a major challenge.

The problem compounds as domestic gas production continues to decline despite the plan to ramp up local production. Against this backdrop, the next government should plan for sufficient electricity and gas supply for the key sectors to drive economic growth. Even if planned load shedding is required in the residential sector, supply to industries must be maintained.

To manage the situation better, it is all-important to release dollar timely manner to avoid payment backlogs and ensure necessary energy supply. This will help reduce the use of high-Sulfar fuel oil (HSFO), thereby keeping generation costs under control.

It is also important to draw lessons from the surge in electric three-wheelers, which has increased grid-power demand after midnight by around 4,000 MW. If the ongoing gas and LPG shortages persist, the number of electric cookstoves could drastically increase soon. One million cookstoves could raise the power demand by around 2,000 MW during the cooking hours. Without a proper energy transition plan, the country will likely face increasing difficulty in meeting power demand in the foreseeable future.

Amid such hurdles on the road, the new government may consider undertaking implementable programs, such as ensuring additional gas supply from domestic fields by the end of the year. Similarly, it may design a distributed renewable energy program to add new capacity of around 1,000 MW in a year. This is in addition to the efforts to shore up utility-scale renewable energy projects. Alongside these, the government should devise a feasible energy and power master plan through proper stakeholder consultations and expert inputs to drive the financially distressed power sector and highly import-dependent energy sector towards sustainability.

**Engr. Shafiqul Alam**

**Compared to last year, power demand is likely to increase this summer. On the other hand, Ramadan and the summer season will commence immediately after the elected government takes office. Therefore, the minister in charge of the energy and power ministry should take a stock of ensuing challenges through meetings with all power and energy sector institutions to review their plans and chalk out the most feasible option to manage the summer.**

**Over the past five years, electricity generation costs have increased by 83 percent. Fuel import dependence has clearly played a role, but how much have currency depreciation, irregularities, or corruption contributed to this increase?**

According to BPDB's data, the average cost of electricity generation, excluding transmission, has surged from Tk 6.61 per kilowatt-hour in 2020–21 to Tk

12.10 per kilowatt-hour in 2024-25. The primary reason is excessive import dependence. Over the past five years, the taka has depreciated by 43 percent against the US dollar, which, according to my assessment, contributed to roughly 30 percent of the increase in power generation cost. However, the BPDB's increasing purchases from other sources, for example, IPPs, and the use of expensive fuel oil in power generation significantly contributed to this soaring cost. The reserve margin in power generation increased from around 52–53 percent in 2020–21 to 61.03 percent in 2024–25, which also contributed to the rising generation cost.

**Currently, Bangladesh's import dependence across the power and energy sector is around 56 percent, and there are concerns that this trend will continue to rise. What preparations do you think are necessary to curb this dependence?**

There is no immediate way to rein in import dependence. Rather, unless special initiatives are taken to increase domestic gas supply and expand power generation from renewable sources, import dependence could rise to 80–90 percent. Despite continued discussion on advancing renewable energy to curb the growing power sector crisis, the country has yet to install the solar power capacity that can be utilized without battery energy storage.

Notably, Pakistan has managed to reduce LNG imports through large-scale expansion of rooftop solar. India continues to thrive on renewable energy expansion. Another regional country, Sri Lanka, has achieved great success in rooftop solar expansion. Amid such examples, if Bangladesh can also accelerate renewable energy, it will be able to significantly reduce its import dependence. Alongside this, it needs to harness its own gas and enhance energy efficiency to limit its exposure to the volatile international fossil fuel market.

This will require strong commitment from the next government to streamline the energy and power sectors based on consultations with all relevant institutions, experts, and stakeholders.

**Civil society groups, NGOs, and some research institutions argue that the rapid expansion of renewable energy is the only solution to reducing import dependence. What is your view?**

Bangladesh should prioritize the implementation of 3,000 to 4,000 MW renewable energy projects, including low-hanging fruit like rooftop solar, in the next three to four years. As battery energy storage will likely be more competitive and industries with targets for decarbonization will utilize CPPAs for renewable energy projects, Bangladesh can considerably increase its reliance on renewable energy, reducing import dependence, in the foreseeable future. In fact, the apparel industry having mitigation targets will amplify efforts for increasing the share of green sources in its energy mix to remain competitive in the international market.

However, to take full advantage of renewable energy and curb import dependence, Bangladesh's gas-dependent industry sector will require a transition to electric systems, such as electric boilers and grid power, subject to a reliable power supply from the grid. This means modernizing the grid to accommodate a larger share of renewable energy.

**Many believe that during the upcoming summer, there could be a major power supply crisis compared to demand. How do you see the situation?**

Compared to last year, power demand is likely to increase this summer. On the other hand, Ramadan and the summer season will commence immediately after the elected government takes office. Therefore, the minister in charge of the energy and power ministry should take a stock of ensuing challenges through meetings with all power and energy sector institutions to review their plans and chalk out the most feasible option to manage the summer. This will help load management, prioritization of fuel use based on cost, and ensure dollar availability to avoid payment backlogs, and limit the use of expensive fuel oil in power generation. As mentioned before, the government may consider planned load-shedding, but should help industries operate at optimal capacity.

**Energy transition is essential for every country. What steps should the new government take to ensure an appropriate energy transition pathway for Bangladesh?**

As a long-term plan, the new government should craft a clear roadmap for the energy transition based on expert consultations, the country's capacity, and the trend of technological advancement. This long-term vision should prioritize renewable energy alongside energy efficiency. In preparing so, it may review successful energy transition strategies adopted by countries in this region and elsewhere.

In the short term, the next government should waive the applicable import duties on accessories of distributed systems, such as rooftop solar, to create a level playing field with utility-scale projects. Likewise, it should reduce the high import duties applicable to components of energy-efficient appliances. The government may also create a special fund for renewable energy to incentivize small-scale systems such as solar irrigation and rooftop solar. With energy and power sectors confronting critical challenges, the government should work on developing an energy-conscious society to minimize energy wastage.

**Bangladesh's domestic energy resources are limited—mainly gas and coal. Do you think the new government should take steps to extract these resources to reduce import dependence?**

The global financing architecture will likely limit the possibility of securing finance for coal extraction in the country. Hence, any plan relying on coal extraction could rather intensify the country's import dependence or increase the stranded asset risks.

Given the situation, the country should harness its own gas alongside ramping up renewables.

**The power and energy sector is in a financially fragile condition. What is the way forward to gradually overcome this situation?**

Addressing this problem will require a planned approach that should be carefully implemented over a period. As we have seen that only increasing tariffs does not ultimately bridge the gap between revenue and cost, the next government should also opt for reducing costs, such as minimizing the use of expensive power generation, while advancing renewable energy. EP

Reverse Swing

Farid Hossain

# ONE ELECTION, TWO BALLOTS AND TOO MANY QUESTIONS

In the upcoming February 12 general elections, voters will get two separate ballots: one for choosing their candidate of choice and the other for a Yes/No vote on reforms proposed by the interim government. The reform package is known as the July Charter. So, this time the vote will be different from the previous ones. Bangladesh is familiar with normal polls and a Yes/No referendum. This time, however, both the normal polls and the referendum are being held on the same day.

It's a bit complicated. Whether all voters will understand the contents of the referendum has been a big question and a concern, too.

Eminent economist and political thinker Professor Rehman Sobhan thinks so. Speaking at a recent event, he said reforms through the referendum, being conducted in an opaque manner, are a non-serious proposition.

He said people are being asked to approve 38 complicated reform proposals, which ordinary citizens do not understand. "This non-seriousness is evident in the current election campaign. The revealed preference of the main players is clear: no one is talking about reforms," he said.

He said he has not heard either of the two alliances stand up and say, "Here are 38 essential reforms required to reimagine your democracy – let us mobilize public consciousness around them".

"Instead, what we have are employees of the banking system and a few helpless NGOs being sent around the country to persuade people to vote 'yes' for reforms," he said.

He said the interim government wants to oblige the July uprising leaders, and thus, a cosmetic arrangement has been created.

But Ali Riaz, special assistant to the chief adviser, strongly disagrees. "The key question of the referendum is whether Bangladeshis want to change the current system or allow fascism to resurface."

Ali Riaz on Wednesday said voting 'Yes' in the referendum would pave the way for building a new, discrimination-free Bangladesh for the young generation.

"To rebuild the country anew, people must vote 'yes' in the referendum. The decision on what kind of Bangladesh will be handed over to the youth in the future will be determined by this 'yes' or 'no' vote," he told a recent event in Dhaka.

There are divergent views on the referendum and the manner in which the questions have been framed. The contents and the language will be difficult for the illiterate voters to understand. Many voters in Bangladesh are used to voting for the election symbols of the parties or the candidates. They hardly need to read whatever is written on the ballots. Election symbols are enough to vote for the desired candidates. On the contrary, the contents in the referendum ballot are too long and complicated. The language may prove a challenge for even university graduates.

The interim government's use of the employees of the state for canvassing in favor of the Yes vote has also been problematic and seen as a violation of the rules clearly mentioned in the referendum order. In a belated response, the Election Commission recently reminded the government employees about the penalty they may face for violation of the rules. The EC's move has been praised, though to many it came too late. The enforcement of the rules regarding the referendum has also been lax. The EC is now being seen as weak in this regard.

BNP and Jmaat-e-Islami are the main rivals in the Feb 12 vote. They have their smaller allies under their respective wings. Rebels mainly from BNP and several independent candidates are drawing a lot of attention, though. Close fights are expected between BNP and Jamaat, according to political pundits. A hung parliament is not being ruled out. Even if the elections go smoothly with a reasonably good turnout, the absence of the Awami League will be discussed long after the vote. EP


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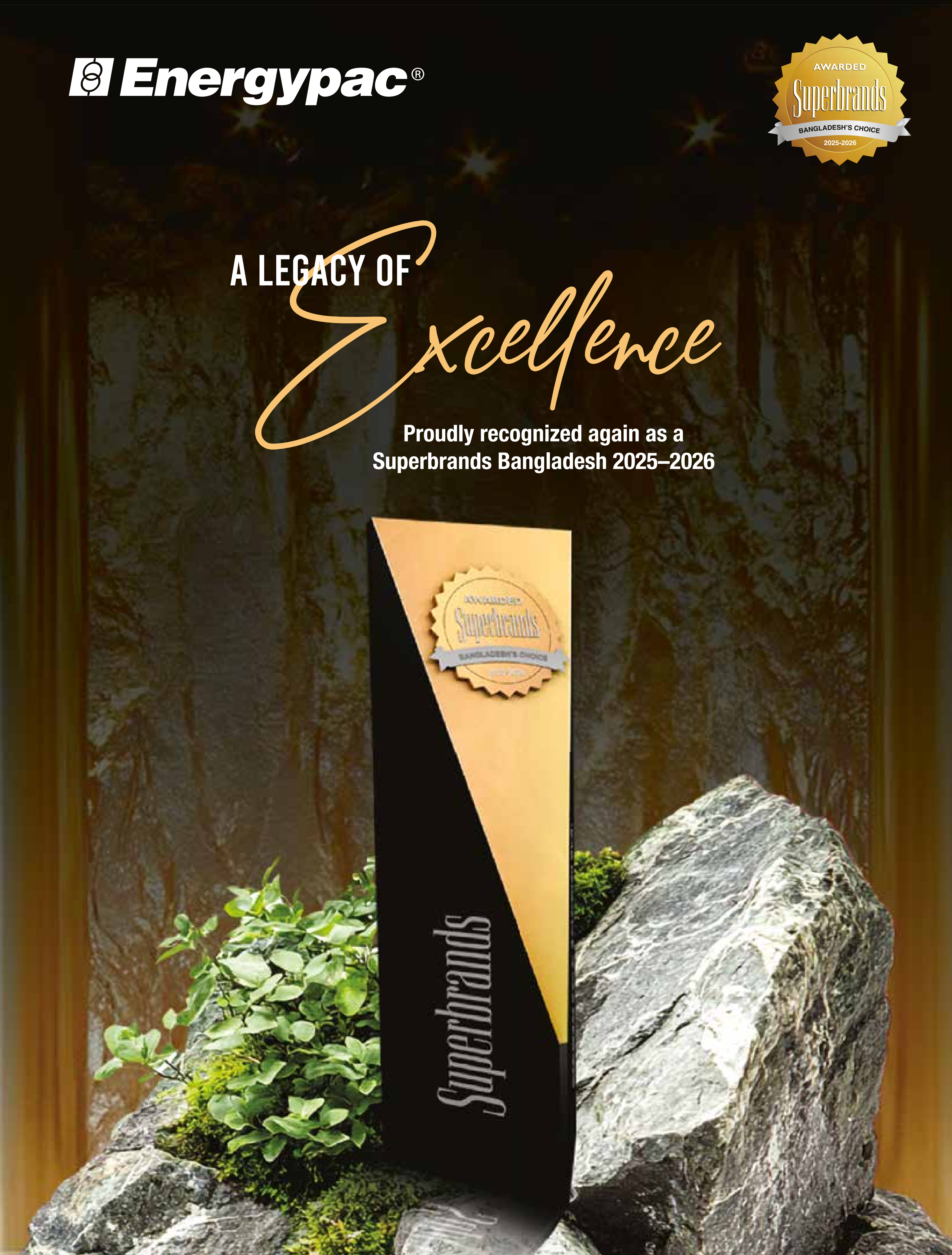

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