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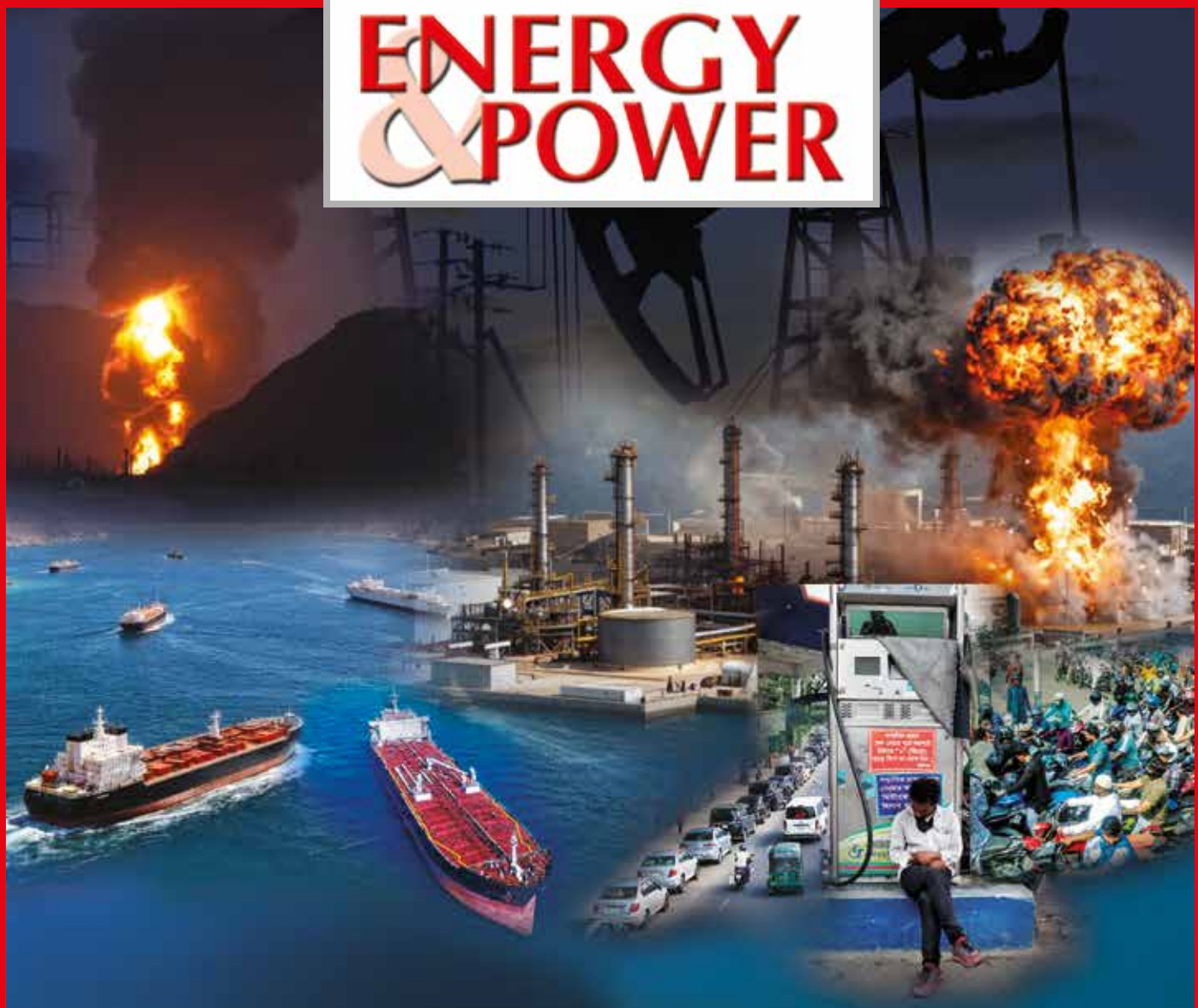
April 16, 2026

ENERGY & POWER



Fuel Fog

- Energy: Take The Bull By The Horns
- Bangladesh Must Diversify LNG Supply Amid Global Risks
- Heat And Debt: Steering El Nino Transition And Financial Crisis Of IPPs

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Upstream Development Fuel Procurement

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

LNG Receiving & Storage Terminals

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

Domestic Power Generation

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

Overseas Power Generation

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

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45

As escalating Middle East hostilities and disruptions in the Strait of Hormuz rattle commodity markets, including natural gas, countries that rely on regional supplies, including Bangladesh, are seeking options to fend off shortages. Muhammed Aziz Khan tells S&P Global Energy Platts about the present geopolitical risks shaping the global LNG landscape. EP reprints this interview for its readers.

ENERGY & POWER

EDITORIAL

Bangladesh's unfolding fuel crisis is less about absolute scarcity and more about credibility, coordination, and policy inertia. The government insists there is sufficient fuel in the system, yet daily scenes of long queues and frustrated consumers tell a different story. This disconnect is eroding public trust – arguably the most critical resource in times of crisis. At the heart of the problem lies a fragile supply chain struggling to cope with external shocks and internal inefficiencies. Panic buying has undoubtedly worsened the situation, but it is also a symptom of uncertainty. When people lack confidence in a steady supply, hoarding becomes a rational response rather than irrational behavior. Equally concerning is the reluctance to adjust domestic fuel prices in line with global markets. While politically sensitive, delaying price adjustments has created distortions – encouraging excess demand, increasing subsidy burdens, and complicating supply management. Other regional economies have moved more decisively, stabilizing their markets even at the cost of short-term public discomfort. Policy responses so far – fuel passes, mobile courts, and enforcement drives – address symptoms rather than root causes. What is needed instead is a coordinated, transparent strategy that aligns pricing, supply, and communication. Expanding infrastructure, improving monitoring, and ensuring consistent supply to pumps are equally essential.

Ultimately, this is a test of governance under pressure. Restoring order will require not just more fuel, but smarter policy, clearer communication, and genuine engagement with stakeholders. Without that, the queues may shorten temporarily, but the underlying crisis will persist.

highlights

17

One strategic solution is the development of modern land-based energy terminals capable of handling Energy (LNG, LPG, and others Petroleum products) imports, storage, and distribution. Such terminals provide several key advantages that can significantly strengthen Bangladesh's energy system. Also, land-based terminals allow the development of large storage capacity. .... More In Special Article

COVER

9

Something doesn't add up in Bangladesh's fuel story. On paper, there is no shortage. Officials insist supplies are steady, reserves are adequate, and imports are continuing. But on the streets, a very different picture is unfolding – one of long lines, anxious consumers, and growing frustration. This disconnect between official assurances and everyday experience is beginning to erode public confidence.

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Green page

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

Contents

Contents

Petronas Enters Collaboration Deal Aimed at Boosting Development Offshore Suriname

Suriname is part of the Guyana-Suriname basin, which continues to see oil and gas exploration success and development activity.

Petronas Suriname Exploration & Production BV will collaborate with Valaris Ltd. subsidiary Ensco UK Drilling Ltd. and Halliburton to support the development of its assets offshore Suriname.

The agreement—which combines Petronas' deep basin expertise, Valaris' offshore drilling capability, and Halliburton's technology—establishes a collaborative framework across the project lifecycle, including early-stage planning, technical integration, and continuous improvement initiatives, aimed at enhancing operational efficiency.

Suriname is part of the Guyana-Suriname basin, which continues to see oil and gas exploration success and development activity.

Thai PM Blames Stockpilers for Fuel Shortage

Thailand's prime minister slammed recently oil traders for "excessive profiteering", blaming those stockpiling fuel or smuggling it abroad for shortages that have driven prices steadily higher.

"Authorities have found cases of fuel stockpiling and smuggling for sale in neighboring countries," Prime Minister Anutin Charnvirakul said, adding the problem had cost the government 50 billion baht ($1.4 billion).

"This action (smuggling and stockpiling) amounts to excessive profiteering from rising oil prices during the global energy crisis," he said, calling it "a major factor behind the nationwide fuel shortages seen in recent weeks". Evidence of hoarding and profiteering among large and medium-sized oil traders had been found on land and at sea, he said.

Diesel Price More Than Doubles in Vietnam Since Mideast War: Ministry

The price of diesel in Vietnam has more than doubled since the start of the war in the Middle East, according to figures recently released by the trade ministry.

Diesel prices have skyrocketed about 105 percent from February 26, two days before the US and Israel launched strikes on Iran. The government raised the price to 39,660 dong ($1.50) per litre, up from 19,270 dong last month, trade ministry figures showed.

The price of 95-octane petrol also jumped nearly 68 percent over the same period, from 20,150 dong to 33,840 dong.

Russia to Ban Gasoline Exports

Russian Deputy Prime Minister Alexander Novak recently instructed the energy ministry to draft a resolution banning gasoline exports, the Russian government said.

The state-run TASS news agency earlier reported that the ban would remain in place until July 31.

Novak said that turmoil in the global oil and oil products market, caused by the crisis in the Middle East, is leading to significant price fluctuations. At the same time, the high demand for Russian energy resources in foreign markets remains a positive factor, he added.

Crude oil processing volumes remain at last year's level, ensuring a stable supply of oil products, the government said in a statement.

Several regions in Russia and parts of Ukraine under Russian control were reporting gasoline shortages last year after Ukraine stepped up attacks on Russian oil refineries and amid a seasonal surge in fuel demand.

Power Minister Urges Resolution of REB–Palli Bidyut Issues

Power, energy and mineral resources minister Iqbal Hassan Mahmud recently directed officials to resolve ongoing issues between the Rural Electrification Board and Palli Bidyut Samities to ensure uninterrupted power supply in rural areas.

He made the directive while addressing a meeting at the Brigadier Sabihuddin Ahmed Auditorium of REB, said a press release. The meeting, presided over by REB chairman Major General SM Zia-ul-Azim, reviewed current activities and performance of the rural electricity distribution system.

State minister for power Anindya Islam Amit and power division secretary Farzana Momtaz attended as special guests, along with REB officials and employees.

The minister said the government is committed to strengthening REB to provide reliable and quality electricity services across the rural areas of the country. He stressed the need for coordination between REB and Palli Bidyut Samities, originally established to expand rural electrification.

Fuel Stock, Supply Normal: Govt

The Energy and Mineral Resources Division has asked people not to panic and not to buy excess fuel as fuel stock and supply are completely normal in the country.

The government is purchasing the necessary fuel from the international market to ensure uninterrupted fuel supply in line with demand.

As a result, there is no possibility of a fuel supply shortage in the country, said a press release of the Ministry of Information and Broadcasting recently.

It warned that petrol, octane and diesel are highly flammable substances. Storing such fuel privately is very dangerous.

The press release said strict action is being taken against those involved in illegal hoarding of fuel to make extra profit.

Mobile courts are active in every district of the country under the leadership of executive magistrates to prevent illegal hoarding of fuel.

Fuel Oil Prices to Remain Unchanged for April

The government has decided to keep fuel oil prices unchanged for the month of April, keeping rates unchanged for a second consecutive month, with petrol, octane, diesel and kerosene to be sold at existing prices.

The information was disclosed recently in an official order issued by the Ministry of Power, Energy and Mineral Resources.

According to the order, the prices have been reviewed and adjusted in line with the revised automatic fuel pricing guidelines by the competent authority at the consumer level. As per the existing rates, the consumer-level price of Diesel in April has been set at Taka 100 per liter.

The price of Kerosene is Taka 112 per liter, Petrol Taka 116, and Octane Taka 120 per liter. These were also the prices in February and March.

The decision will come into effect from tomorrow, April 1.

BGB Deployed at 19 Fuel Depots Nationwide

The Border Guard Bangladesh (BGB) has been deployed at 19 fuel depots across the country to prevent hoarding, maintain discipline in fuel distribution, and ensure uninterrupted supply of petroleum products.

The information was disclosed in a press release issued on 28 March, signed by BGB Headquarters' Public Relations Officer Md Shariful Islam.

According to the statement, in the context of the ongoing Middle East crisis, rising global fuel prices and supply shortages have led to attempts at unauthorized hoarding.

To prevent such activities, maintain order in fuel marketing, and ensure continuous supply, the deployment has been carried out under the directive of the Ministry of Home Affairs.

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Govt Operates 293 Mobile Courts to Monitor Fuel Situation

The government has deployed a total of 293 mobile courts across 62 districts to monitor the fuel supply situation nationwide.

During these drives, 78 cases were filed, and fines amounting to Tk 315,550 were imposed.

According to the Energy and Mineral Resources Division, the drive will continue to ensure a stable fuel supply and to prevent irregularities in distribution and sales.

In addition, executive magistrates from the Energy Division are conducting mobile court operations daily at various locations across Dhaka city.

BB Relaxes Borrower Exposure Limit for LPG Imports

Bangladesh Bank (BB) has relaxed the single borrower exposure limit for LPG imports to mitigate domestic shortages caused by the Iran war, ensuring an uninterrupted energy supply across the country.

To this end, a circular was issued recently and sent to all banks.

According to the circular, if the single borrower exposure limit exceeds 25%, banks will be allowed to extend additional loans subject to approval from the Bangladesh Bank.

However, the central bank will determine the specific lending limit for any particular institution.

The relaxation is applicable only to LPG importers to prevent any disruption in imports.

The Bangladesh Bank will permit banks to exceed the 25% limit in such cases.

Banking Hours Rescheduled Amid Energy-Saving Drive

Bangladesh Bank has set new office and transaction hours for all scheduled banks as part of nationwide efforts to conserve fuel and electricity.

According to a circular issued recently, bank offices will remain open from 10:00am to 5:00pm, while customer transactions will be conducted from 10:00am to 3:00pm from Sunday through Thursday until further notice.

However, branches, sub-branches, and booths located in seaport, land port, and airport areas, including port and customs zones, will continue to operate 24 hours a day, seven days a week, in line with existing directives.

Jet Fuel Prices Hiked Again

The government recently hiked the prices of jet fuel for the second time within two weeks as a worsening global supply crisis puts pressure on prices.

The price of jet fuel for domestic travel has been hiked by Tk24.79 to Tk227.08 per liter, announced the Bangladesh Energy Regulatory Commission (BERC) in a notification. The price of jet fuel for international flights has been hiked to $1.4806 from $1.3216.

Earlier, on 24 March, the BERC had hiked the prices of jet fuel by 80% for domestic travel, and nearly 79% for international travel in the wake of the Iran war and related supply disruptions.

Fuel Fog

Mollah Amzad Hossain

Bangladesh's fuel situation is marked by a widening gap between official assurances and public experience. Despite government claims of adequate supply, long queues, reduced deliveries at pumps, and operational disruptions suggest underlying supply chain inefficiencies and panic buying. Delays in imports, refinery constraints, and rising global prices have intensified pressure on the system. With subsidies mounting and prices unchanged, the crisis reflects both structural weaknesses and policy challenges, raising urgent questions about pricing, distribution, and overall energy management.

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Something doesn't add up in Bangladesh's fuel story. On paper, there is no shortage. Officials insist supplies are steady, reserves are adequate, and imports are continuing. But on the streets, a very different picture is unfolding – one of long lines, anxious consumers, and growing frustration.

This disconnect between official assurances and everyday experience is beginning to erode public confidence. As queues stretch for hours and uncertainty deepens, the real question is no longer whether fuel is available – but whether the system delivering it is working at all.

The Energy Division has most recently claimed that there will be no shortage of diesel, octane, or petrol until May. But queues at petrol pumps across the country are growing longer by the day.

According to various media reports, motorcyclists and vehicle owners are waiting 12-14 hours to refuel. Even after such long waits, many reach the pump only to be told that fuel has run out and they must wait for the next supply.

To reduce disorder, fuel card systems have been introduced in several districts, reportedly bringing some discipline to fuel distribution. However, no such improvement is visible in the capital.

Speaking to the media, Energy Division spokesperson and Joint Secretary Monir Hossain Chowdhury claimed that fuel supply to pumps remains the same as last year. He attributed the crisis to panic buying—consumers purchasing more fuel than needed.

This claim, however, has been challenged by Mohammad Nazmul Haque, President of the Bangladesh Petrol Pump Owners Association. He stated that the Ramna Filling Station received between 28,000 and 31,000 liters of fuel daily in March, but that figure dropped to 16,000–18,000 liters in early April, even as queues grew significantly longer.

To restore order in Dhaka, authorities recently launched a "fuel pass" app for motorcycles. Initially introduced at two filling stations, the system is expected to expand to seven stations and eventually nationwide by May. According to the Energy Division, more than 110,000 riders have already registered.

Restoring order to the fuel system is becoming increasingly urgent. That means not only ensuring adequate supply, but also tightening oversight and making systems like fuel passes work effectively across the country. Equally important is how decisions are made.

However, users report difficulties logging into the app and delays in obtaining fuel passes. Even after securing a pass, many still have to wait in the same long queues, limiting the system's effectiveness. Although pass holders may receive slightly more fuel, the initiative has yet to significantly reduce congestion.

Many fuel station owners believe that expanding the fuel card system nationwide could help control panic buying and restore order. In the capital, long queues have worsened traffic congestion, creating a new urban challenge where valuable fuel is wasted while vehicles remain stuck in traffic.

The crisis has also raised questions about whether Dhaka has sufficient fueling infrastructure. While government officials deny any shortage of filling stations, energy expert Dr. Ijaz Hossain, former dean of Bangladesh University of Engineering and Technology, suggests otherwise. Based on estimates using AI, he noted that Dhaka would require at least 350 filling stations, whereas currently fewer than 100 are operational. Even under normal conditions, this shortfall causes delays—now magnified under the present crisis.

Meanwhile, reports that the country's only refinery, Eastern Refinery Limited (ERL), is nearing shutdown due to crude shortages have further fueled public anxiety. Officials maintain that ERL has not fully stopped but is operating at low capacity using remaining stock, though a complete shutdown is expected within days.

Despite this, authorities insist that there will be no disruption in fuel supply, as refined fuel imports from alternative sources continue. ERL accounts for only about 15% of the diesel and 12% of the petrol supply in the domestic market. Government data show that in FY2024–25, diesel demand was 4.742 million metric tonnes, with ERL supplying 15.44%, while petrol demand was 489,000 metric tonnes, with ERL contributing 11.92%. ERL does not produce octane.

The Energy Division explained that crude oil shipments from Saudi Arabia scheduled for March were delayed due to the ongoing U.S.–Israel–Iran conflict. However, a vessel carrying 100,000 tonnes of crude is expected to depart in April and reach Bangladesh by early May. Once received, ERL is expected to resume full operations.

Officials remain confident that the temporary disruption will not

significantly impact fuel supply during April and May. Yet for consumers standing in long queues every day, the question remains unresolved: how long will this fuel crisis actually last?

At the same time, mobile courts deployed by the Energy Division are continuing nationwide drives to prevent fuel smuggling and illegal hoarding. Officials reported that between March 26 and April 14, 2026, a total of 9,116 operations were conducted nationwide, recovering 542,236 liters of illegally stored fuel. During these operations, 3,510 cases were filed, 45 individuals were sentenced to imprisonment, and fines amounting to Tk 15.6 million were imposed.

Energy Division spokesperson Monir Hossain Chowdhury assured journalists that there will be no fuel shortage in April and May. He added that efforts to import fuel from sources outside the Middle East are ongoing. As of April 14, 2026, the country holds reserves of 101,385 metric tonnes of diesel, 18,211 metric tonnes of petrol, and 32,000 metric tonnes of octane. Diesel imports via pipeline from India are also continuing.

Not only Energy Division officials, but also the energy minister, state minister, finance minister, and the prime minister's advisers have repeatedly asserted that there is no fuel crisis. However, public confidence remains weak. Authorities argue that the crisis is largely driven by hoarding for profit and panic buying fueled by uncertainty. Although fuel rationing was introduced in early March, it was withdrawn before Eid-ul-Fitr. Initially, fuel supply at pumps was reduced by 20–25% compared to the same period last year, but has since been restored to previous levels.

Despite this, the persistence of long queues indicates that consumers are still purchasing more fuel than necessary. Pump owners, however, dispute the government's claims, stating that while supply matched last year's levels in late March, it has declined again since early April.

Media reports suggest that fuel shortages are already affecting river transport and lighterage operations at ports. Irrigation activities, which depend on open-market diesel, are also being disrupted due to insufficient supply.

Load-shedding has further intensified the situation, increasing demand for diesel to run standby generators in industries. While factories initially received diesel through association certifications, many filling stations have stopped supplying under this arrangement. As a result, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has sought diesel allocation directly from the BPC.

BGMEA President Mahmud Hasan Khan warned that failure to ensure adequate diesel supply could trigger a new crisis for the already vulnerable garment sector.

When asked why long queues persist despite claims of adequate supply, Shafiqul Alam, Chief Energy Analyst, Bangladesh at the Institute for Energy Economics and Financial Analysis, said the situation is difficult to explain definitively. He acknowledged that panic buying is evident, but official stock figures suggest there should not be a shortage. According to him, the crisis began intensifying in mid-March when fuel rationing was introduced, leading to widespread hoarding—supported by the large volumes of illegally stored fuel recovered during enforcement drives.

Although normal supply has since resumed, conditions at fuel stations have not returned to normal. In contrast, similar crises in other Asian countries were short-lived, as they adjusted fuel prices to stabilize the market.

In Bangladesh, fuel prices have not been adjusted since February 1, despite global market fluctuations. State Minister for Power, Energy and Mineral Resources Anindya Islam Amit stated in late March that the Bangladesh Petroleum Corporation (BPC) is incurring daily losses of Tk 167 crore, which could amount to more than Tk 5,000 crore per month. Economist Mamun Rashid argued that failing to align domestic fuel prices with international markets is not sustainable, and that while price increases may have short-term impacts, they would be beneficial in the long run.

Global crude oil prices surged from $68 per barrel to $120 following the outbreak of war, later easing to around $98 during ceasefire discussions, though volatility continues. During this period, most Asian countries—including Pakistan, India, Myanmar, Vietnam, Indonesia, and Thailand—adjusted fuel prices. Pakistan, for instance, increased

prices by 77%, with diesel now costing around Tk 235 per liter in Bangladeshi currency.

Bangladesh remains an exception. Many analysts believe that keeping prices unchanged is encouraging panic buying, while contributing to long queues. Adjusting prices in line with global markets, they argue, could help ease demand pressure and restore stability in the fuel supply system.

During the ongoing session of the national parliament, Finance Minister Amir Khosru Mahmud Chowdhury stated that an additional Tk 36,000 crore will be required this fiscal year to provide subsidies to the energy sector. In the current budget, Tk 46,000 crore has already been allocated for subsidies in the power and energy sectors.

Energy Minister Iqbal Hasan Mahmood informed parliament that the government is considering increasing fuel prices. Meanwhile, Prime Minister's Adviser Zahed Ur Rahman recently told journalists that, given the current global situation, the government is actively reviewing the possibility of raising fuel prices.

Recently, Prime Minister Tarique Rahman, speaking at an online conference of the Asia Zero Emission Community Plus, sought $2.0 billion in support from development partners to meet urgent energy needs. Due to war-related disruptions and rising global fuel prices, Bangladesh is facing significant pressure. Not only fuel oil, but also higher LNG import costs and increased power generation expenses have sharply intensified the financial burden on the country's import-dependent energy sector. While the government is seeking external support to manage this pressure, it remains uncertain how long the situation can be sustained without adjusting domestic prices.

Officials continue to claim that the country holds at least two months of fuel—diesel, octane, and petrol—reserves based on actual demand. Experts acknowledge that the government has shown prudence in sourcing refined fuel from outside the Middle East. However, petrol pump owners argue that they are not receiving sufficient supplies—sometimes even less than during the same period last year—raising critical questions about where the imbalance lies.

Analysts suggest that the government should immediately investigate the issue to identify inefficiencies or losses in the supply chain from depots to fuel stations. If supply is indeed lower than last year, it should be increased accordingly. Many also point out that the number of vehicles—especially petrol- and octane-run cars and motorcycles—is rising every year, meaning daily supply may need to be increased by at least 10% compared to last year.

Others argue that Dhaka lacks an adequate number of refueling stations and suggest adding more dispensing units at existing facilities. There are also concerns that diesel may be smuggled to neighboring India, where prices are higher, highlighting the need for stronger monitoring.

Many energy analysts and economists believe that large subsidies are currently being provided on fuel, and that adjusting prices to reflect market realities would help reduce panic buying. They argue that such a move would gradually ease pressure at fuel stations and restore normalcy.

There is also hope that the ongoing ceasefire in the Middle East will lead to a more durable resolution. While global oil prices may not fall rapidly, normalization of shipping—especially through the Strait of Hormuz—would significantly improve supply conditions for Asian countries.

Bangladesh's energy sector is now under growing financial stress. In recent years, the BPC has largely remained in a comfortable position, needing subsidies in only one year since 2021 and even building up profits of around Tk 20,000 crore. But that cushion is beginning to erode. With global fuel prices rising and domestic prices unchanged, losses are mounting again, raising concerns about how long the government can continue absorbing the cost without putting additional strain on public finances.

Against this backdrop, restoring order to the fuel system is becoming increasingly urgent. That means not only ensuring adequate supply, but also tightening oversight and making systems like fuel passes work effectively across the country. Equally important is how decisions are made. Policies imposed without consultation tend to create confusion and resistance. Bringing fuel suppliers, businesses, and consumers into the conversation can make solutions more practical and easier to implement. Without that kind of coordinated approach, the long lines at fuel stations are unlikely to disappear anytime soon. EP

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Contingency Plans For Confronting Crisis

Khondkar Abdus Saleque

All overseas training programs for government officials will be suspended for three months, and even local training will be scaled back.

The Bangladesh government has announced a set of contingency action plans for immediate implementation to confront the ongoing energy crisis triggered by continued conflict in Arab countries and the Persian Gulf region. The primary objective is demand-side management through austerity in electricity and fuel use. The stated target is to reduce daily electricity demand by 3,000 MW. This summer could see peak demand exceeding 18,000 MW. Even without the war, an increasingly import-dependent power supply system was not in a position to consistently generate 16,000 MW. A deficit of around 2,000 MW would likely have led to load-shedding during hot, humid summer days.

Now, with the war pushing fuel prices sharply higher and disrupting supply chains, particularly due to constraints on shipping through the Strait of Hormuz, Bangladesh's power system may struggle to consistently meet even 15,000 MW demand. Gas, LNG, coal, and liquid fuels are all becoming harder to procure on time and in sufficient quantities. Under these circumstances, austerity and efficient consumption appear to be the only immediate tools available to limit load-shedding and ease pressure on fuel supplies for other sectors.

The government's plan includes reducing office hours for both public and private sectors to 9:00 am–4:00 pm, while banking hours will be shortened to 10:00 am–3:00 pm. A major measure involves restricting shopping hours to 6:00 PM, later adjusted to 7:00 PM, except for businesses linked to food supply, pharmacies, and essential services. Fuel allocation for ministers will be cut by 30%, and the Ministry of Power, Energy and Mineral Resources has been instructed to reduce its expenditures by the same margin.

All overseas training programs for government officials will be suspended for three months, and even local training will be scaled back. Spending on meetings, workshops, and seminars will also be curtailed. The government has further directed that no vehicles be imported using public funds for a specified period. Educational institutions are expected to announce separate measures to reduce energy consumption. There are also indications that electric buses are being imported to support public transportation. However, the overall austerity

package requires careful scrutiny and coordinated implementation.

It remains unclear how extensively these measures were planned before being announced. For example, the initial decision to limit shopping hours to 6:00 pm did not work on the first day, as shop owners had already announced an 8:00 pm closing time. Eventually, the government adjusted the limit to 7:00 pm. While reducing shopping hours can significantly cut lighting and cooling demand during peak periods, such policies cannot succeed without proper coordination among stakeholders. Business owners, already facing multiple challenges, must be consulted before major changes to operating practices are enforced.

In many developed countries, retail outlets typically close by early evening, with extended hours only on specific days. Several countries across South Asia, Southeast Asia, Europe, and even Australia have adopted contingency measures to address energy crises. However, in Bangladesh, where major changes often face resistance, successful implementation requires inclusive planning and stakeholder engagement.

The most immediate impact of the war is being felt in the procurement and transportation of liquid fuels, including crude oil, diesel, LPG, and LNG. There are concerns that the Eastern Refinery Limited may have to suspend operations due to a shortage of crude oil. Diesel shortages have already affected fishing vessels, trawlers, and lighterage vessels transporting goods inland. If the situation persists, road, river, and rail transportation could soon be disrupted.

The government is attempting to source crude oil, petroleum products, and LNG from alternative suppliers. However, higher prices and increased shipping and logistics costs are placing significant strain on national finances. The new government may not be able to sustain large subsidies for an extended period. Eventually, adjustments to fuel and electricity prices may become unavoidable, which could trigger broader inflationary pressures across the economy. In this context, the government must engage all stakeholders and consider declaring the energy crisis a national emergency to ensure coordinated action.

The proposal to introduce online classes for educational institutions also requires careful consideration. School students, particularly at the primary and secondary levels, already spend significant time on electronic devices and benefit greatly from in-person academic environments. Instead of a full shift to online learning, schools could be supported with incentives to arrange shared transportation, while limiting the use of private vehicles. Universities and colleges, on the other hand, may be better suited to adopt online classes. Adjustments to school hours and staggered weekly holidays could also help reduce peak electricity demand.

Another critical area is the internal fuel supply chain. The movement of fuel from depots to filling stations, and from stations to end-users, must be closely monitored to prevent disruptions. Strong administrative oversight is essential to ensure smooth distribution and to curb any irregularities. At the same time, the media can play a constructive role by encouraging responsible consumption of fuel and electricity.

The government must also carefully assess any adjustments to fuel and electricity prices to ensure that such measures do not disproportionately fuel inflation. At the same time, long-standing priorities—such as accelerating domestic energy exploration and increasing the share of renewable energy—must not be overlooked. Reducing wastage, preventing pilferage, and improving efficiency across the energy system should remain central objectives.

On the supply side, Bangladesh needs to pursue proactive energy diplomacy to secure long-term government-to-government agreements with countries such as Malaysia, Indonesia, Australia, and others, including those in the former Soviet region. Relying on expensive spot market purchases is not a sustainable strategy. At the same time, the government should expedite the expansion of refining capacity, including upgrading the Eastern Refinery and establishing a second refinery.

Developing strategic reserves of crude oil, petroleum products, LNG, and LPG—sufficient for at least 45 to 60 days—should also be prioritized. Such reserves would provide critical flexibility in managing supply shocks and stabilizing the domestic market during crises.

Ultimately, the government must act with caution and clarity, ensuring that policy decisions do not create unnecessary panic among the public. Confidence, coordination, and transparency will be key to navigating the current crisis while laying the groundwork for a more resilient energy system. EP

Khondkar Abdus Saleque, *Energy Analyst*

Building Energy Resilience: Lessons For Bangladesh From The Recent War In The Gulf

Engr. Md Quamruzzaman

To address this shortage, Bangladesh has increasingly relied on imported LNG and installed 2 Floating Storage and Regasification Units (FSRUs) in Moheshkhali.

Bangladesh's remarkable economic growth over the past two decades has been powered largely by natural gas and affordable energy. As industries expand, cities grow, and electricity demand continues to rise, ensuring a stable and reliable energy supply has become one of the country's most critical national priorities. Today, however, the energy landscape is changing rapidly. Declining domestic gas reserves, increasing dependence on imported fuels, and rising geopolitical tensions in global energy markets are creating new challenges for Bangladesh.

Recent geopolitical tensions involving Iran and instability in the Middle East have once again highlighted the vulnerability of global energy supply chains. A large portion of the world's oil and liquefied natural gas (LNG) exports pass through the strategically important Strait of Hormuz. Any disruption in this region can quickly affect international energy prices and supply availability. For energy-importing countries like Bangladesh, such disruptions can lead to higher costs, shortages, and economic pressure.

Bangladesh's Growing Energy Challenge

Bangladesh's demand for natural gas has grown steadily with the expansion of power generation, fertilizer production, and export-oriented industries such as textiles and manufacturing. While domestic gas fields once supplied most of the country's needs, production from many of these fields has been gradually declining. As a result, the gap between demand and domestic supply continues to widen.

To address this shortage, Bangladesh has increasingly relied on imported LNG and installed 2 Floating Storage and Regasification Units (FSRUs) in Moheshkhali. FSRUs have helped the country start LNG imports quickly and bridge part of the supply gap. However, these floating solutions are not a complete long-term answer. They have limitations in terms of storage capacity, weather vulnerability, and operational stability.

At the same time, LPG consumption in Bangladesh has been growing rapidly, particularly for household cooking and commercial uses. With urbanization and rising living standards, demand for LPG is expected to increase further in the coming years.

These realities indicate that Bangladesh needs a stronger, more permanent energy import infrastructure to support its future energy needs.

Fourth, modern terminals can support future energy market development. With adequate storage and import capacity, Bangladesh could improve gas distribution, stabilize supply for industries, and even develop regional energy trading opportunities in the future.

The Role of Land-Based Energy Terminals

One strategic solution is the development of modern land-based energy terminals capable of handling Energy (LNG, LPG, and others Petroleum products) imports, storage, and distribution. Such terminals provide several key advantages that can significantly strengthen Bangladesh's energy system.

First, land-based terminals allow the development of large storage capacity. This enables the country to maintain strategic reserves of Energy, reducing the risk of supply disruptions caused by global crises, shipping delays, or geopolitical conflicts. Strategic reserves can provide a buffer during emergencies and allow the government to manage energy supply more effectively.

Second, land-based facilities offer greater operational stability and safety compared with floating solutions. While FSRUs are valuable for rapid deployment, permanent onshore terminals can operate for decades with higher efficiency, improved safety systems, and larger handling capacity.

Third, such terminals can help diversify supply sources. With adequate infrastructure, Bangladesh can import LNG and LPG from multiple regions, including the United States, Africa, Australia, and Southeast Asia. Diversification reduces dependence on any single supplier or region and strengthens negotiating power when securing long-term contracts.

Fourth, modern terminals can support future energy market development. With adequate storage and import capacity, Bangladesh could improve gas distribution, stabilize supply for industries, and even develop regional energy trading opportunities in the future.

Economic Benefits for Industry and Power Generation

A reliable energy supply is essential for Bangladesh's industrial competitiveness. Industries such as textiles, ceramics, steel, and fertilizer depend heavily on an uninterrupted gas and energy supply.

Energy shortages often lead to production disruptions, higher manufacturing costs, and loss of export competitiveness.

By ensuring stable access to imported LNG and LPG, modern energy terminals can help maintain continuous industrial operations, support export growth, and attract new investment into the country's manufacturing sector.

The power sector would also benefit significantly. A reliable gas supply would help power plants operate more efficiently and reduce dependence on expensive liquid fuels such as diesel and furnace oil.

Challenges in Developing Energy Terminals

Despite their strategic importance, developing large energy terminals involves several challenges.

One major challenge is high capital investment. LNG and LPG terminals require significant funding for storage tanks, regasification systems, pipelines, marine facilities, and safety infrastructure.

Another challenge is land availability and environmental considerations. Proper site selection is critical to ensure safety, minimize environmental impact, and allow efficient connection with the national gas pipeline network.

In addition, regulatory coordination among different government agencies is necessary to ensure timely project approvals, infrastructure planning, and integration with national energy policies.

Global market volatility also presents a challenge. LNG prices can fluctuate significantly depending on global demand, weather patterns, and geopolitical developments.

Overcoming the Challenges

These challenges can be addressed through careful planning and strong policy support.

First, public-private partnerships can help mobilize the large investments required for energy infrastructure. Private sector participation, combined with government support, can accelerate project development and reduce financial pressure on the state.

Second, adopting clear and stable regulatory frameworks will encourage long-term investment in energy infrastructure. Transparent policies and efficient approval processes can significantly shorten project timelines.

Third, Bangladesh can strengthen its long-term LNG procurement strategy,

combining spot purchases with long-term contracts to balance price stability and supply flexibility.

Finally, integrating new terminals with national energy planning—including pipeline expansion, storage development, and gas distribution upgrades—will ensure that imported fuel can be delivered efficiently to power plants and industries across the country.

Accelerating Offshore Exploration

While strengthening import infrastructure is essential for immediate energy security, Bangladesh must also focus on expanding domestic energy production to reduce long-term dependence on imports.

The country has significant untapped potential for hydrocarbon exploration in the offshore areas of the Bay of Bengal. Despite this potential, offshore exploration activities have remained limited over the years. Accelerating exploration through modern seismic surveys, improved regulatory frameworks, and attractive production-sharing contracts could encourage greater participation from experienced international oil companies.

Successful offshore gas discoveries could significantly strengthen Bangladesh's domestic energy supply, reduce reliance on imported fuels, and provide long-term stability to the national energy system. Even a few large discoveries could supply the country's gas network for many years, supporting power generation, industry, and economic growth.

A Balanced Strategy for Energy Security

The lessons from recent global conflicts clearly demonstrate that energy security cannot rely on a single solution. Bangladesh needs a balanced and forward-looking strategy that combines domestic resource development with reliable import infrastructure.

Expanding LNG, LPG, and other petroleum products import capacity through modern land-based terminals will ensure stable short- and medium-term supply. At the same time, accelerating offshore gas exploration will help strengthen domestic production and reduce long-term dependence on imported energy.

Such a diversified approach will enhance Bangladesh's resilience against global market volatility, geopolitical disruptions, and supply shocks.

Looking Ahead

In an increasingly uncertain global energy landscape, energy infrastructure must be viewed not merely as an economic investment but as a strategic national priority.

By strengthening import capacity, diversifying supply sources, and unlocking offshore gas potential, Bangladesh can build a more secure and resilient energy future.

The recent Gulf crisis provides an important lesson: countries that invest early in strong and diversified energy systems are far better prepared to navigate global uncertainty. For Bangladesh, the time to act is now. EP

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HEAT AND DEBT

Steering El Nino Transition And Financial Crisis Of IPPs

Engineer A R Mohammad
Parvez Mazumder

The Bangladesh power sector may face unprecedented climatic stress amid existing deep-seated financial instability due to probable global climate shifts from a weakening La Nina to a projected El Nino in mid-2026. This article explores the connection of the El Nino-Southern Oscillation (ENSO) cycle with the operational and financial outline of Independent Power Producers (IPPs). By studying the 'heat penalty' due to El Nino effect on generation efficiency alongside the growing liquidity crisis and the debatable claim of Liquidated Damages (LD), this paper proposes a policy-oriented proposition for 'LD Moratorium' and instant liquidity injections with cash infusion. The primary goal is to maintain grid resilience during the summer 2026 peak, when demand is projected to exceed 18,500 MW. Simultaneously, the energy sector needs to steer during the changeover that risks technology, technical infrastructure, and the contractual reliability of providers.

1. Introduction: Sensing Climate Shift and A Season with Extreme Heat Wave

The year 2026 marks a critical moment for the power landscape of Bangladesh. For the last few years, La Nina (the 'Little Girl') has mostly dictated global weather patterns. It used to propagate cooler waters to the central Pacific and thereby influenced the South Asian monsoon. The meteorologists worldwide are following this phenomenon and sensing a rapid transition, as of March 2026; ultimately, the world is moving towards ENSO (El Nino-Southern Oscillation) neutral conditions. This condition directs a high probability of an El Nino (the 'Little Boy') establishing itself by the peak summer months of April-June 2026 through August/September 2026.

The weather pattern shift towards El Nino in 2026 is not merely academic for Bangladesh, sitting at the heart of the deltaic plain. El Nino typically brings suppressed rainfall and significantly higher temperatures with tangible changes in temperature, humidity, and rainfall. Coincidentally, this climatic shift arrives at a time when the Bangladesh power sector is already grappling with a severe financial crisis burdened by debt, fuel shortages, and rigid contractual obligations.

2. Climatic Drivers in Brief for Bangladesh: El Nino versus La Nina

- The ENSO is a cycle of warming and cooling in the tropical Pacific Ocean.
- La Nina involves the cooling of the Pacific Ocean surface temperatures. It results in an intense monsoon and

relatively manageable temperatures during summer in Bangladesh.

El Nino weakens the trade winds that normally push warm water towards Asia. This phase is frequently a drought-like condition with intense heat waves for the Indian subcontinent.

The World Meteorological Organization (WMO) suggests a 62% probability of El Nino emergence by mid-2026, after a comprehensive analysis of the data. The Bangladesh Meteorological Department (BMD) has already issued warnings for multiple severe heat waves during these months. The temperatures are expected to hover between 40.0°C and 41.9°C, and the coming summer will not be 'business as usual'.

Figure 1: Monsoon Precipitation Outlook (June-August 2026) - Implications for Bangladesh

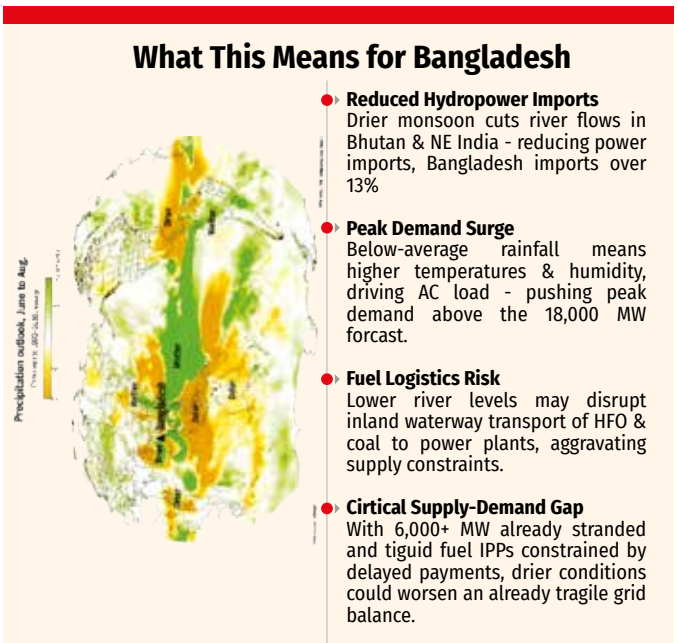

Table 1: Impact of ENSO Phases on Bangladesh During Summer 2026

Projected Effects	El Nino (Summer 2026)	La Nina (Previous Cycle)
Primary Risk	Extreme Heat Waves and Drought	Flash Floods and Monsoon Disruptions
Rainfall	Significant Deficit (Pre-monsoon)	Excess Rainfall
Solar Efficiency	Lower Due to Heat Penalty	Higher (Lower Ambient Temperature)
Hydro Power	Low (Reservoir Depletion)	High (Reservoir Saturation)
Operation Strategy	Focus on Fuel and Capacity Reserves	Focus on Infrastructure Protection

3. The Power Plant Fatigue: 'Heat Penalty' on Power Generation

Extreme heat has physical impacts on the efficiency of power plants. This is often referred to as 'derating' of the energy sector.

3.1 Thermal Power Plants

Bangladesh's grid relies on natural gas, coal, and Heavy Fuel Oil (HFO). These thermal plants require cool air for combustion and cooling systems. As ambient air temperatures rise to 40°C or higher, the air becomes less dense. This means gas turbines cannot pull in the mass of air required for optimal combustion. Historically, a 10°C rise above standard ISO conditions can lead to a 5% to 7% drop in a plant's effective output.

3.2 The Inconsistency of Solar Energy

Bangladesh has made significant steps in 'Agri-PV' and floating solar projects. When El Nino brings clearer skies and more sunlight, it also propagates excessive heat. Solar photovoltaic (PV) cells are semiconductors and become less efficient as they get hotter. Once a solar cell's temperature exceeds 25°C, its voltage drops. Due to this 'heat penalty', solar panels may lose over 10% of their rated capacity during a severe Bangladesh heat wave. Therefore, the panels will underperform due to the sheer intensity of the ambient heat, exactly when the sun is brightest.

3.3 Hydroelectricity and Water Scarcity: Reduction of 'Head'

The Kaptai Hydro Power Plant is the only source of low-cost energy. However, El Nino typically reduces the rainfall necessary to keep the 'reservoir head' high. The 'head' of water available for power generation will drop if, presumably, the pre-monsoon rains fail in April and May 2026. This compels the National Load Dispatch Centre (NLDC) to shift the load to more expensive liquid-fuel IPPs, and thereby increases the overall cost of generation for the Bangladesh Power Development Board (BPDB).

4. The Financial Strain: 'Take-or-Pay' and the Liquidity Gap

Verily, the use of cooling fans and air conditioners increases when the temperature rises. In 2026, peak demand is projected to cross the 18,500 MW mark. This creates a massive financial burden on the BPDB compared to the previous year.

4.1 The Burden of Capacity Payments

The government needs to pay IPPs for their 'availability', under the 'Take-or-Pay' model. During El Nino heat wave, the grid cannot afford for any plant to be offline. Consequently, the BPDB must ensure that almost all contracted plants are ready to generate at a moment's notice. This leads to a surge in Capacity Payments. These payments are, as per the Power Purchase Agreement (PPA), essential for the investment security of the IPPs. Ultimately, these bring an immense strain on the national budget during periods of high fuel prices.

4.2 The Reality of 'Artificial Defaults'

The most pressing issue for the power sector in 2026 is not the heat itself, but the liquidity crisis. As of today, the BPDB owes IPPs approximately BDT 250 billion. The payment is already delayed by 08 to 10 months, and thereby, IPPs lose their ability to open Letters of Credit (LCs) to import fuel (HFO or Coal). Here, a plant cannot run because it has no fuel, and it has no fuel because the Government has not paid the bills. This is known as an 'Artificial Default'. The plant is technically available and functional, but it lacks the fuel to operate.

The situation might even be complicated by looking at the role of the NLDC. IPPs are worried about how the BPDB issues instructions to NLDC. When the plants are already struggling to buy HFO due to not being paid, the BPDB may issue dispatch instructions anyway. Industry experts note this as 'imaginary demand'. The goal of these orders could be to trigger Liquidated Damages (LD) penalties against the IPPs. And it is unfair, if it is true. This seems to be using the IPPs' financial struggles to artificially lower their own debts. Such actions lead against the 'Take-or-Pay' model and make it much harder for power projects' bankability to stay financially viable.

Table 2: ENSO Changeover and Power Sector Vulnerability During Summer 2026

Climate Feature	ENSO Phase During 2026	Effect on Grid Stability
Peak Demand	High (Cooling Load)	Projected >18,500 MW, Grid Strain is Critical
Fuel Supply	LNG/Coal/HFO Dependency	High Spot Price, Logistics Risks
Plant State	Heat-induced Derating	5-10% Generation Loss
Financials	High-capacity Payments	Increase BPDB Debt, Liquidity Crisis

Table 3: Comparative Power Generation Demand - Forecast of Summer 2025 Versus Summer 2026

The statistics are integrated based on recent BPDB projections and actual generation reports for the 2025-2026 cycle.

Period	Summer 2025- Average Peak Demand (MW)	Summer 2026- Projected Average Peak Demand (MW)	Average Increase (MW)	% Increase
Peak Hours (Evening)	16,477	18,500	2,023	12.3%
Off-peak Hours (Day)	14,000	15,500	1,500	10.7%

The summer 2025 baseline represents the highest recorded generation during the last dry season. The summer 2026 forecast accounts for the coinciding of the El Nino heatwaves.

Table 4: Seasonal Generation Change- Recent Winter Versus Coming Summer 2026)

Period	Winter (January 2026)- Average Generation (MW)	Summer (April-June 2026)- Projected Average Generation (MW)	Seasonal Variation (MW)
Peak Hours (Evening)	11,608	18,500	+6,892
Off-peak Hours (Day)	9,800	15,500	+5,700

The electricity-generation jump of nearly 6,900 MW between winter and summer is primarily driven by the massive irrigation load (estimated at 5,000 MW alone) and the high domestic cooling load required due to the El Nino transition.

5. The Legal Conflict: LD

The most contentious issue currently facing the IPPs is the deduction of LD.

5.1 The Penalty Disputes

The root of the legal dispute lies in the imposition of LD by the BPDB during periods of forced outages. As per PPA, the BPDB deducts money as a penalty (LD) if a plant fails to provide power when called upon. However, from a legal point of view, this brings Section 13.2(j) of the standard PPA into sharp attention. This clause entails that if the BPDB fails to settle undisputed invoices within a specific grace period, the producer's contractual obligation to deliver dependable capacity (power) is effectively suspended. Such a period of suspension, necessitated by the buyer's (i.e., BPDB) default, the law advocates that the producer should remain entitled to Capacity Payments without being penalized by LD deductions.

5.2 The 2026 Standoff

Despite clear directives from the Bangladesh Energy Regulatory Commission (BERC) and various legal observations, the BPDB has continued to deduct LDs from IPP invoices. These deductions are the difference between staying solvent and going bankrupt for many producers. In the context of an El Nino summer, where equipment stress is high and fuel costs are peaking, these penalties could cripple the private power sector.

6. Fusion of Systemic Crisis: Facing 'Power Nor-wester' (April-September 2026)

The upcoming situation (April-June 2026 through August/ September 2026), combining three factors, i.e., El Nino heat, Efficiency Derating, and Financial Liquidity, leads to a dangerous trend (could be termed as 'Power Nor-wester' 2026):

- Extreme heat increases the demand for electricity vis-a-vis decreases plant efficiency.
- Decreased efficiency requires more fuel to produce the same amount of power.

- Liquidity shortages make it impossible for IPPs to buy that extra fuel.
- Grid failure or load shedding occurs, leading the BPDB to penalize IPPs with LD penalties.

This cycle is unsustainable. It secures the private sector due to the financial crisis that it did not create, while the climate makes the operational environment more hostile every day. Taking into cognizance, the following table illustrates 'dangerous trends', where environmental, technical, and financial factors unite to create a systemic crisis for the power sector.

Table 5: Systemic Crisis of 'Power Nor-wester 2026'

Issues	Factors	Impacts	Remarks
Trigger	Extreme Heat (El Nino)	Increases national power demand and simultaneously decreases plant efficiency	Primary Catalyst
Technical	Efficiency Derating	Thermal plants lose performance, require more fuel to produce the same amount of power	Efficiency Gap
Financial	Liquidity Shortages	IPPs lack cash flow to purchase extra fuel required by derated plants	Resource Bottleneck
Operational	Grid Failure	Inability to sustain generation leads to widespread load shedding	Systemic Instability
Regulatory	Penalties by BPDB	Failure to supply power results in LD penalties	Financial Penalization

7. Recommendations for 2026

To navigate the coming months, the Government and IPP stakeholders must steer towards a concerted and inclusive survival strategy.

- Immediate Liquidity Injection with Cash Infusion: The BPDB, with close coordination with the Ministry of Finance, must prioritize the release of outstanding dues to IPPs. Without cash flow, the 'fuel chain' will break long before the heat wave ends.
- LD Moratorium: The Government should implement a moratorium on LD for outages directly linked to payment delays or extreme temperature derating, for the duration of the 2026 El Nino peak (April-August 2026).
- Technical Benchmarking: Plants should be allowed to reassess and adjust their 'Declared Capacity' based on ambient temperature. Expecting a turbine to hit its ISO-rated capacity at over 40°C is a physical impossibility and should not be a plea for financial penalties.
- Focusing on Energy Security: The focus must shift from 'punishing' IPPs to 'securing' the supply of electricity. This includes streamlining LC processes for fuel imports and ensuring that coal, HFO, and LNG stocks are buffered before the peak heat arrives in April/June 2026.

8. Conclusion: A Call for Resilience

The El Nino of 2026 is an environmental reality that cannot be altered. However, the financial and legal framework of the power sector is something that should be controlled. IPPs are being proven for their ability to build an efficient power generation infrastructure in record time. Now, it needs an inclusive coordinated effort to prove that all stakeholders are capable of managing a sustained power generation capacity through a time of crisis.

By recognizing the physical limits of technology in extreme heat and the financial limits of IPPs due to payment delays, the Government can prevent a total energy collapse. The goal for this summer 2026 should be simple: keep the lights on, keep the fans spinning, keep the industry functioning, keep the productivity continuing, and ensure that the plants providing power remain financially viable to fight the heat of another day.

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Bangladesh's Energy Crossroads: From Crisis To Transition

Zainul Abedin

Bangladesh's energy sector is entering a defining moment. Years of declining domestic gas reserves, rising dependence on costly fuel imports, and mounting pressure on foreign exchange reserves have exposed deep structural weaknesses in the country's energy system. This trajectory is pushing the country closer to a full-blown energy crisis. What was once a manageable imbalance has now evolved into a persistent and widening energy crisis affecting power generation, industry, and economic stability.

The challenge is no longer just about meeting short-term demand – it is about redesigning the country's energy strategy for the future. A sustainable solution will require a careful shift away from excessive dependence on fossil fuels toward a balanced mix of domestic resources, nuclear power, and renewable energy.

A lasting solution requires moving beyond excessive reliance on imported fossil fuels and building a cheaper, more reliable, and sustainable energy system. Bangladesh must pursue a multi-pronged transition strategy centered on indigenous gas, coal, nuclear power, and renewable energy.

The core challenges behind the deepening energy crisis are clear and carry serious economic, security, and environmental consequences:

- Declining gas reserves and limited prospects for major new fossil fuel discoveries
- Heavy reliance on costly LNG and liquid fuel imports
- Increasing pressure on foreign exchange reserves

Current Energy Reality

Domestic Gas Depletion: Local natural gas production has declined significantly in recent years, creating a structural gap between demand and supply.

High Dependence on Imports: Bangladesh now relies heavily on LNG and other imported fuels, placing increasing strain on foreign reserves and fiscal stability.

Underutilized Renewables: Despite policy commitments, renewable energy contributes only a small share of the total power mix.

Nuclear Power Delays: The Rooppur Nuclear Power Plant has faced repeated delays and cost escalations.

Coal Power Underperformance: Coal-fired power plants operating on

imported fuel are running at around 50% capacity due to supply disruptions, logistical constraints, and financing challenges.

Present Power Generation Scenario

Gas-Based Power: According to BPDB, installed gas-based power capacity exceeds 11,000 MW, requiring around 2,252 MMCFD of gas. However, indigenous supply is limited to 900–1,000 MMCFD, necessitating LNG imports to bridge the gap.

Coal-Based Power: Instead of developing domestic coal resources, Bangladesh has relied on imported coal for major plants such as Rampal (1,320 MW), Payra (1,320 MW), and Matarbari (1,600 MW), increasing import dependence.

Hydropower: The Kaptai Hydropower Plant, with a capacity of 230 MW, remains the only significant source, with seasonal generation increases during the monsoon.

Regional Hydropower Cooperation: Bangladesh has partnered with Nepal on the 683 MW Sunkoshi-3 project, which could support future energy imports.

Nuclear Power: The 2×1,200 MW Rooppur Nuclear Power Plant is expected to provide significant baseload capacity once fully operational.

Growing Demand

Electricity demand continues to rise rapidly due to industrialization and economic growth. Without corrective measures, the demand-supply gap could become unmanageable.

Short-Term Core Solution Pathways

LNG Import Expansion: Maintaining a stable LNG supply through existing FSRUs is essential. Additional FSRU capacity should be fast-tracked.

Rooppur Nuclear Power Plant: Ensuring full operation and grid integration of both units (2,400 MW) will stabilize baseload power and reduce reliance on oil-based generation.

Coal Plant Optimization: Resolving fuel supply, logistics, and financing issues is critical to operating coal plants at full capacity.

Bhola Gas Development: The Bhola gas fields—Shahbazpur, Bhola North, and Ilisha—offer a promising domestic supply. A practical short-term solution is small-scale LNG production with modular transport systems, which could be implemented within 2–3 years.

Operational and Grid Improvements: Addressing transmission constraints, maintenance inefficiencies, and technical faults will improve plant utilization.

Accelerate Renewable Energy: Rapid expansion of solar and wind energy should be prioritized, with a target of at least 10% of total generation by 2030. Clear policy frameworks are needed to attract private investment.

Long-Term Core Solution Pathways

1. Bhola Gas Development (Southern Hub)

A phased hybrid approach is recommended:

- Start with small-scale LNG solutions
- Expand exploration to confirm reserves
- Develop pipeline infrastructure if reserves exceed 3 TCF

This approach minimizes risk while strengthening domestic supply.

2. Strategic Expansion of Nuclear Power

Nuclear energy should play a central role in Bangladesh's long-term energy strategy.

With the Rooppur project as a foundation, future expansion, including additional large units and Small Modular Reactors (SMRs), should be considered. SMRs offer enhanced safety, flexibility, and faster deployment.

Globally, countries are revisiting nuclear power as a reliable energy source. France generates around 70–75% of its electricity from nuclear energy, while other developed economies are also expanding nuclear capacity.

If Bangladesh adopts SMR technology, it could significantly reduce dependence on LNG and oil-based power within a decade.

Nuclear power provides long-term, stable, and low-carbon energy, with plant lifespans exceeding 60 years.

3. Renewable Energy Deployment

Utility-Scale Solar and Wind: Bangladesh has strong solar potential. Large-scale projects, especially in coastal regions, can provide cost-effective energy.

Rooftop Solar: Expanding rooftop systems across residential, commercial, and public buildings can reduce grid pressure.

Floating Solar: Given land constraints, water-based solar installations offer a practical solution.

Policy Support: Tax incentives, simplified approvals, and bankable power purchase agreements are essential to attract investment.

4. Domestic Coal Development

Bangladesh possesses significant high-quality coal reserves capable of supporting up to 10,000 MW of power generation for decades. However, these resources remain largely untapped.

Developing domestic coal could reduce import dependence, lower costs, and enhance energy security. A clear policy decision is needed to move forward responsibly, balancing environmental concerns with economic realities.

5. Cross-Border Power Trade

Strengthening regional energy cooperation with India, Nepal, and Bhutan can provide access to relatively low-cost hydropower, reducing reliance on expensive LNG imports.

6. Power Grid Modernization

A modern, flexible grid is essential to support a diversified energy mix:

- Smart grid technologies
- Battery and pumped storage systems
- Stronger regional interconnections

These improvements will enable better integration of renewable and nuclear energy.

7. Targeted Exploration

While new gas discoveries may be limited, focused exploration supported by better incentives and coordination can still contribute to supply. Over time, LNG dependence should be gradually reduced, with gas serving as a transition fuel.

Conclusion — A Necessary Energy Transition

Bangladesh stands at a critical energy crossroads. Continued dependence on imported fossil fuels is neither economically sustainable nor strategically viable. A gradual but decisive transition toward a diversified energy mix is essential.

- Renewable energy offers a pathway to affordable and sustainable power
- Nuclear energy provides stable, long-term baseload generation
- Energy efficiency and grid modernization are urgent priorities
- Strong policy, governance, and financial reforms will determine success

Looking ahead to 2040, a balanced energy mix could include:

- 10% renewable energy
- 40% nuclear power
- 35% natural gas
- 15% other sources, including coal

Achieving this vision will require disciplined execution, policy consistency, and long-term commitment. The choices made today will determine whether Bangladesh can secure a resilient and sustainable energy future. EP

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Road Map For Securing Bangladesh's Gas Supply

Saleque Sufi

At the current rate of depletion, the country's proven gas reserves could be exhausted by 2031. In response, Petrobangla has undertaken two major drilling initiatives—the 50-well and 100-well programs.

Bangladesh's energy challenge is no longer a distant policy concern. It is now a daily reality. From factories struggling to stay open to power plants running below capacity, the strain of gas shortages is being felt across the economy. Behind this lies a deeper structural issue: the country's growing inability to secure a stable and affordable supply of natural gas, the very fuel that underpins its industrial growth and energy system.

The government's foremost concern in achieving sustainable energy security is ensuring a smooth and reliable supply of primary fuel, particularly natural gas. According to Petrobangla, current demand stands at around 4,000 MMCFD, while supply is limited to approximately 2,600 MMCFD, including about 900 MMCFD of imported regasified LNG (RLNG). Domestic gas production has declined to around 1,700 MMCFD and continues to fall steadily. The Bibiyana gas field, operated by Chevron, alone contributes nearly 950 MMCFD, but it too is gradually depleting. Bangladesh cannot afford to remain heavily dependent on a single field indefinitely.

At the current rate of depletion, the country's proven gas reserves could be exhausted by 2031. In response, Petrobangla has undertaken two major drilling initiatives—the 50-well and 100-well programs. While these have yielded some incremental gains, the results have not been transformative. Meanwhile, two floating storage and regasification units (FSRUs) at Maheshkhali supply between 900 and 950 MMCFD of RLNG. However, ongoing geopolitical tensions and conflicts in the Middle East have disrupted LNG supply chains and driven prices to record highs, limiting Bangladesh's ability to rely on the spot market.

The consequences of gas shortages are already severe. Nearly 5,000 MW of gas-based power generation capacity remains idle due to inadequate fuel supply. Most fertilizer factories have

One of the most glaring examples of underutilized resources is the gas reserve in Bhola. Despite having proven reserves, the lack of pipeline infrastructure has prevented this gas from being integrated into the national grid.

been forced to suspend operations, affecting agricultural productivity. Many gas-dependent industries have shut down entirely, while others are struggling to survive under mounting operational costs. This has created a ripple effect across the economy, impacting employment, exports, and overall industrial output.

From both technical and economic perspectives, natural gas—both domestic and imported—will remain the dominant fuel in Bangladesh's energy mix until at least 2040. Despite growing interest in renewable energy and clean technologies, Bangladesh cannot rapidly scale up these alternatives due to infrastructure limitations, high costs, and grid integration challenges. Natural gas, therefore, must continue to serve as the country's primary transition fuel. This makes it imperative to develop and implement a comprehensive and realistic roadmap for gas exploration, production, and supply chain development.

It is important to recognize that Bangladesh is neither exceptionally rich in hydrocarbons nor entirely depleted of resources. Significant untapped potential remains both onshore and offshore. However, unlocking this potential requires disciplined, technology-driven execution of well-designed exploration programs. Unfortunately, successive governments have not prioritized systematic reservoir studies or updated assessments of resource potential. Although institutions such as the US Geological Survey (USGS), the Norwegian Petroleum Directorate, and international service companies have conducted studies in the past, follow-up actions have been limited and fragmented.

One of the most glaring examples of underutilized resources is the gas reserve in Bhola. Despite having proven reserves, the lack of pipeline infrastructure has prevented this gas from being integrated into the national grid. Similarly, exploration in the Chattogram Hill Tracts – particularly in promising structures such as Patiya, Jaldi, Sitapahar, and Kashalong – has been delayed due to policy indecision and geopolitical sensitivities. Offshore exploration, which holds significant long-term potential, has remained largely stagnant for over a decade.

The government must now take decisive action by launching an aggressive but professionally managed and integrated exploration campaign. Petrobangla and BAPEX already possess extensive seismic data collected over decades.

This data should be consolidated into a comprehensive national database, with support from accredited international experts if necessary. At the same time, updated reservoir assessments must be conducted to provide a clearer picture of existing reserves and future potential.

Modern seismic technologies have advanced significantly in recent years. Bangladesh must undertake comprehensive 2D and 3D seismic surveys across its entire landmass to identify new gas-bearing structures. Given the geological characteristics of the Bengal Delta, the world's largest riverine delta, it is highly unlikely that the country has exhausted its gas potential. A systematic and scientifically driven exploration approach could yield substantial discoveries.

A well-integrated exploration roadmap is essential. BAPEX must be strengthened through the recruitment of skilled professionals, improved training, and access to modern technology. Financial resources, including the Gas Development Fund, should be fully allocated to support upstream activities. At the same time, joint ventures between BAPEX and international exploration companies should be actively encouraged, particularly in high-potential regions such as the Chattogram Hill Tracts.

Immediate priority should be given to exploration in Chhatak and Tengratila, where there is strong potential for increasing reserves and discovering new resources. However, operations in these areas must be conducted with utmost care to avoid technical or environmental risks.

Infrastructure development is equally critical. The proposed Bhola–Barishal–Khulna pipeline project must be implemented without delay. This pipeline would enable the evacuation of gas from Bhola to the national grid, unlocking significant economic opportunities in southern Bangladesh. The project would also support industrial development in the Khulna-Jashore region and provide a reliable energy supply for emerging economic zones.

On the policy front, finalizing updated Production Sharing Contracts (PSCs) for both onshore and offshore exploration is essential. The revised PSC framework includes competitive pricing mechanisms linked to Brent crude, along with provisions for cost recovery, profit sharing, and pipeline investment returns. However, attracting international oil companies (IOCs) will require more than competitive terms. The government must ensure transparency, policy consistency, and a stable regulatory environment. A dedicated team of technical, financial, and legal experts should be formed to negotiate effectively with potential investors.

Bangladesh should also diversify its LNG import sources beyond the Middle East to reduce supply risks.

It is also important to acknowledge the limitations of BAPEX. While the organization has a crucial role to play, it does not currently have the capacity to address the scale of the crisis on its own. Strategic partnerships with experienced international companies are essential to accelerate exploration and production. At the same time, BAPEX should be supported in building its capabilities through technology transfer and joint operations.

If Bangladesh can mobilize around 10 exploration rigs, operated by both BAPEX and international partners, by 2027, there is a realistic possibility of discovering between 3 and 5 trillion cubic feet (Tcf) of new gas reserves by 2030. While offshore exploration may take longer to yield results, it remains a critical component of the country's long-term energy strategy.

In parallel, the government must strengthen LNG infrastructure to ensure supply security. Delays in projects such as additional FSRUs and land-based LNG terminals have exacerbated the current crisis. These initiatives should be revisited and expedited. The development of a land-based LNG terminal at Matarbari and the installation of additional FSRUs should be treated as national priorities.

The concept of strategic LNG storage should also be explored. As seen in Europe and North America, LNG can be stored in cryogenic form for extended periods, providing a buffer against market volatility. Establishing such facilities in Bangladesh would enhance the country's ability to manage supply disruptions and price fluctuations.

While renewable energy development must continue, it is important to adopt a realistic approach. Technical limitations, grid constraints, and cost factors will limit the rapid expansion of renewable energy in the short to medium term. Therefore, natural gas will remain central to Bangladesh's energy system for the foreseeable future.

Conclusion

The path to sustainable energy security requires a clear set of priorities and decisive action. The government must immediately initiate exploration at Chhatak and Tengratila and fast-track the Bhola–Barishal–Khulna pipeline project. Updated PSCs should be approved without delay, and bidding rounds must be launched by June 2026.

At the same time, LNG infrastructure projects—including additional FSRUs and land-based terminals—must be accelerated. Bangladesh should also diversify its LNG import sources beyond the Middle East to reduce supply risks.

Ultimately, a balanced strategy that combines domestic resource development, LNG expansion, institutional strengthening, and gradual adoption of renewable energy will be essential. With disciplined execution and strong political commitment, Bangladesh can navigate its current energy challenges and build a more secure and resilient energy future. EP

Saleque Sufi, *Energy Analyst*

শুভ নববর্ষ ১৪৩৩

নতুন বছরের আলোয় উদ্ভাসিত হোক প্রতিটি প্রাণ। বিপ্পা-র পক্ষ থেকে সকলকে পহেলা বৈশাখের শুভেচ্ছা। দেশের শিল্পায়ন ও অর্থনৈতিক অগ্রযাত্রায় নিরবচ্ছিন্ন বিদ্যুৎ নিশ্চিত করতে আমরা অঙ্গীকারবদ্ধ। নতুন বছর হোক সাফল্যের ও সম্ভাবনার।

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Nearly 700 GW Surge in 2025 Proves RE Resilience

EP Desk

2025 saw total renewable power capacity reach 5149 gigawatts (GW) after the addition of 692 GW, or a 15.5% of annual increase, according to a new report by the International Renewable Energy Agency (IRENA). The Renewable Capacity Statistics 2026 also finds renewable energy dominates the total capacity expansion at 85.6% share, while non-renewables continue to account for a smaller share of additions.

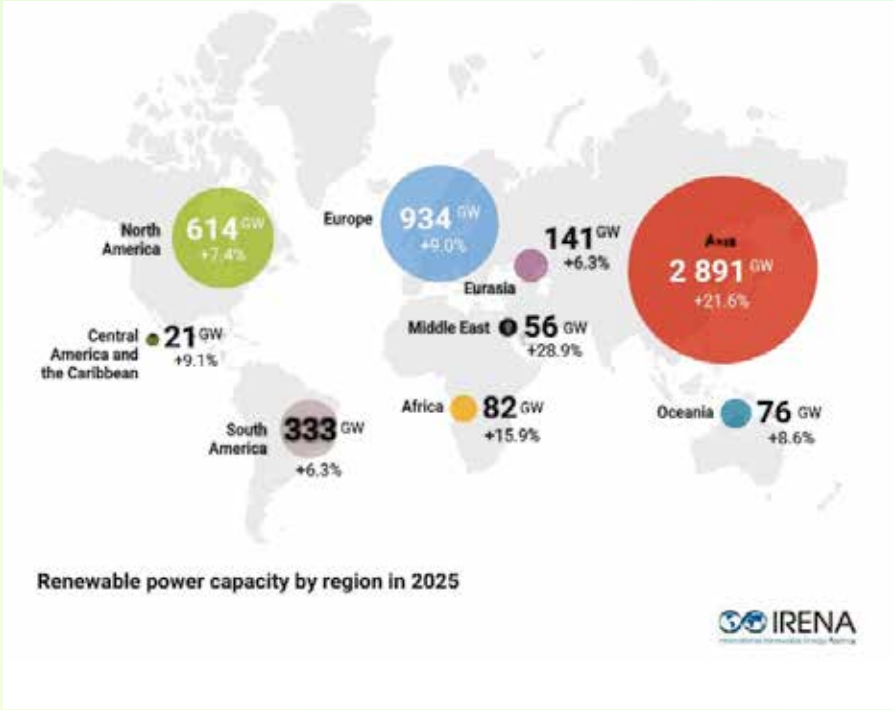
Geopolitical tensions are once again thrusting energy into the global spotlight. Escalation in the Middle East raises fresh concerns over supply security and fossil fuel price volatility.

Against this backdrop, renewable energy is gaining attention to build more resilient systems that are less vulnerable to international shocks.

As renewables are homegrown, low-cost and can be deployed immediately, increasing their share in national energy systems can reduce exposure to international fuel markets.

Commenting on the findings, IRENA Director-General, Francesco La Camera said, "In the midst of uncertain time, renewable energy remains consistent and steadfast in its expansion. This not only indicates market preference but also makes a strong case for renewable energy resilience with brutal clarity. A more decentralized energy system, with a growing share of renewables and more market players, is structurally more resilient. Countries that invested in the energy transition are weathering this crisis with less economic damage, as they boost energy security, resilience and competitiveness."

In line with the previous year, solar energy led the increase, accounting for 511 GW or approximately 75% share in the total renewables capacity addition. Wind energy followed suit, adding 159 GW.



Renewable power capacity by region in 2025

Together, solar and wind accounted for 96.8% of all net renewable additions last year, reflecting the biggest cost decrease among all renewable technologies. Bioenergy took the third place with 2.3% annual growth, adding 3.4 GW to total renewable energy expansion.

The report also confirms, however, the persistent and significant disparities amongst countries and regions.

Asia continued to lead with a 74.2% contribution to all new renewable capacity; the 513.3 GW additions represent a growth rate of 21.6%. Africa recorded its highest capacity increase, rising by 15.9% or adding 11.3 GW, driven by Ethiopia, South Africa, and Egypt.

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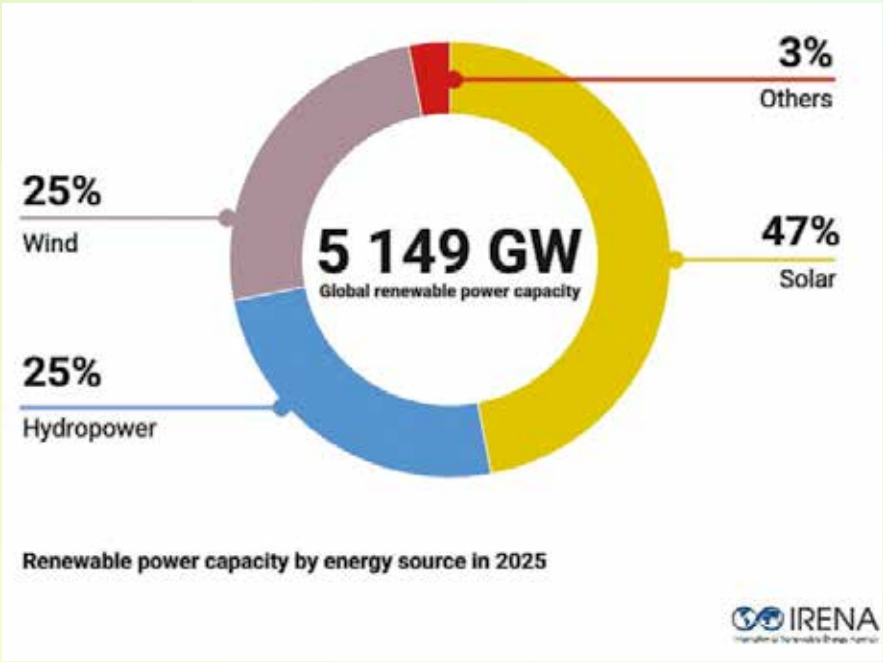

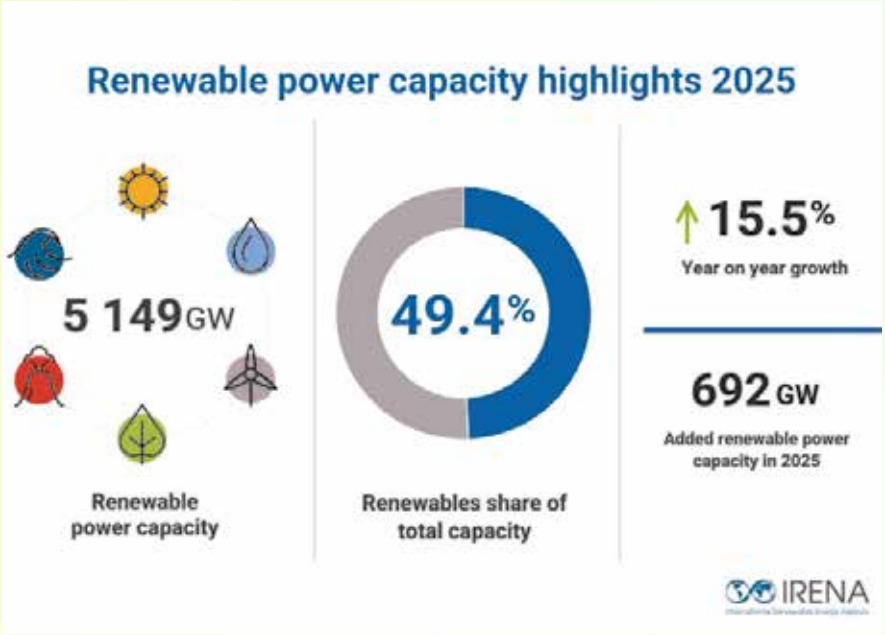

Another region that experienced its largest annual growth is the Middle East, which increased by 28.9%, led by Saudi Arabia.

In terms of total global capacity, Asia unsurprisingly keeps its top position with 2,891 GW of total renewables capacity, followed by Europe which recorded 934 GW in total. Central America and the Caribbean had the lowest renewables capacity with a total of 21 GW in 2025.

This disparity exposes the vulnerability of economies with low share of renewables, and underscores the urgent need to increase the share for their energy security.

Technology highlights:

- **Solar energy:** solar photovoltaics accounted for 510.3 GW out of 511.2 GW of total solar power additions in 2025.

Asia continued to lead with a 74.2% contribution to all new renewable capacity; the 513.3 GW additions represent a growth rate of 21.6%.

- **Renewable hydropower (excluding pumped hydro):** 18.4 GW was added in 2025, with 96% of the increase coming from China. Ethiopia, India, Tanzania, Bhutan, Viet Nam, Canada, Austria, Indonesia and Nepal, respectively added more than 0.5 GW.
- **Wind energy:** capacity grew by 14% from 2024, with record additions of 158.7 GW in 2025. China accounted for nearly three-quarters of the expansion, adding 119.4 GW, while India saw an increase of 6.3 GW.
- **Bioenergy:** capacity increased by 3.4 GW, led by Japan, which more than doubled its bioenergy capacity expansion from 2024, adding 1.1 GW in 2025. China followed with capacity additions of 0.8 GW and Brazil with 0.6 GW additions.
- **Geothermal energy:** capacity grew at a similar rate to the previous year at 1.7%, adding 0.3 GW in 2025. The Philippines and Indonesia each contributed 0.1 GW of the additions, followed by Germany, Türkiye and Japan.
- **Off-grid electricity (excluding Eurasia, Europe and North America):** expanded by 1.7 GW, led by solar power with 1.5 GW. A broad range of bioenergy types added 0.2 GW to the total addition of off-grid capacity. EP

PM Discusses Challenges, Energy Crisis with Businesses

Prime Minister Tarique Rahman recently held a marathon meeting with top businesses, focusing on improving the investment climate, resolving industry challenges and addressing the ongoing energy crisis. The meeting, held at the Prime Minister's Office in Tejgaon, continued for nearly three and a half hours.

After the meeting, Finance Minister Amir Khosru Mahmud Chowdhury told reporters that a wide range of issues related to trade, commerce and investment were discussed, with business leaders outlining key challenges and offering recommendations.

"Problems and challenges facing the business sector were discussed, and ways to address them were explored. Business leaders shared their views," he said.

Global Energy Crisis May Push Subsidy Bill Up by Tk 36,000cr

Finance Minister Amir Khosru Mahmud Chowdhury recently said Bangladesh may need to provide an additional Tk 36,000 crore in subsidies for electricity and energy in the current fiscal year, as soaring global fuel prices triggered by geopolitical tensions significantly raise import costs.

Speaking in Parliament, the minister said the government has decided not to increase domestic energy prices despite the sharp rise in international fuel and liquefied natural gas (LNG) prices in order to shield citizens from further economic hardship.

"The people have placed their trust in us, and our responsibility is to build an advancing, inclusive and sustainable economy for Bangladesh," he told the House during a session presided over by Speaker Hafiz Uddin Ahmad.

Khosru said the government assumed office amid significant economic challenges, including high inflation, pressure on the external sector, weak investment growth and institutional governance issues.

Petrobangla to Import 11 LNG Cargoes in May to Secure Gas Supply for Summer Power Demand

The government plans to import 11 liquefied natural gas (LNG) cargoes in May despite surging global prices as it seeks to ensure an adequate gas supply for power generation during the peak summer season.

Earlier, Bangladesh had considered scaling back May imports to nine cargoes from its original plan of 11 – the same as April levels – amid supply disruptions triggered by the US-Israel war on Iran and the closure of the Strait of Hormuz.

However, the authorities have reversed the plan amid concerns that reduced imports would force cuts in gas supply to power plants and lead to load-shedding in the impending hot and humid month of May, when electricity demand could reach around 17,000MW.

Petrobangla officials said maintaining higher LNG imports was essential to sustain electricity generation from gas-fired power plants.

BRAC Bank-Financed BD's Largest Oil Tanker Set for Maiden Voyage

An ocean-going Aframax oil tanker, the largest newly-built vessel registered under the Bangladeshi flag and financed by BRAC Bank, is set to embark on its maiden voyage.

Named MT Omera Liberty, the tanker is owned by MJL Bangladesh PLC, a concern of East Coast Group. Measuring 250 meters in length, the vessel has a carrying capacity of up to 115,000 tonnes of fuel oil, says a press release. The commissioning ceremony took place at Daehan Shipbuilding in South Korea on March 25.

The event was attended by Azam J. Chowdhury, Chairman of East Coast Group; David Kim, Chairman of Daehan Shipbuilding; Toufiqul Islam, Ambassador of Bangladesh to South Korea; and Captain Minhazur Reza Chowdhury, Chief Executive Officer of MJL Shipping.

Representing BRAC Bank, Abu Sadat Chowdhury, Area Head -1, Corporate, Commercial and Institutional Banking, was also present. BRAC Bank extended landmark financing to MJL Bangladesh for the acquisition of two ocean-going Aframax tankers-MT Omera Liberty and MT Omera Galaxy.

AIIB to Assist Bangladesh in Energy, Climate Projects: Finance Minister

Finance Minister Amir Khosru Mahmud Chowdhury recently said that Bangladesh would work with the Asian Infrastructure Investment Bank (AIIB) to address the ongoing energy crisis and support future development priorities.

He revealed this while talking to reporters outside the Prime Minister's Office (PMO) in the city's Tejgaon area following a meeting held between Prime Minister Tarique Rahman and an AIIB delegation there.

The finance minister said discussions were held on how Bangladesh will collaborate with AIIB, particularly in the context of the current global and domestic energy crisis, which is creating pressure not only on Bangladesh but on economies worldwide.

To tackle this pressure, Chowdhury said, talks were also held on budget support, and AIIB has agreed to provide budget support to Bangladesh.

Govt to Ensure Three Months' Stock of Fuel: State Minister

The government is working to ensure a three-month stock of all types of fuel amid the ongoing global energy crisis, State Minister for Power, Energy and Mineral Resources Anindya Islam Amit said recently.

"We have identified new sources and signed agreements with several suppliers. If implemented, we are ready to procure fuel for the next three months," he said while talking to reporters at Secretariat.

Bangladesh has already taken preparation to secure fuel supply particularly diesel from alternative sources after some international suppliers declared force measure due to the global situation, he said.

The government has already ensured three months' supply of petrol and octane while preparations are complete to meet April's diesel demand, he added.

Most of the country's fuel demand is being met without disruption, said the state minister.

Indian Envoy Meets PM, Energy Security Discussed

Indian High Commissioner in Dhaka Pranay Verma recently paid a courtesy call on Bangladesh Prime Minister Tarique Rahman at the Cabinet Division office in the Bangladesh Secretariat, discussing bilateral affairs with focus on energy cooperation.

Speaking to reporters after the meeting was over, Prime Minister's foreign affairs adviser Humayun Kabir said the present government is keen to forge a new chapter in relations with India, departing from the framework established during former Prime Minister Sheikh Hasina's tenure.

"The meeting emphasized energy security, with special focus on diesel import through pipelines from India," Kabir said.

"Maintaining positive relations between the two countries makes it possible to resolve many issues. We are optimistic about moving forward with the process of importing energy via pipeline."

IEA, IMF and WB to Coordinate Response to Middle East War's Impact

The heads of the International Energy Agency, International Monetary Fund, and World Bank recently said they will form a coordination group to maximize their response to the significant economic and energy impacts of the war in the Middle East.

In a joint statement, the three global bodies noted that the war had caused major disruptions in the region and triggered one of the largest supply shortages in global energy market history.

"At these times of high uncertainty, it is paramount that our institutions join forces to monitor developments, align analysis, and coordinate support to policymakers to navigate this crisis," the heads of the IMF, IEA and World Bank said.

The new coordination group will assess the severity of impacts across countries, coordinate a response mechanism, and mobilize stakeholders to deliver support to countries in need, the international bodies said.

OPEC+ Agrees to Boost Oil Output When Strait of Hormuz Reopens

OPEC+ agreed recently to raise its oil output quotas by 206,000 barrels per day for May, a modest rise that will largely exist on paper as its key members are unable to raise production due to the US-Israeli war with Iran.

The war has effectively shut the Strait of Hormuz – the world's most important oil route – since the end of February and cut exports from OPEC+ members Saudi Arabia, the UAE, Kuwait and Iraq, the only countries in the group which were able to significantly raise production even before the conflict began.

Crude prices have surged to a four-year high close to $120 a barrel, translating into soaring prices for transport fuels which are pressuring consumers and businesses across the globe, and triggering government action to conserve supplies.

"In reality, it adds very few barrels to the market," said Jorge Leon, a former OPEC official who now works as head of geopolitical analysis at Rystad Energy.

Jet Fuel Supplies to Take 'Months' to Recover from War Disruption: IATA

It will take months for jet fuel supplies and prices to normalize even with the Strait of Hormuz open, the head of the International Air Transport Association (IATA) said recently.

The Strait of Hormuz, a vital shipping route for oil, has been virtually paralyzed for weeks by the Middle East war, pushing up prices for crude and related products.

IATA director general Willie Walsh told reporters in Singapore it was difficult to say how long fuel supplies would take to recover, but "it's not going to happen quickly".

"It will still take a period of months to get back to where supply needs to be given the disruption to the refining capacity in the Middle East," he said.

"I don't think it's going to happen in weeks," Walsh added.

Oil Dives, Stocks Surge as Trump Agrees to Two-Week Ceasefire

Oil prices dived, bonds rallied and stocks surged recently after a two-week ceasefire in the Middle East spurred a relief rally as investors cheered the possible resumption of oil and gas flowing through the Strait of Hormuz.

US President Donald Trump said he agreed to suspend bombing and attacks on Iran for two weeks and that a long-term peace agreement was in progress.

Global markets have been rattled since the US and Israel attacked Iran at the end of February, leading Tehran to effectively close the Strait of Hormuz, a key waterway used to transit one-fifth of the world's oil and gas.

US crude futures CLc1 fell around 16.5% to $94 a barrel, S&P 500 futures ESc1 leapt over 2% and the dollar fell broadly, having been the haven of choice for investors during the tumult.

Bangladeshi Firms Hit by 26 Power Outages Per Month on Average: WB

Unreliable power supply has been cited as the biggest obstacle to doing business in Bangladesh, according to a World Bank report.

Bangladeshi businesses face a significant disadvantage compared to other South Asian countries, with firms experiencing an average of 26 electricity outages per month, as per the World Bank's Bangladesh Development Update report, which was released on 8 April.

For the median company, the report states that these disruptions cost nearly 9% of annual sales, while delays in obtaining electricity connections remain longer than in neighboring nations, hampering growth and competitiveness.

The world bank report states frequent power disruptions have led to repeated production stoppages and significant output losses across industries, affecting overall productivity and competitiveness.

Power Sector Tops Govt Priority as Summer Test Looms

The Power Division has prioritized the energy sector as a key focus area as it moves to meet the country's rising electricity demand in summer amid growing global uncertainties. The country currently has a total installed power generation capacity of 32,332 MW, including 28,919 MW from grid-based sources, while daily demand stands at around 14,500-15,000 MW, according to an official document.

However, as the sweltering heat of summer approaches, the stability of the national grid faces a complex set of challenges.

Despite having sufficient capacity to meet existing demand, the national grid is expected to come under pressure during the peak summer months, when consumption surges and localized outages become more frequent. These disruptions are largely driven by maintenance requirements, storm damage, and infrastructure limitations in the transmission and distribution networks.

Rooppur NPP Delayed as Fuel Loading Awaits Clearance

Fuel loading at Unit-1 of the Rooppur Nuclear Power Plant has been delayed again due to a lack of clearance from the regulatory authority, missing the previously scheduled April 7 timeline set by the Ministry of Science and Technology.

"Although we were preparing to launch fuel loading at Unit-1 on April 7, the commissioning license was not cleared in time; therefore, it is not possible to begin according to the original schedule," said a senior official.

He said it was not possible to confirm a revised date at this stage, as the Bangladesh Atomic Energy Regulatory Authority (BAERA) is still reviewing the required documents.

"Fuel loading depends entirely on the regulatory authority's clearance. The schedule will be confirmed once the license is issued," he added.

The ministry had earlier fixed April 7 after the Russian contractor overseeing the project officially notified the government of the timeline.

Energy Decisions Critical for Macroeconomic Management

Energy-related decisions will be critical for the country's macroeconomic management, according to economist Debapriya Bhattacharya, who called for careful assessment of policy options and coordination with the finance ministry.

Without such coordination, any decision taken solely by the energy ministry could put the economy at risk, he said.

Speaking at a media briefing organized by the Centre for Policy Dialogue (CPD) in Dhaka recently, Bhattacharya, convener of the Citizen's Platform for SDGs, Bangladesh, talked about the challenges facing the first budget of the new government.

"If the government wants to take any decision regarding fuel and energy, it should not take it without analyzing the impact on the macroeconomy," he said.

"You will have to first understand the fiscal space of the country within the existing macroeconomic situation," said the economist.

AmCham Dialogue Highlights Need for Diversified Energy Strategy in Bangladesh

The American Chamber of Commerce in Bangladesh (AmCham) convened a meeting of its Energy and Power Subcommittee recently to discuss Bangladesh's evolving energy landscape and explore future opportunities for sustainable sector growth.

A focused group discussion was held at the Sheraton Hotel Dhaka in Banani, bringing together leading industry stakeholders, policymakers and experts to exchange insights and identify practical solutions for the country's energy challenges.

Speaking at the event, AmCham President Syed Ershad Ahmed emphasized the importance of coordinated short-, medium- and long-term strategies for the sector.

He said AmCham plans to compile stakeholder feedback and submit recommendations to relevant government ministries, stressing the value of a consultative approach in shaping energy policies.

Green page

Experts Urge RE Expansion, Policy Reforms to Address Energy Crisis

Energy experts have called for expanding renewable energy, strengthening storage capacity, accelerating policy reforms and improving inter-agency coordination to address Bangladesh's ongoing and future energy challenges.

The recommendations came at a roundtable titled "Navigating the Global Energy Shock: Impact on Bangladesh and Way Forward," organized by the Dhaka Chamber of Commerce & Industry (DCCI) in collaboration with the Bangladesh Sustainable and Renewable Energy Association (BSREA) and Infrastructure Development Company Limited (IDCOL) at the DCCI auditorium in Dhaka recently.

Speakers emphasized the need to boost gas exploration, reduce bureaucratic delays, form a national-level energy taskforce and provide financial incentives to attract both local and foreign investment in the energy sector.

BPMI Launches RE Training Facility with German Support

The Bangladesh Power Management Institute (BPMI) has inaugurated a state-of-the-art Renewable Energy Training Facility at its Purbachal campus to strengthen technical capacity for Bangladesh's transition to clean energy.

The initiative is supported by the German Development Cooperation through the Skills Development for Sustainable Energy Solutions (Skills4SE) project, implemented by GIZ. The facility aims to address the shortage of skilled professionals required to support the country's expanding renewable energy sector.

Bangladesh is targeting 30 percent renewable energy in the power mix by 2040 under the Renewable Energy Policy 2025 and its updated climate commitments under the Third Nationally Determined Contribution (NDC 3.0). Officials say developing a skilled workforce is essential to achieving these goals.

The new facility includes renewable energy simulation and photovoltaic laboratories as well as a weather station for wind energy resource assessment.

Govt to Withdraw Import Duty on Electric School Buses: NBR

The National Board of Revenue (NBR) has decided to eliminate all import duties on electric school buses as part of a strategic move to reduce fuel consumption in the transport sector.

"This initiative is the first phase of a broader government plan to promote energy efficiency in

public transportation," said NBR Chairman Md Abdur Rahman Khan during a pre-budget discussion for the 2026-2027 fiscal year held at the Revenue Building in Dhaka recently.

Unlike many fiscal changes that take effect with the new national budget, he said, the duty waiver for electric school buses will be implemented immediately.

The NBR Chairman confirmed that a Statutory Regulatory Order (SRO) will be issued shortly to grant this exemption.

RE Push Faces Financing, Policy Barriers in Vulnerable Regions

A national workshop in Dhaka has highlighted critical financing, policy, and implementation gaps that continue to hinder the expansion of renewable energy in Bangladesh's most climate-vulnerable areas.

Titled "Bridging Macroeconomic Barriers and Field Implementation under the NABAPALLAB Project," the event brought together policymakers, development partners, private sector leaders, and financial institutions.

The workshop was jointly organized by CARE Bangladesh and iDE Bangladesh.

Discussions centered on identifying scalable and financially viable renewable energy solutions for ecologically sensitive regions such as the Sundarbans and Hakaluki Haor.

DIU Signs PPA for 3.4 MW Solar Power Project

Daffodil International University (DIU) has signed a Power Purchase Agreement (PPA) with Paramount Group to implement a 3.4-megawatt solar power project aimed at expanding the use of renewable energy on campus.

To mark the occasion, a signing ceremony was recently held at the university's permanent campus, Daffodil Smart City.

Among those present at the event were Paramount Group Chairman Shakhawat Hossain; Chairman of the DIU Board of Trustees Mohammad Sabur Khan; Vice-Chancellor M R Kabir; Pro Vice-Chancellor Mohammad Masum Iqbal; Treasurer Hamidul Haque Khan; Registrar Mohammad Nadir Bin Ali; and Trustee Board Member Mohammad Imran Hossain.

According to a press release, the initiative aims to expand the use of renewable energy and develop a more sustainable and environmentally friendly campus.

Green page

Chinese Tech, Fuel Crisis Give Impetus to E-bike Market

Improved Chinese technologies coupled with recent energy supply disruption have given an impetus to Bangladesh's electric bike sector, with manufacturers offering durable batteries at competitive prices.

The sector insiders say the electric two-wheeler is undergoing rapid expansion, driven by affordability, convenience,

and shifting consumer sentiment amid volatility in global energy markets.

The sector is currently dominated by Chinese brands such as Yadea and Revoo, while domestic companies including Walton, Akij Group, Green Tiger, and RFL Group's RYDO are stepping up efforts to capture the market share and establish their own niches.

So far, around thirty importers have entered the market with approximately 30,000 units through both CBU (Completely Built Unit) and CKD (Completely Knocked Down) channels.

With improved battery technologies, now EV bikes can offer 200 KM range based on the battery capacity.

Imports from China alone are estimated at around Tk 3.0 billion annually, underscoring Beijing's growing footprint in Bangladesh's emerging electric mobility ecosystem.

Solar-Plus-Storage could Meet 90% of India's Power Demand

New modeling by Ember finds that solar paired with battery storage could supply 90% of India's electricity demand at an LCOE of INR 5.06/kWh.

The study finds that while a fully solar-powered system is technically possible, pushing toward 100% would be significantly more expensive.

Each additional percentage point would require disproportionately more solar and storage capacity, driving up overall system costs.

With other clean sources such as wind, hydro, and nuclear already in place or planned, the report suggests India would not need to rely on solar alone.

India's electricity demand exceeded 2,000 TWh in 2024. Meeting 90% of that demand would require around 930 GW of solar capacity – less than one-third of the country's estimated 3,343 GW of feasible ground-mounted solar potential – and 2,560 GWh of battery storage.

This equates to 4.9 GW of solar capacity and 13.5 GWh of battery storage for every 1 GW of average demand. The study estimates that only 5% of annual solar generation would need to be curtailed.

Indonesia's Path to 100 GW of Solar

A study from the Institute for Essential Services Reform and Indonesia's Coordinating Ministry for Economic Affairs explores how Indonesia can turn its target of deploying 100 GW of solar from mandate to mobilization.

Research from Indonesia has proposed a 180-day action plan to operationalize the country's 100 GW solar initiative.

The Solar Archipelago: Indonesia's 100 GW Leap to Energy Sovereignty report, by thinktank Institute for Essential Services Reform (IESR) in collaboration with Indonesia's Coordinating Ministry for Economic Affairs, serves as an implementation framework to realize Indonesia's 100 GW directive.

First announced in August 2025, the 100 GW target encompasses 80 GW of decentralized, small-scale solar systems with accompanying battery energy storage systems (BESS) to be deployed across 80,000 villages, alongside 20 GW of centralized solar.

Fabby Tumiwa, IESR CEO, told pv magazine that in order to reach the target, the institute is recommending the initiative is designated as a national strategic program, with the establishing a centralized project management unit to coordinate the rollout.

Greenpage

Can Sodium-ion Storage Drive Energy Flexibility in France?

France's Association Environnement Juste has proposed a storage mandate for renewables projects exceeding 10 kWp in order to integrate flexibility at the source.

The association argues European sodium-ion batteries could present an economically and environmentally viable solution, capable of stabilizing grids without depending on imported metals.

France's new Multi-Year Energy Plan (PPE 3) targets 48 GW of solar capacity by 2030, but it does not set any specific targets for energy storage.

In a white paper recently submitted to the ministry, the Association Environnement Juste warned this omission has technical consequences.

For the French non-profit, the lack of flexibility turns deployment targets into a "physical bottleneck," threatening both the stability of the power grid and the coherence of the energy transition.

The association wants to see flexibility incorporated at the source and has proposed a minimum energy storage requirement for any new renewable energy facility exceeding 10 kW.

Boost RE Investment to Reduce Energy Imports, Experts Urge

Environmentalists, researchers and energy experts recently urged the government to accelerate investment and policy support for renewable energy, warning that Bangladesh must act swiftly to reduce its heavy dependence on imported fuel amid growing global uncertainties.

Speaking at a roundtable discussion in the capital, the experts said the country's import-dependent energy system has become increasingly vulnerable, particularly in the context of geopolitical instability in the Middle East that continues to affect global fuel supply and prices.

They noted that renewable energy technologies have become significantly more affordable in recent years, with the cost of solar equipment and battery storage falling by nearly half.

With effective planning and timely implementation, the government's target of producing 40,000 megawatts (MW) of renewable electricity by 2040 could potentially be achieved by 2030, they said.

The discussion was organised by GreenWatch—an online portal and monthly magazine—at the Jatiya Press Club in Dhaka.

Speakers highlighted that around 86 percent of Bangladesh's electricity consumption currently depends on fossil fuels, a major contributor to the country's worsening air pollution.

Bangladesh, Germany Discuss Expanding Climate Cooperation

A high-level delegation from the Environment Committee of the German Parliament (Bundestag) paid a courtesy call on Environment, Forest and Climate Change Minister Abdul Awal Mintoo at the Bangladesh Secretariat recently.

During the meeting, the minister highlighted the long-standing and friendly relations between Bangladesh and Germany, describing the partnership as strong and multidimensional, covering trade, development cooperation, and environmental sustainability. Talks focused on enhancing technical and financial cooperation to support Bangladesh's climate and environmental priorities.

Key areas identified for collaboration included capacity building, research and knowledge sharing, circular economy, waste management, renewable energy, water recycling, energy efficiency, green cooling, biodiversity conservation, and sustainable industrial development.

Environment Minister Meets SACEP DG to Boost Regional Cooperation

Environment, Forest and Climate Change Minister Abdul Awal Mintoo held a meeting with Norbu Wangchuk, Director General of the South Asia Cooperative Environment Programme (SACEP), at his office in the Bangladesh Secretariat in Dhaka recently. During the meeting, they discussed key regional environmental challenges, including air and water pollution control, plastic reduction, climate change mitigation, waste management, and biodiversity conservation.

Both sides emphasized the need to strengthen cooperation among member countries in addressing these issues. The minister called for enhanced collaboration with SACEP on various environmental protection initiatives in Bangladesh. He highlighted that the government has already undertaken multiple measures to combat air, water, noise, and marine pollution, as well as to tackle climate change.

SACEP Director General Norbu Wangchuk reaffirmed the organization's commitment to working collectively with member countries under various international conventions to protect the environment and address climate change challenges.

Environment Crisis Now an Existential Threat to Human Civilization: Information Minister

Information and Broadcasting Minister Zahir Uddin Swapon recently said that environmental challenges have evolved into an existential crisis for human civilization rather than being merely issues addressed within annual budgets or five-year development plans.

He called on the younger generation to go beyond textbook learning and understand the deep connections between global politics, the energy crisis, and environmental degradation.

The minister made the remarks while addressing the inaugural session of the Green Energy Olympiad 2026, organized by Coastal Livelihood and Environmental Action Network (CLEAN) at the Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP) auditorium in the capital.

War to Kickstart Renewables Boom: IEA Chief

The world's worst energy crisis, caused by the Middle East war, will accelerate the development of renewables, nuclear energy and electric vehicles, the head of the International Energy Agency has predicted.

In a recent interview with a French newspaper, IEA executive director Fatih Birol argued that the current energy crunch "is more serious than those of 1973, 1979 and 2022 combined".

But despite the fuel price spike caused by Iran's de facto blockade of the vital Strait of Hormuz chokepoint, there were "reasons to be optimistic" from how "the architecture of the worldwide energy system will change".

"It will take years. It will not be a solution to the current crisis, but the geopolitics of energy will be profoundly transformed," said Birol.

Ocean Temperatures Near Record High in March: EU Monitor

Ocean temperatures hit near-record highs for March, the Copernicus Climate Change Service said on Friday, signalling a likely shift toward El Nino conditions that can amplify heat extremes on an already warming planet.

Copernicus said average sea surface temperatures were 20.97C in March, the second-highest value ever for the month, and the hottest since 2024 during the last El Nino, when global heat records toppled.

This reflected "a likely transition toward El Nino conditions", said Copernicus, the European Union's global warming monitor.

Several meteorological agencies had predicted the return this year of El Nino, a natural climate cycle that warms Pacific waters and can bring higher global temperatures and extreme weather.

India's New Climate Target Shows Modest Progress Despite World in Turmoil

India's new climate target or Nationally Determined Contribution (NDC) signals modest progress and strong support for the Paris Agreement, despite external pressures and geopolitical challenges of a world in turmoil, says 350.org.

The climate group said that India's new climate target may look modest and risks being undermined by planned oil and gas expansion, but the direction is clear.

Expanding green energy is firmly in the economic self-interest of the world's most populous country. India already met its 2015 goal of 40% non-fossil power capacity nine years early, which now stands at around 52%.

If recent history is any guide, India is likely to overachieve its new target of 60% installed non-fossil power capacity by 2035.

Bangladesh, India Discuss Cooperation on Environment, Climate Action

Environment, Forest and Climate Change Minister Abdul Awal Mintoo held a meeting with Pranay Kumar Verma, the High Commissioner of India to Bangladesh, at the Bangladesh Secretariat in Dhaka recently. During the meeting, both sides emphasized strengthening bilateral cooperation in environmental protection and tackling climate change.

The discussion covered a range of areas including capacity development, research and knowledge sharing, circular economy, waste management, renewable energy use and improving energy efficiency.

The two sides also highlighted the need for joint initiatives to reduce carbon emissions and strengthen environmental governance.

Both parties stressed the importance of sharing experiences in protecting the Sundarbans, as well as collaboration in carbon credit mechanisms, social forestry and green development initiatives. Minister Abdul Awal Mintoo said Bangladesh is working to strengthen bilateral cooperation with neighbouring India and expressed interest in closer collaboration to address environmental protection and climate change challenges in the future.

Interior Dept to Merge Offshore Oil and Gas Regulatory Agencies

The US Interior Department on Apr. 3 said it would merge the US Bureau of Ocean Energy Management (BOEM) and the Bureau of Safety and Environmental Enforcement (BSEE) into a single entity, the Marine Minerals Administration, to streamline offshore oil and natural gas leasing, permitting, inspections and oversight.

The agencies were separated after the 2010 Deepwater Horizon oil spill exposed oversight failures and spurred structural reforms.

Currently, BOEM oversees leasing and development of oil and gas, as well as renewable energy and mining, on the US Outer Continental Shelf, while BSEE enforces safety and environmental regulations.

"By aligning planning, leasing and oversight functions, the Department is positioning the agency to better meet current and future energy demands," Interior said in a press release.

The "streamlined approach" will maintain existing regulatory protections and safety standards, while allowing the agency to "deliver clearer coordination, better service to the public and stronger, more integrated oversight of offshore energy development," Interior Secretary Doug Burgum stated.

New Roadmap Unveiled to Build Climate Resilience for Coastal Women

In a major step toward addressing the multifaceted crises faced by women in Bangladesh's coastal belt due to climate change and rising salinity, a set of integrated livelihood plans and guidelines has been finalized.

These strategic tools were presented recently at a validation workshop titled "Resilient Futures: Gender-Responsive Livelihood Materials and Climate Pathways," held at a hotel in Dhaka.

The Department of Women Affairs (DWA) under the Ministry of Women and Children Affairs, in collaboration with the Department of Public Health Engineering (DPHE), is currently implementing a specialized project across five upazilas in Khulna and Satkhira.

Titled "Gender-responsive Coastal Adaptation (GCA)," the project aims to enhance the adaptive capacities of coastal communities, particularly women, to cope with climate change-induced salinity.

Bangladesh, Nepal Discuss Expanding Cooperation on Climate, Energy and Environment

Environment, Forest and Climate Change Minister Abdul Awal Mintoo held a meeting with Nepal's Ambassador to Bangladesh, Ghanshyam Bhandari, at the Bangladesh Secretariat recently, focusing on strengthening bilateral cooperation across a range of sectors.

During the meeting, both sides discussed enhancing collaboration in environment, forestry, climate change, energy, education, and tourism.

The minister noted that Bangladesh and Nepal are both highly vulnerable to climate risks, making it essential to expand afforestation efforts and increase the use of environmentally friendly technologies in the energy sector.

He also highlighted the government's ongoing initiatives to protect the environment and promote climate-resilient development.

Unlocking New Sources of Climate Finance Essential in Bangladesh: UNDP

Resident Representative, UNDP Bangladesh Stefan Liller has said unlocking new sources of climate finance is essential in Bangladesh, a country on the frontlines of climate change.

The United Nations Development Programme (UNDP) and City Bank PLC signed a Memorandum of Understanding (MoU) recently to accelerate climate finance in Bangladesh by advancing the country's emerging thematic bond market, with a focus on green investments.

The signing ceremony took place at the City Bank head office.

The MoU was signed by Stefan Liller, Resident Representative, UNDP Bangladesh and Mashrur Arefin, CEO of City Bank PLC, marking a significant step toward mobilizing private sector investment for climate-resilient development, said UNDP.

Bangladesh Must Diversify LNG Supply Amid Global Risks

As escalating Middle East hostilities and disruptions in the Strait of Hormuz rattle commodity markets, including natural gas, countries that rely on regional supplies, including Bangladesh, are seeking options to fend off shortages.

Muhammed Aziz Khan, chairman of Summit Group, spoke with S&P Global Energy Platts Editorial Lead Surabhi Sahu about the present geopolitical risks shaping the global LNG landscape and impacting the country's LNG supply and outlook. Khan also shared Summit's growth plans, including the company's entry into the country's data center market. Energy & Power reprints this interview for its readers.

The Summit Group, headquartered in both Dhaka and Singapore, is among the largest Bangladeshi infrastructure conglomerates. The company has business interests in communication, trading, energy, power, and shipping.

What is your outlook for Bangladesh's LNG imports in the future?

I believe that LNG and its related infrastructure are essential to meet the country's growing energy needs. Bangladesh's LNG imports are expected to reach 7.2 million metric tonnes per annum in 2026 from an estimated 6.8 million mt/year in 2025. The country's LNG imports could even reach 15 million mt/year in the coming years, with a 6%-7% gross domestic product growth.

Bangladesh has secured a lower tariff rate with the US under a trade deal signed in February. Bangladesh's lower tariffs compared to some neighboring countries give it an edge over other competitors. So, the foreign currency situation is expected to continue improving, accelerating the country's economic growth.

Looking at the situation in the Middle East, how do you see geopolitical risks shaping global LNG markets and prices?

The Iran war has reminded the world once again that LNG is not only a commodity but a "geopolitical market".

A developing country, Bangladesh has had to buy spot LNG for as high as approximately $23/MMBtu.

The market is being shaped in three ways. First, there is now a much larger security premium in LNG prices. Second, buyers are rediscovering the value of long-term contracts and diversified origins. Third, physical availability matters as much as price, because when shipping routes are threatened, even a buyer willing to pay more may not get the molecules on time. This is why geopolitical risk today is setting both the floor and the volatility of LNG prices.

How is the Middle East war impacting Bangladesh's LNG and gas supplies?

Bangladesh is highly exposed. It imports LNG through two operational FSRUs [floating storage and regasification units] with a combined regasification capacity of about 7.5 million mt/year, and imported 109 LNG cargoes in 2025, costing about $3.88 billion. It also relies on imports for roughly 95% of its energy needs. That $3.88 billion can easily become $7 billion plus, which the country can ill afford.

The immediate effect of the war has already been severe. Qatar suspended long-term LNG deliveries to Bangladesh under force majeure. On the liquid fuel side, Bangladesh has adequate diesel and Heavy Fuel Oil (HFO) to meet approximately one month of demand. Thereafter, the high prices that Bangladesh will require to pay will harm the country's macroeconomics and may cause stagflation.

Muhammed Aziz Khan

The hopes and aspirations are huge. Politically, a democratic and a free-market oriented governance is desirable to spur economic growth. From my perspective, the rule of law will prevail, reposing trust in investments and in Bangladesh's institutions. Economic growth will hopefully encompass quality education, better public healthcare, strengthen other social infrastructure and retain its relevance in this changing world to also accelerate digital and AI.

How can the country tide over gas shortages or meet its energy needs in the current geopolitical landscape? What is Summit's role in situations like this?

Bangladesh must first stabilize the current situation through immediate measures. The government should prioritize the use of electricity, gas, and oil for power generation, essential industry, and agriculture, while introducing strict rationing where necessary. Taxes on imported energy – LNG, coal, diesel and fuel oil – should be temporarily removed to reduce procurement costs. At the same time, prices must gradually reflect real market conditions to discourage wasteful consumption.

Operationally, Bangladesh should urgently build strategic fuel inventories. Agencies such as Bangladesh Power Development Board and Bangladesh Petroleum Corporation could rent under-utilized private storage terminals and stockpile heavy fuel oil, diesel and coal while supplies remain available.

In the longer term, Bangladesh must strengthen energy security through diversification. This includes sourcing LNG from multiple regions beyond the Strait of Hormuz, expanding regasification capacity, and encouraging private and foreign investment in energy infrastructure.

Equally important are imports of green electricity from neighboring countries, particularly hydropower, and accelerating offshore gas exploration in the Bay of Bengal.

Companies such as Summit can contribute by investing in diversified LNG supply, additional infrastructure and regional energy partnerships that make Bangladesh's energy system more resilient.

Privatization is key to securing foreign direct investment, LNG import, energy oil import and distribution infrastructures may be a first step toward that. Huge investments are necessary for the country to eradicate poverty and transform into a developed nation.

Summit Group presently operates one of the two FSRUs in the country. How is Summit planning to grow its LNG business?

Last year, Summit's FSRU completed its 250th ship-to-ship transfer operation. During the 2024-2025 financial year ending June 30, 2025, the terminal supplied approximately 13% of the country's total gas demand, playing a vital role in ensuring Bangladesh's energy security.

Since its commissioning in April 2019, Summit LNG Terminal has received about 35 million cu m of LNG and supplied approximately 785,549,295 MMBtu of regasified LNG to the national gas grid, the company shared in a statement on Nov. 30

Bangladesh must first stabilize the current situation through immediate measures. The government should prioritize the use of electricity, gas, and oil for power generation.

The Summit Group also aimed to build Bangladesh's first onshore LNG terminal at Matarbari Island in the Bay of Bengal on a build, own, operate and transfer basis. However, the plan has been delayed due to the abolition of the Quick Enhancement of Electricity and Energy Supply (Special Provisions) Act, 2010, which was repealed by the government in 2024.

The implementation of the onshore terminal could now occur in two forms in the future -- either through an international tender or a government-to-government contract. So, if an international tender is launched, we will participate in it. However, if it is a government-to-government contract, then we will only be able to receive services from the terminal owned by the government of Bangladesh

Summit had also been awarded a contract to build the country's third FSRU and its second FSRU to meet increasing energy demand. However, in 2024, the Bangladesh government canceled the FSRU project, and Summit is contesting the cancellation. The FSRU project is currently under judicial review.

Summit is targeting Bangladesh's data center market. What factors are prompting Summit's foray into this segment?

Bangladesh and Summit are uniquely positioned with excess electricity capacity for the next few years. The country's recently enacted Personal Data Protection Ordinance, 2025, is also expected to stimulate demand for domestic data centers.

The Group will leverage its subsidiary, Summit Technopolis Hi Tech Park, or its vacant land alongside the power plants and the river, to build its first large-scale facility in Dhaka. The Group currently has approximately 350 MW of capacity that could be dedicated to data centers, positioning it as a hyperscaler.

The company is in the process of laying optical fibers from Bangladesh to Singapore, with the work seeing slight delays due to regulatory hurdles in Bangladesh. However, I am hopeful that those hurdles will be overcome, and subject to government permissions, Summit can build its first data center in about 18 months.

Summit is also open to strategic partners who bring marketing expertise to its data centers. The company's development team is also exploring opportunities to import green electricity from countries such as Indonesia and Malaysia.

After the February election, what are your hopes and aspirations for the new government to develop the country's energy sector?

The hopes and aspirations are huge. Politically, a democratic and a free-market oriented governance is desirable to spur economic growth.

From my perspective, the rule of law will prevail, reposing trust in investments and in Bangladesh's institutions. Economic growth will hopefully encompass quality education, better public healthcare, strengthen other social infrastructure and retain its relevance in this changing world to also accelerate digital and AI.

Physical infrastructure is also required, including LNG terminals, ports, data transmission, roads and highways. These will create youth employment opportunities and development. EP

ENERGY: TAKE THE BULL BY THE HORNS

Reverse Swing

Farid Hossain

It needs no rocket science to understand the state of Bangladesh's economy. It's not in good shape. The common people have long been enduring the pinch of the deteriorating economy. The cost of living has remained high with inflation hovering around 9% for the past two years. It all started before the US-Israel war on Iran with the spreading conflicts worsening the situation, not only in Bangladesh but globally. Bangladesh like many other countries is facing the headwinds both from domestic vulnerabilities and external factors, especially the latest outbreak of the Middle East war. It has forced the newly elected government of Prime Minister Tarique Rahman to continue with tight monetary and fiscal policies.

Not long ago Bangladesh's economic growth drew special global attention. With the growth crossing 7 percent at one stage the growth was being seen as a model for economic development. Bangladesh, dismissed as a basket case at its birth five decades ago, qualified to graduate from the LDC status by 2026 with all the necessary criteria necessary to fulfill for the prestigious jump. The BNP government has, however, requested for a deferment of the graduation citing lack of preparations stemming from domestic political changes and the adverse global condition. The country's struggling businesses have rather pressured the government to seek more time to reach the milestone in its development journey. The issue is now on the table of the relevant UN organizations.

The country's global lenders have already projected slower economic growth for fiscal 25-26. The World Bank projects a GDP growth at 3.9%, down from its earlier projection of 4.6%. The Asian Development Bank has lowered the growth to 4% from the earlier projection of 4.7%. The growth projection from the International Monetary Fund has been slightly better at 4.7%, though it says it may dip to 4.3% in FY26-27. The inflation rate, according to IMF projection, may rise to 9.2%.

The projections reflect the mood of local businesspeople. For the past few years the investment scenario has remained unsatisfactory. The high interest rates have discouraged businesses from making any new investment. At his latest meeting with a new batch of businesspeople the premier has stressed the need for developing the agriculture and agro industries. His call has been to focus on the northern region of the country. It's not because his home district Bogura sits in this region, but mainly the region offers to become a hub of agriculture and agro businesses.

The region is already contributing towards the country's agricultural growth. But mere new attention does not solve the problem. What is needed most is gas and electricity to power the growth the premier wants to achieve. The news from the power and gas sectors is not good. The availability of gas from its reserves is declining. The US-Israel war on Iran has severely disrupted the supply chain of LPG and oil from the Middle East. Bangladesh's dependence on imported LPG and oil has compounded its fragile energy security. We should not have pushed the country to such vulnerability. Wrong policies are to be blamed. We should have focused more on exploring our own natural gas resources instead of imported energy.

Priority should have been given on solar energy. Policy should have been directed towards reducing the prices of the materials required for installing solar panels. Has it been right for us to ignore the environment-friendly extraction of our coal reserves? The summer season has already arrived amid concerns about energy shortage. Power outages are being forecast as the authorities are unable to produce enough electricity despite the higher capacity. The rural towns and villages are reportedly ensuring load-shedding.

With the Middle East crisis continuing despite a fragile truce we need to tackle the energy situation as if. EP

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