

Nvidia CEO meets Trump amid AI trade tensions

AFP, Washington

Jensen Huang, CEO of AI chip giant Nvidia, met with President Donald Trump on Friday as the company suffered a rough week on Wall Street over competition with China and the threat of tariffs on semiconductors.

Trump said he would be putting tariffs on imports of computer chips to the United States, which will punish Nvidia's business that depends on imported components, mainly from Taiwan.

"It was a good meeting, but eventually we're going to put tariffs on chips," Trump told reporters afterwards.

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High end versions of Nvidia's chips face US export restrictions to the major market of China, part of Washington's efforts to slow its Asian adversary's advancement in the strategic technology.

That policy came under scrutiny this week when Chinese startup DeepSeek achieved widespread adoption of its latest AI model that was developed without access to Nvidia's export-blocked H100 chips.

After the DeepSeek breakthrough, US media reported the Trump administration was exploring ways to expand the restrictions to Nvidia's lower end chips.

The DeepSeek model triggered a plunge in Nvidia's stock Monday, wiping out nearly \$600 billion in market value -- Wall Street's largest single-day loss ever.

"We appreciated the opportunity to meet with President Trump and discuss semiconductors and AI policy," an Nvidia spokesperson said.



Farm labourers are weeding an onion field in Chhoto Bahirdia village of Faridpur's Saltha upazila. A farmer named Md Shahjahan Matubbar invested approximately Tk 2 lakh to grow onions on this piece of land of around 2.5 bighas. He hopes to have a good harvest, saying the weather was favourable.

PHOTO: SUZIT KUMAR DAS

BSRM opens Jica-funded eco steel plant

STAR BUSINESS REPORT

Bangladesh Steel Re-Rolling Mills (BSRM) Ltd launched a new environmentally friendly steel plant yesterday, which is funded by the Japan International Cooperation Agency (Jica), according to a press statement.

The plant, located in Chattogram's Mirsharai area, marks a significant milestone for Jica's support to Bangladesh's private sector.

The project, supported by a \$50m loan signed in October 2023, represents Jica's eighth Private Sector Investment Finance (PSIF) transaction and its first corporate loan project in Bangladesh, Jica said in the statement.

Industries, Housing and Public Works Adviser Adilur Rahman Khan, Italian Ambassador to Bangladesh Antonio Alessandro, Chattogram City Corporation Mayor Shahadat Hossain, BSRM Chairman Alihussain Akberali and Jica Bangladesh Chief Representative Ichiguchi Tomohide were present during the launch.

The new BSRM plant will add 5 lakh

tonnes of rebars per year. It also has the capacity to make 1 lakh tonnes of wire rods annually and will expand BSRM's billet production capacity by 2.50 lakh tonnes a year.

"By reducing dependence on imported steel, the facility will help stabilise the country's trade balance while generating

The new BSRM plant will add 5 lakh tonnes of rebars per year. It also has the capacity to make 1 lakh tonnes of wire rods annually

more than 500 new employment opportunities and supporting the development of local industries," Jica said, adding that it recognises that a strong domestic steel industry is crucial for infrastructure development and economic resilience.

"We hope that the inauguration of this new plant will serve as a symbolic milestone to develop Bangladesh's industries further,

attracting increased foreign investment to Bangladesh," said Tomohide.

Jica said it prioritises sustainable and responsible industrial growth beyond financing.

The BSRM plant incorporates cutting-edge environmental technologies, including an advanced air pollution control (APC) system to ensure clean air and a water treatment and recycling facility, the press release said.

Through the integration of rooftop solar power plants and energy-efficient production methods, the factory will mitigate climate change by reducing greenhouse gas (GHG) emissions by 10,000 tonnes (CO2 equivalent) a year, it added.

The plant also promotes a circular economy by repurposing slag from steel production for construction use, the Japanese agency said, adding that the initiatives contribute to achieving several Sustainable Development Goals (SDGs), including affordable and clean energy and climate action.

Gold price hits Tk 145,123 a bhoori

STAR BUSINESS REPORT

Local gold prices are going to hit a new record high, as Bangladesh Jewellers' Association (Bajus) decided to hike its prices to Tk 145,123 a bhoori or 11.664 grammes with effect from today.

The standing committee on pricing and price monitoring of Bajus took the decision at a meeting yesterday, citing a rise in pure gold prices in the local market.

The previous price of each bhoori of 22 carat gold ornaments was Tk 142,790.

The price of gold in Bangladesh has been rising steadily for more than a year, influenced by hikes in the international market and volatility in domestic supply.

In July 2023, the price of gold crossed the Tk 100,000 mark for the first time in Bangladesh.

Although Bangladesh does not import any significant quantity of gold, its prices are linked with international trends.

In Bangladesh, the annual demand for gold stands at between 20 and 40 tonnes and about 80 percent of the demand is met through smuggling.

GLOBAL MARKET

Gold prices surpassed the key \$2,800 mark for the first time on Friday, fuelled by a rush to safety following US President Donald Trump's tariff threats, which heightened concerns about global economic growth and inflationary pressures, Reuters reported.

Spot gold rose 0.3 percent to \$2,801.29 per ounce by 01:41 p.m. ET (1841 GMT), after hitting a record peak of \$2,817.23 earlier in the session.

US gold futures settled 0.4 percent lower at \$2,835, trading a premium to spot gold rates.

"There's a lot of uncertainty out there right now and also wait-and-see attitude on the geopolitical stage with tariffs," said Bob Haberkorn, senior market strategist at RJO Futures.



STOCKS		WEEK-ON WEEK
DSEX ▲	CASPI ▼	
1.04%	1.07%	
5,112.90	14,294.07	

COMMODITIES		AS OF FRIDAY
Gold ▲	Oil ▲	
\$2,798.49	\$73.81	
(per ounce)	(per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▲ 0.97%	▲ 0.15%	▲ 1.44%	▼ 0.06%	
77,505.96	39,572.49	3,855.82	3,250.60	

Safety net schemes fall short

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Data from the 2022 HIES show that 53.9 percent of poor and vulnerable families are excluded from social protection programmes, mainly because of exclusion errors, while 62 percent of non-poor and non-vulnerable households receive some form of benefit because of inclusion errors.

CORRECTION EFFORTS ALSO FALL FLAT

To address the shortcomings of safety net programmes, the National Social Security Strategy (NSSS) was adopted in 2015, signalling a shift towards a structured framework grounded in the lifecycle approach.

The lifecycle approach means designing poverty alleviation policies and programmes that address the different vulnerabilities and needs people face at various stages of their lives, from childhood to old age.

The NSSS, which has seemingly well-defined reform objectives and time-bound action plans, is set to expire in June next year.

However, progress towards realising the NSSS vision has fallen significantly short of expectations, the taskforce report said.

Persistent issues, including structural inefficiencies, inadequate resource allocation, weak institutional capacities, and limited inclusivity, have hindered progress and undermined the system's effectiveness, the taskforce mentioned.

These shortcomings prevent vulnerable groups from escaping the cycle of poverty, thereby diminishing the overall impact of social protection programmes.

With the NSSS set to expire in June 2026 and many key reforms still unimplemented, its transformative potential remains unrealised.

For instance, programme fragmentation is still frequent, while progress in consolidating and harmonising poverty alleviation programmes is limited. Similarly, targeting errors in beneficiary selection continue to be pervasive.

Resource constraints exclude a substantial number of potential beneficiaries in all programmes,

the small benefits provided without adjustments for inflation render the impact negligible, and a comprehensive and integrated database on social protection beneficiaries remains elusive, according to the report.

It said there has been virtually no progress in introducing interventions based on social insurance principles (such as unemployment insurance), while the capacities of different ministries and departments remain grossly inadequate, with persistent dependence on development partners.

"More strikingly, despite its emphasis, the system has evolved without a clear focus on addressing poverty effectively, and given its current state of limited resources and meagre benefits—its role in dealing with inequality is highly questionable," the report mentioned.

SOCIAL PROTECTION GROSSLY OVERSTATED

The inclusion of numerous unrelated and irrelevant schemes in social protection allocations not only inflates the budget but also obscures the limited political commitment to addressing poverty and vulnerability, redirecting attention to the broader resource constraints faced by the country, the report said.

It said that social protection is grossly overstated because of the inclusion of schemes such as pensions for government employees, subsidies, interest payments on national savings certificates, and infrastructure development programmes.

Of the six largest schemes by budget allocation, only one—the old-age allowance—can be considered a genuine social protection measure.

Quoting government sources, it said social protection spending in fiscal year (FY) 2024-25 accounts for 2.5 percent of the gross domestic product (GDP) and 17 percent of the national budget.

However, when the programmes linked with pensions and subsidies are excluded, the allocation drops to only 1.2 percent of GDP and 7 percent of the budget.

The World Social Protection Report 2024-26, published by the International Labour Organization

(ILO), estimated that Bangladesh spends just 0.9 percent of its GDP on social protection. This figure is markedly below the South Asian regional average of 3.8 percent.

On the other hand, social protection benefits in Bangladesh are low and are rarely adjusted for inflation, resulting in a steady erosion of their real value over time.

Estimates suggest that monthly benefits from key programmes, such as the old-age allowance (OAA) and widow allowance (WA), amount to just 14 percent of the national poverty line income per person, while the allowance for persons with disabilities is slightly higher at 22 percent.

This issue is further compounded by the lack of annual inflation adjustments for most regular benefit payments, which exacerbates the decline in their purchasing power, leaving them increasingly inadequate to address poverty and vulnerability effectively.

COVID EXPOSED FLAWS IN POVERTY FIGHT

Regarding the vulnerabilities in the safety net programmes, the report said their impact was starkly evident during the Covid-19 pandemic in 2020, when the resulting economic shocks pushed many individuals and families into poverty, giving rise to a group widely termed the "new poor".

It is estimated that the richest 5 percent of households in 2022 held 30 percent of the national income, while the poorest 5 percent were left with less than 0.4 percent.

Regularly adjusting transfer values for social protection programmes to account for inflation is crucial to ensuring their effectiveness in alleviating poverty. Many programmes in Bangladesh have failed to provide adequate benefits as allowances are not consistently reviewed in line with economic development and inflation.

Consequently, the real value of benefits has significantly declined over time, eroding their purchasing power. The NSSS has recommended inflation adjustments for all cash transfers under lifecycle-based core schemes to address this issue.

READ FULL STORY ONLINE

Yunus calls for youth-led change

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Yunus began his speech by reflecting on the sacrifices made by the youth of Bangladesh during the July Revolution.

Over 1,000 young people lost their lives, while countless others endured severe injuries in their quest to overthrow a fascist regime.

Their vision of a new Bangladesh, Yunus said, was the catalyst for a nation that now stands as a testament to the power of youth-driven change.

"Every great journey begins with a single step, but the real challenge lies in how you progress to the next step," Yunus explained, drawing a parallel between the revolution of the past and the ongoing fight for a better future.

He described Bangladesh as a "living museum", where the dreams of the youth are embedded in the streets through murals and paintings that express the hopes and aspirations of a generation.

NBR panel

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tracking system, container movement tracking, electronic document transfer, and an electronic data exchange system following World Customs Organization guidelines.

"A national risk-targeting centre can be set up at the Customs Risk Management Commission to identify national and trade-related risks," the report recommended.

The committee, headed by Mohammad Faizur Rahman, commissioner of Customs, Excise, and VAT Commissionerate, Dhaka (South), highlighted the rising incidence of financial crimes facilitated by the expansion of ICT.

The expansion of ICT has also led to changes in the nature of financial crimes globally. The panel noted that illegal activities such as the release of goods through customs to evade taxes, the import of illegal items, and trade-based money laundering are rising due to the use of mobile devices, apps, hacking, and surveillance devices.

"There is no alternative to establishing a digital forensic lab and creating skilled manpower," it said.

"This is a historical moment. Thousands of young people gave their lives and sacrificed so much to get us here, and their dream is now our shared mission -- to create a new Bangladesh that echoes across the world."

Professor Yunus took a moment to welcome the international delegates and reflect on the significance of the summit.

"It's wonderful to be here again at the Social Business Summit. This year, we have an incredible turnout, with participants from 25 countries -- what an amazing gathering," he said.

He also said the summit was more than just a conference; it was a chance for reflection and connection.

He welcomed the international delegates to the "New Bangladesh," emphasising the country's transformation, which had been driven by the sacrifices and dedication of its youth.

Yunus pointed out that the murals on the streets of Dhaka were not just works of art but a living testament to the dreams and struggles of the young generation.

The conversation soon turned to the concept of building a new world, with Yunus asserting that it was far simpler than many might think.

Islamic banks

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Islamic banks face liquidity challenges due to the increasing demand for Islamic financial products and limitations in interbank borrowing mechanisms. Unlike conventional banks, Islamic banks cannot rely on interest-based borrowing, restricting their ability to manage short-term liquidity needs effectively.

The central bank has been monitoring the situation and may introduce additional regulatory measures to stabilise deposit growth. While the Islamic banking sector remains resilient, it requires more diversified liquidity management tools and enhanced financial instruments for long-term stability.

Customer preferences are also influencing deposit trends in Islamic banks. Many depositors prefer

"The thousand-mile journey begins with the first step," he noted. "You've already taken that first step by being here today. The question is, how do we improve with each subsequent step?"

Yunus shared several stories from his past work to illustrate how imagination and simple ideas could spark change.

Recalling his initial efforts in microcredit, he noted that what started as a small initiative to provide financial support to rural communities in Bangladesh has since evolved into a global movement.

Similarly, his campaign to provide a simple solution for treating diarrhoea -- a homemade saline solution -- had saved countless lives and transformed healthcare in rural Bangladesh.

He also spoke about the development of affordable housing, a project that led to the creation of a \$500 house for low-income families. This innovation earned recognition with the Dhaka Award for Architecture in 2008.

Yunus emphasised that these efforts were rooted in imagination and the desire to create practical solutions for societal issues. The concept of social business, which Yunus championed, was another key point in his address.

Shariah-compliant savings schemes, but competition from conventional banks offering higher returns affects deposit inflows. Introducing new Islamic banking products and improving financial literacy may help attract more deposits.

Remittance inflows through Islamic banks have also fluctuated. In October, total wage earners' remittances through Islamic banking channels stood at Tk 7,013 crore, reflecting an 8.27 percent increase from the previous month.

Islamic banks are expected to continue expanding their services, with several institutions planning to introduce new financial products. The sector's growth remains strong, but addressing liquidity concerns and enhancing regulatory frameworks will be crucial for its sustainability.