

Yunus-Modi meeting a positive step

Realism must be the guiding premise towards a win-win relationship

A long awaited meeting has taken place between Chief Adviser Prof Muhammad Yunus and Indian Prime Minister Narendra Modi on the sidelines of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) Summit in Thailand. The meeting comes as a positive sign for the Bangladesh-India relationship, which has been strained since the political changeover in August, resulting in the ouster of Sheikh Hasina. The April 3 meeting between Modi and Yunus, the first in-person engagement in the last seven months, raises hope for improved ties between the two neighbouring countries.

Yunus and Modi have known each other for a long time, and Yunus's presentation of the picture of the two leaders from 2015 to Modi must have been a reminder of the cordial relationship that exists between them. This perhaps opened the doors for the candid dialogue that followed. Both sides were forthright in sharing their concerns and acknowledged the importance of the historic, cultural, and trade links between the two countries. Professor Yunus brought up border killings, water-sharing treaties, and Dhaka's request to extradite Sheikh Hasina, among other issues. PM Modi stated that they do not support any particular political party and wish to maintain a people-to-people relationship, which is what we expect. The Indian prime minister, on the other hand, shared their concerns regarding the minority situation in Bangladesh. While Yunus reiterated his assurance that the interim government is addressing the issue, he also pointed out the fake and exaggerated presentation of the issue in Indian media. Though the meeting did not offer immediate solutions for any problems that exist between the two nations, it undoubtedly launched a dialogue, which, we hope, will result in follow-up steps. This is especially crucial for Bangladesh as a lower riparian country, as the Ganges Water Treaty is soon to expire, and the Teesta Water Treaty has seen no headway for years.

We also hope that, following this meeting, the negative discussion in the Indian media regarding Bangladesh will stop. Given the importance of a strong India-Bangladesh tie, realism must set in our bilateral relations, and insensitive rhetoric of all sorts should be avoided. Dialogues with our Indian counterparts should be fact-based and realistic, leading to decisions that mutually benefit both parties. We hope that both governments will strive to build a win-win relationship between the two neighbours.

Rohingya repatriation long-overdue

BIMSTEC should step in to address the crisis

With the Rohingya repatriation process stalled and international funding to support them significantly reduced, the chief adviser has rightly urged the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) to take visible actions for their repatriation. He called on member states to initiate dialogue between Myanmar's conflicting parties and work towards restoring stability in Rakhine State. Unfortunately, despite several attempts over the past eight years, not a single Rohingya sheltered in Bangladesh has been repatriated to Myanmar. Instead, around 100,000 more Rohingyas have fled to Bangladesh since July last year, driven by escalating conflicts between the Arakan Army and Myanmar's military junta. Against this backdrop, it is crucial for international forums, including BIMSTEC, to actively engage in addressing this protracted crisis. The chief adviser has also cautioned that, if left unresolved, the situation has the potential to create instability in the entire region.

Bangladesh has been hosting approximately 1.2 million Rohingyas, most of whom fled Myanmar during the military crackdown in Rakhine State in 2017. Following the military takeover in 2021, Myanmar descended into civil war, with the Arakan Army gaining control of nearly 90 percent of Rakhine State. Recently, the United Nations Development Programme (UNDP) issued a warning about an imminent famine in Rakhine. In light of these developments, the chief adviser has called for the establishment of a humanitarian channel in Rakhine to provide essential supplies to the people and prevent further displacement. This also raises the question: can the repatriation process realistically begin under such dire circumstances in Rakhine?

Reportedly, Myanmar authorities have identified 180,000 Rohingya as eligible for repatriation out of a list of 800,000 Rohingyas currently sheltered in Bangladesh. The Chief Adviser's Press Wing stated that the original list was submitted by Bangladesh in six phases between 2018 and 2020. U Than Swe, Myanmar's deputy prime minister and foreign minister, further confirmed that the final verification of an additional 70,000 Rohingya is pending further scrutiny of their photographs and names. He also indicated that the verification process for the remaining 550,000 Rohingya on the original list will be expedited. While these assurances from Myanmar are promising, significant efforts are still required to guarantee the safe and dignified return of the Rohingya.

Myanmar must ensure a conducive and secure environment in Rakhine to facilitate the safe return of the Rohingya. The authorities there must grant them full citizenship, freedom of movement, access to employment opportunities, and other basic human rights. Bangladesh, which is already under considerable strain in supporting the Rohingya refugees, is facing additional challenges due to the reduction in foreign aid. Thus, the sooner the repatriation process can start, the better it will be for both Bangladesh and the region.

THIS DAY IN HISTORY



Olympics revived

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EDITORIAL

TRUMP'S TARIFF WAR

How Bangladesh can mitigate its economic impact



AN OPEN DIALOGUE

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In recent years, the Bangladesh economy has weathered three major external shocks: Covid, the Ukraine War, and the July uprising. Now, another storm is brewing on the horizon. The first three came without any warning. The new one coming is Trump's tariff war. It is not entirely a surprise, and the country has had enough time to prepare for it, but its impact on commodity prices and the taka/dollar exchange rate is yet to be seen as of the first week of April.

Bangladesh is a "small country." And I do not use the adjective "small" in terms of the size of its population, nor regarding its influence on regional politics. Bangladesh is characterised as a small country in technical terms, in the parlance of the "theory of international trade and finance." Why so? Because our terms of trade and foreign currency exchange rate are given, or determined by external forces beyond our control.

Since taking oath in January, US President Donald Trump has made raising tariffs on foreign goods a cornerstone of his foreign policy as well as domestic policy. During his first presidency, Trump's goal was to reduce US trade deficits. This time, he seeks to punish Canada, Mexico, and China, putatively for sending drugs and migrants to the US. It might seem that a small country like Bangladesh may escape the wrath of this misguided policy.

Bangladesh, as we all know, does not export drugs or send illegal migrants to the US. As a small country, we are able to buy and sell as much of our imports and exports, respectively, without any impact on the price of goods in the global market.

In the realm of foreign exchange, it is a little more complicated. A small country's economy and trade volume are generally too small to have a significant, immediate impact on the global foreign exchange market, or the taka's exchange rate against the dollar,



US President Donald Trump delivers remarks on tariffs in the Rose Garden at the White House in Washington, DC, US, April 2, 2025.

PHOTO: REUTERS

which is the world's reserve currency. But the government tried to keep our exchange rate pegged at a high rate.

A rise in tariffs, or a threatened rise, will lead to volatility in the foreign exchange market. Bangladesh's foreign exchange rate was considerably overvalued in the past, and under the interim government is easing towards a market-based exchange rate regime. The effect of growing unease among traders is evident in the recent rise in the price of gold in Bangladesh.

So, at first sight, it may appear that Bangladesh has nothing to fear about the latest round of the tariff wars. But is that really so? Emboldened by the positive outcome of the tariffs levied on China during his first presidency, Trump is escalating the war and is now handcrafting several variations of import taxes to serve his purpose. These fall into three categories: a) basic tariffs; b) reciprocal tariffs; and c) secondary tariffs.

Basic tariffs are used to raise the cost of imported products. They can be applied uniformly across the board,

but some countries gain exemptions. Reciprocal tariffs are imposed in retaliation for tariffs levied on US exports. If Bangladesh imposes tariffs on cotton imports from the US, it could face some retaliation in the future.

Trump is now opening up another front by talking about "secondary" tariffs on specific countries and their exports. Venezuelan and Russian oil are

and threatened to use tariffs as a tool of its foreign policy, or as a "bamboo stick," Bangladesh and countries in a similar situation have reasons to feel caught in the crossfire.

While no place is truly insulated from global economic problems, some regions and economies are more resilient and have better tools to manage shocks than others. But the interconnectedness of the global economy means that even seemingly isolated areas can be affected.

While Bangladesh's products are not yet directly affected by the recent tariffs, continued economic uncertainty will upend financial markets. We have to keep an eye on the timing. As always, Bangladesh can benefit from the "migration" of investment and factories from China. The 35 percent tariff on RMG originating from China provides an opportunity for Bangladeshi exporters to increase their market share for this commodity.

We can learn from Vietnam, which is in competition with Bangladesh in some spheres but also enjoys a symbiotic ecosystem in others, and appears to be taking countermeasures to mitigate the effects of some of the possible turbulence in the global economy.

The *New York Times*, in a report entitled "How Trump's Tariffs Could Reorder Asia Trade and Exclude the US," provides some interesting possible outcomes of the tariff war. The Asian Development Bank is expecting a positive turn because supply chains can become more regional, and if countries are open to trade and investment among themselves, then there's a measure of safety or protection.

First, we could provide a welcome mat to Chinese firms and other companies trying to avoid the US tariffs. Secondly, Bangladesh can look at Asian markets as an alternative to the US and EU. Finally, Bangladesh may form trade partnerships with countries in the region.

The beneficial impact of US tariffs on Chinese goods may cancel out if the former raises tariffs on our exports now or in the aftermath of our transition from LDC status next year. Currently, US tariffs on Chinese garments might not boost our exports since these are non-competitive items, but Bangladesh will still be able to create an edge. To do so, it needs to enhance enterprise-level productivity, streamline trade facilitation, and improve compliance.

Dhaka's traffic through a visitor's eyes



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"Having worked in Manila, Hanoi, Lahore, Delhi, Bangkok, and many other large cities notorious for traffic congestion, I didn't expect Dhaka to be different. But I was wrong," chuckled Lucy, a girl's education consultant and a long-time friend with an ever-positive attitude. The drive to the hotel, only seven kilometres away, took two hours, she recounted over coffee at a local cafe.

Slowly aside, what baffled her most was the complete unpredictability of movement. "In other cities, traffic follows some basic patterns—it moves in lanes, stops at red lights, gives way to emergency vehicles," she explained. "Here, it's as though every driver is following a different rulebook—or no rulebook at all." Vehicles create improvised lanes, turning two-lane roads into four or five lanes of tightly packed cars, buses, rickshaws, and motorcycles, some driving in the opposite direction. Traffic signals, when present, are entirely optional. Vehicles stop randomly in busy streets to pick up or drop off passengers. Drivers communicate through a complex language of honking.

"And the motorcycles!" Lucy exclaimed, her eyes widening. "They're everywhere." They ignore every conventional traffic rule—driving on sidewalks, going against traffic, zigzagging between vehicles at dangerous speeds. They carry entire families of four, weaving through bumper-to-bumper traffic, frequently missing collisions by inches, not one helmet among them. Even Hanoi—famous for its sea of motorcycles—

maintains certain patterns and unwritten rules, but not Dhaka.

What most perplexed Lucy was the disconnect between written regulations and street reality. Bangladesh has comprehensive rules on paper, including requirements for driver licensing, vehicle certification, and traffic behaviour. But the streets are

cross fast-moving, chaotic traffic because no safe crossing is nearby. The footbridges are mostly empty—too steep, far apart, and sometimes unsafe.

Pedestrians in Dhaka have a sixth sense—a split-second timing for when to dash between vehicles. Those who can't move quickly—older people, people with disabilities, and parents with young children—face nearly impossible challenges. "It's survival of the fittest in its purest form," Lucy noted wryly.

What truly sets Dhaka apart is the sheer number of unauthorised vehicles. Many vehicles have questionable legal status, from thousands of unregistered autorickshaws to buses running without proper permits. Getting a driving licence is arduous and time-consuming, forcing people to find "other" ways to obtain one. The result is predictable: constant

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"It's not that there's no enforcement," Lucy observed. "It's selective enforcement. I noticed how luxury vehicles of government or political high-ups are given free passage, while others are occasionally stopped." This pattern reveals something deeper about how the city functions—the rules apply differently depending on who you are and your connections.

Lucy's work often focuses on safety issues in school attendance. In Dhaka, she was stunned by the dangers that pedestrians, especially schoolchildren, face daily. Young girls in school uniforms

near misses, frequent accidents, and a pervasive sense of danger.

Lucy's observation is spot on: Dhaka's traffic shows a pattern of inequality and adaptation with two simultaneous transportation systems. For the wealthy and connected, there are private vehicles with drivers, air-conditioned ride-shares, and the privilege of ignoring rules without consequences. For everyone else, there are overcrowded buses, rickshaws, and long walks along roads without proper sidewalks.

This division reflects broader social inequalities. People with low incomes spend a disproportionate amount of time and income on transportation, face greater physical danger, and endure more stress and struggle in their daily commutes. "It actively limits

opportunity. I met girls who couldn't attend better schools because safe transportation wasn't available. Women couldn't accept jobs far from home because of the risks and harassment they'd face on public transportation," Lucy explained.

Despite her shock at the traffic conditions, Lucy was impressed by how Dhaka's residents have adapted to this challenging environment. They have developed remarkable navigation skills, created informal systems to move through the chaos with knowledge of shortcuts, unwritten rules about when certain routes are passable, and creative solutions to seemingly impossible obstacles. Delivery persons on bicycles navigate through bumper-to-bumper traffic. Street vendors turn traffic jams into business opportunities, moving between stopped vehicles to sell everything from bottled water to mobile phone accessories. "There's an extraordinary resilience here," she said, "but that comes at a tremendous cost in time, safety, and quality of life."

Dhaka's traffic is a microcosm of larger governance challenges. The same patterns—nominal rules undermined by selective enforcement, the power of connections over regulations, the ingenuity of ordinary people in navigating broken systems—appear in many aspects of urban life.

"The traffic isn't just a transportation problem," she concluded. "It's a governance problem, an equality problem, a public safety problem, and ultimately a development problem. When basic mobility becomes difficult and dangerous, it affects everything else—education, healthcare, economic opportunity, social cohesion." Her last words: "I am grateful to this unique city because it has taught me to be humble, for I don't have to endure the struggle its residents must face daily."

Lucy was about to disappear through the departure terminal gate when she popped out her head. "Look right, left, front, and back while crossing the road, would you?"

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