

Stocks fall for fourth day

STAR BUSINESS REPORT

Indices of the Dhaka Stock Exchange dropped yesterday, extending their losing run for the fourth consecutive session.

Earlier, the DSEX, the benchmark index of the premier bourse, gained 8.96 points, or 0.18 percent, to 4,745.30 as of 11:20 am.

But the positive momentum didn't sustain, and the index eventually closed down 16.95 points, or 0.35 percent, to 4,719.38.

The Shariah-compliant DSES index rose slightly by 0.07 percent to 1,033.32, while the DS30, which represents blue-chip stocks, dropped 0.26 percent to 1,741.91.

Turnover, a key indicator of market activity, increased 20 percent to Tk 282.61 crore compared to the previous session.

Of the issues traded, 148 advanced, 168 declined, and 77 remained unchanged.

BBS Cables posted the highest gain, rising 10 percent, while BRAC Bank posted the biggest loss, dropping 9 percent.

Euro jumps after Trump U-turn on EU tariffs

REUTERS, Tokyo/London

The euro hit a one-month high against the dollar on Monday, after US President Donald Trump backed down from threatened 50 percent duties on European Union shipments from June 1, after the bloc asked for time to "reach a good deal."

The dollar continued its decline against a broad swathe of other currencies as Trump's policy reversals, as well as his sweeping spending and tax-cut bill currently in legislation, turned investors off from US assets.

"The 'Sell America' theme, which obviously was the dominant theme back in April, is back on show," said Ray Attrill, head of FX research at National Australia Bank.

"Markets have probably taken the view - and probably rightly so - that where we land eventually on a tariff situation between the U.S. and the EU is not going to be at 50 percent, but how we get there is frankly anybody's guess at the moment."

Evidence-based policy key to sustainable growth

Says Nobel-winning economist Abhijit Banerjee, urges focus on income distribution over GDP

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Evidence-based policymaking and timely impact evaluations are essential to ensure development efforts lead to real progress, Nobel laureate economist Abhijit Banerjee said yesterday.

"Evidence is not costly. Relative to the scale of many government programmes, it's actually quite cheap," said the economist in a virtual lecture delivered during a seminar titled "Transforming Development: Building a Culture of Accountability through Evaluation, Auditing, and Ethics" at InterContinental Dhaka.

The event was jointly organised by the Economic Relations Division (ERD) of the Ministry of Finance and the New Development Bank (NDB). Global policymakers, development specialists, and private sector leaders joined the programme.

Banerjee, a professor at the Massachusetts Institute of Technology, said that a greater challenge than cost was the sluggish pace of gathering evidence. "We need to be nimble," he said.

Responding to a question on persistent poverty despite strong GDP growth, Banerjee said it depends on whether the rise in GDP per capita reaches the poor.

Over the past 30 to 40 years, the economist said, gains from GDP growth have disproportionately benefited the wealthy in many countries.

"I think there is too much talk about GDP.. we should talk about GDP per capita."

According to the economist, income distribution must be central to any discussion on sustainability.

"The word 'inclusive' is often used to imply support for the poorest, but in fact, it is about more than that," he said. "This does not mean excluding the non-poor from policy considerations but rather focusing on the most effective use of resources."

He pointed to climate change as a pressing concern for Bangladesh, especially in regions near the Sundarbans where traditional ways of life are under threat.

"It should be possible to identify populations whose lifestyles are becoming increasingly unsustainable," he said, adding that growing inequality within and between countries is

challenging the notion of economic sustainability.

"We talk a lot about inclusive growth, but I think we forget that inclusive growth is not just about letting markets run their course and then dealing with poverty afterwards," he said. "We have been relatively good at that."

While global efforts have reduced poverty, Banerjee believes a broader crisis has emerged.

"We ignored the fact that large groups,

Bangladesh Bank. "So, we don't get the real benefits."

"Auditing is essential, but it must be genuine. Local communities are the best judges of a project's impact, so social audits can be a powerful tool."

Technical audits, he added, are also important. "Evidence-based decision-making is always welcome."

Md Shahriar Kader Siddiky, ERD secretary at the Ministry of Finance, said the government is keen to adopt



Abhijit Banerjee

such as the lower middle class and those at its fringes, felt excluded. Many of them are not the poorest, but they deeply resent the changes brought about by policy decisions."

He said, "If you want to be inclusive, you have to do redistribution well. That means being generous but also ensuring you can recover and reallocate funds effectively."

Banerjee urged a shift towards data-driven decisions. "Let's use the evidence, generate it, be mindful of it. And perhaps then we can control and mitigate the crisis the world is facing."

At the programme, Finance Adviser Salehuddin Ahmed also called for development projects to undergo proper appraisals, follow due processes, and be held to strict standards of transparency and accountability.

"Government spends recklessly, and much of it goes to waste," said Salehuddin, a former governor of the

best practices in evaluation and ethical governance to ensure the success of development initiatives.

"We want to introduce monitoring tools from the very beginning of project implementation to mobilise resources effectively," Siddiky said.

Iqbal Abdullah Harun, secretary of the Planning Division, said that although evaluation is often overlooked, it is vital to achieving meaningful results from projects.

Md Kamal Uddin, secretary of the Implementation Monitoring and Evaluation Division (IMED), added that independent evaluation is important in promoting sustainable development, and the government is working to strengthen accountability in implementation.

Mirana Mahrukh, additional secretary of the ERD, also spoke at the programme.

Ashwani K Muthoo, director general of the Independent Evaluation Office at the NDB, gave the opening remarks.

Gold prices fall

REUTERS

Gold prices fell on Monday after US President Donald Trump reversed course on his threat to impose 50 percent tariffs on goods from the European Union beginning June 1, reducing demand for the safe-haven asset.

Spot gold was down 0.7 percent at \$3,334.53 an ounce, as of 0848 GMT. US gold futures fell 1 percent to \$3,333.40.

"I would call it a range-trading day," said Giovanni Staunovo, UBS analyst, attributing the modest drop in prices to Trump's decision to delay the imposition of higher tariffs on the EU.

"With US Memorial Day, activity is likely to be on the lower end today."

The markets in the United States and Britain are closed due to public holidays.

Trump on Sunday restored a July 9 deadline to allow for talks between Washington and the European Union to produce a deal. Gold prices recorded their best week in six last week, after Trump renewed tariff threats on EU goods and said he was considering a 25 percent tariff on any Apple iPhones that are sold in the US but not made there.

The dollar index fell to a nearly one-month low against its rivals.

"We still look for higher prices over the coming months, expecting the yellow metal to retest the level of \$3,500/oz," Staunovo said.

Japan says US tariff talks to 'accelerate'

AFP, Tokyo

The United States and Japan agreed in their latest tariff negotiations to "accelerate" efforts towards an agreement, Tokyo said Monday.

Japan, a key US ally and its biggest investor, is subject to the same 10 percent baseline tariffs imposed on most nations plus steeper levies on cars, steel and aluminium.

US President Donald Trump also announced 24 percent "reciprocal" tariffs on Japan in early April, but later paused them along with similar measures on other countries until early July.

Japan wants all levies on its imports announced by Trump lifted.

Ryosei Akazawa, Tokyo's tariffs envoy, held a third round of talks in Washington over the weekend and is due to return this week.

The two countries confirmed "we will accelerate efforts to realise an agreement that is mutually beneficial," Japan's top government spokesman Yoshimasa Hayashi said Monday.

Prime Minister Shigeru Ishiba on Sunday also touted "progress" made by Akazawa's latest round of talks.

Oil prices edge up

REUTERS, Beijing

Oil prices recorded limited gains on Monday after US President Donald Trump extended a deadline for trade talks with the European Union, easing concerns about US tariffs on the bloc that could hurt the global economy.

Brent crude futures rose 18 cents, or 0.28 percent, to \$64.96 a barrel by 0653 GMT while US West Texas Intermediate crude was up 17 cents, or 0.28 percent, at \$61.7 a barrel.

"A nice push higher in crude oil and US equity futures this morning after US President Trump extended the deadline," IG market analyst Tony Sycamore said.

Trump said he agreed to extend a deadline for trade talks with the European Union until July 9 after Ursula von der Leyen, president of the European Commission, said the bloc needed more time to strike a deal.

BB bars 19 banks

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Sarkar, also the chairman of Dhaka Bank, said that the provision shortfall of his bank was not severe and hoped the central bank would reconsider the case.

"Banks have one week to complete the financial statements, so we hope that the central bank withdraws the restriction," he commented.

Most banks, including those 19 market-listed lenders, failed to finalise their financial statements by the April 30 deadline due to insufficient provisioning.

With approval from the interim government, the central bank extended the deadline to May 31.

An official from United Commercial Bank (UCB) told The Daily Star the bank had received a no-objection certificate from the regulator to complete its financial report. However, he said that paying dividends this year would be difficult.

Among the 36 listed banks, City Bank, BRAC Bank, Pubali Bank, Uttara Bank, Eastern Bank, Prime Bank, NCC Bank, Dutch-Bangla Bank, Mutual Trust Bank, Bank Asia, Jamuna Bank, Shahjalal Islami Bank, Trust Bank, and Midland Bank have declared dividends.

Ctg port gridlocked

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He also noted that it used to take 48 hours to complete container loading and unloading once a ship had berthed earlier, but now it is taking upwards of 72 hours.

Multiple port sources stated that the Chattogram Port yards have a total container storage capacity of 53,518 TEUs. Currently, 43,827 TEUs have piled up in the port's various yards.

For the smooth operation of yard equipment and transport systems, only 60 percent of the total capacity should be utilised, a port official mentioned.

Currently, the yards are at 82 percent of capacity, causing a crisis of space and slowing down container unloading activities.

Chattogram Port Authority spokesperson and Chief Personnel Officer Md Nasir Uddin said product delivery is being delayed due to a work stoppage by customs officials and that efforts are underway to resolve the congestion.

Several traders, speaking on condition of anonymity, said they are being fined for being unable to clear goods on time, leading to severe uncertainty.

To reduce container congestion at the port, the government must take special measures to keep customs, banks, and port operations running even on holidays, they said. Otherwise, the situation will worsen, adversely

affecting the national economy.

However, protesting NBR officials under the banner of "NBR Reform Unity Council" yesterday vowed that they would put in extra hours at work to reduce the backlog.

"We promised to clear the backlog if our demands were met. As pledged, we will now work beyond office hours as long as necessary to complete the pending tasks," said Shahadat Jamil, a spokesperson for the platform.

NBR chairman must resign by May 29, protesters demand

While officials scramble to clear the backlog, NBR employees remain adamant about their demands.

At a press briefing, the protesting NBR official also demanded the removal of the NBR chairman by May 29, citing what they described as a "severe crisis of trust and confidence in his leadership."

At a press briefing yesterday, the platform said it would continue to not cooperate with the chairman until the demand is met.

"We hope that, in the larger interest of the state and the people, the government will assign full-time responsibility to an officer with knowledge, skills, and practical work experience in tax-revenue policy formulation, collection, and management," Jamil said.

The platform initially began a pen-down strike on May 14, demanding the repeal of the ordinance issued on May 12.

zero-duty access due to its least developed country (LDC) status, it said.

With its graduation from the LDC status due in November 2026, Bangladesh could see a rise in duties on its goods.

An increase in duties, logistics costs, and transit time would remove any competitiveness that Bangladeshi exporters have, it said.

Besides, higher tariffs this year might reduce global growth by 0.4 percentage points. This will affect Bangladesh's shipments too, said Bloomberg Economics.

Exporters of India's northeast

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He added that the interim government has not taken up any new mega-projects, as it is busy financing the 1,200 unfinished and ongoing projects undertaken by the previous government.

There is no scope to launch new projects, he said, adding that unless such high-cost infrastructure — built with borrowed money — promotes export-oriented industries, there will be balance of payment problems in the future.

Mahmud also suggested that river shifting be considered when planning economic corridors. For instance, the Padma River is shifting.

He noted there are many anomalies in terms of prioritisation and design during the planning phase of projects.

Anisuzzaman Chowdhury, special assistant to the chief adviser with authority over the finance ministry, said there is no doubt that connectivity must be improved for business purposes.

"Korea, Japan and China faced similar connectivity issues from 1967 onwards, but they overcame them and are now in a better position. Bangladesh can also do so," he said.

He also addressed apprehensions and misconceptions about the country's upcoming graduation from the group of least developed countries (LDCs) in late 2026.

Alongside garments, Bangladesh needs to diversify its exports by

increasing the share of two to three more items in its export basket, such as pharmaceuticals, leather and electronic products, to take the country to the next level of development, he said.

Md Mahbub Ur Rahman, chief executive officer of the Hongkong and Shanghai Banking Corporation Ltd, said Bangladesh should seek comparative advantages and identify two or three more export items like readymade garments, which account for over 80 percent of the country's export earnings.

He also suggested that the government find ways to increase inward remittance and negotiate the signing of free trade agreements and preferential trade agreements.

Mir Nasir Hossain, a former president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said that if transportation costs are competitive, Bangladesh can also be competitive in trade.

If Bangladesh can reduce logistics costs by 1 percent, exports will rise by 7.4 percent, he said, citing a study by the World Bank.

Selim Raihan, executive director of the South Asian Network on Economic Modeling, said Bangladesh must consider infrastructure, policy and foreign direct investment before building an economic corridor.

Bangladesh must not forget the business environment when

percent in the revised budget for this year.

Between July and March of the current fiscal year, exports grew 9.5 percent, according to the central bank.

Meanwhile, the import growth target has been raised to 8 percent for FY26, compared to the revised 5 percent for the current year.

Remittance growth is projected at 8 percent for the next fiscal year. In the current fiscal year's revised budget, the target has been 20 percent.

Finance ministry officials said remittances have already made records in this fiscal year. Given this increased inflow, the growth for the

considering the economic corridor, he added.

In his inaugural address, Hoo Yun Jeong, country director of ADB's Bangladesh Resident Mission, highlighted the ADB's longstanding support for infrastructure development and regional integration in Bangladesh.

While moderating the seminar, Mahbubur Rahman, president of ICC Bangladesh, spoke about the importance of coordinated efforts between the public and private sectors to unlock investment opportunities, enhance connectivity, and improve trade logistics across regions.

Rahman also said Bangladesh stands at a critical juncture in its development journey, where the modernisation of logistics, infrastructure, and the strategic development of economic corridors can unlock unprecedented growth.

These corridors — which link industrial hubs with ports, border crossings and global value chains — have the potential to drastically improve trade efficiency, attract foreign direct investment, and stimulate balanced regional development.

With the country set to graduate from LDC status in 2026, enhancing transport connectivity and reducing logistics costs have become vital for sustaining export competitiveness and fostering inclusive economic transformation, Rahman added.

next year is projected. If remittances grow further than this, forex performance will be even better.

Remittance inflows have already broken records. Between July last year and May 11 this year, Bangladeshi expatriates sent home \$25.45 billion, a 28 percent year-on-year rise, surpassing the previous high of \$24.77 billion recorded in FY2020-21.

This increase has been attributed to a combination of factors, such as the narrowing of the gap between official and unofficial exchange rates, tougher action against money laundering, and a renewed sense of patriotism among Bangladeshis living abroad.