



We're [US and China] two big, powerful countries, and there are always going to be issues that we disagree on.

Marco Rubio
US Secretary of State

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TO KNOW

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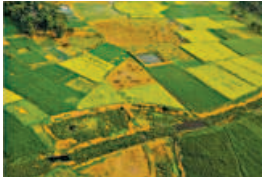
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Uncovering the silent deaths of migrant women

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Our disaster, their management

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Political risks threaten to hurt reforms

Says World Bank report; Trump tariffs, political tensions and weak banks cloud outlook as economy slows

REJAUL KARIM BYRON

Bangladesh faces a convergence of political volatility and global trade headwinds that could derail its reform agenda and obstruct recovery from an economic slowdown, the World Bank has said in a new assessment.

The report, "Bangladesh: Strengthening Governance and Institutional Resilience", was published in support of a \$500 million development credit approved by the global lender in June on some conditions.

It committed another \$500 million tied to the interim government's

WB OBSERVATIONS

- ➔ Growth may rise, depending on political stability, investment
- ➔ 'Vested interest groups' could resist reforms in areas like public procurement, banking regulation
- ➔ Strong consumption growth, stable global market may help ease price pressures

commitment to fast-track reforms ahead of the next general election.

But the report published in early July flagged "high" political and governance risks, saying that "escalating political tensions in the lead-up to the elections could derail the reforms".

The warning came just days before the Trump administration imposed a sweeping 35 percent US tariff on all Bangladeshi exports, a move widely seen as collateral damage from America's escalating trade war with China.

"The risk of disruption in global trade is high," the World Bank said, citing "trade tensions between major economies and further escalation of tariff rates" as a key downside risk. It estimates that a 5 percentage point decline in exports could shave 1.3 percentage points off real GDP growth and deplete foreign reserves by \$1.7 billion.

The economy is already reeling from a collapse in investment and weakening external demand. Real GDP growth fell to 3.97 percent in the fiscal year ending June 2025, down from 4.22 percent the year before, the slowest pace in more than a decade. Private sector credit growth has also plunged to 6.8 percent year on year in February 2025, which the report calls "its slowest pace in 30 years". The rate, however, rose slightly to 7.17 percent in May.

A modest rebound is projected by the World Bank, with GDP growth expected to rise to 4.9 percent in FY26 and 5.7 percent in FY27, conditional on renewed political stability and recovery in investment.

Inflation surged between July 2024 and April 2025, averaging 10.3 percent. The World Bank attributes this spike to a mix of supply chain disruptions, high energy prices, a weakening taka, and the lingering effects of major floods and political unrest.

The Bangladesh Bank responded by tightening policy, raising the benchmark interest rate to 10 percent. But the report notes that the impact was blunted by "unsterilised liquidity support to fragile banks".

That also undermines efforts to contain inflation. Price pressures are projected to ease in the coming years, with inflation forecast to decline to 7.7 percent in FY26 and 5.8 percent in FY27, assuming strong consumption growth and more stable global prices.

In June, inflation eased to 8.48 percent, the lowest level in nearly three years, offering some relief to consumers.

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From Karwan Bazar to Farmgate, graffiti painted on metro rail pillars depict stories, highlighting the mass uprising and atrocities that occurred under the previous Awami League regime. The initiative, led by the Ministry of Local Government, is being executed by the Dhaka North City Corporation. The photo was taken yesterday on the Kazi Nazrul Islam Avenue in the capital.

PHOTO: PRABIR DAS

KILLING OF TRADER IN OLD DHAKA

'How could they kill a man so brutally?'

STAFF CORRESPONDENT

"How could they kill a man so brutally?"

Lucky Akter, wife of Lal Chand, alias Sohag, 39, kept asking this one question as her voice shook with grief.

"They've orphaned my two children... I want all of them to be hanged."

On Wednesday, Sohag was dragged from his Old Dhaka shop in broad daylight and beaten to death near the gate of Sir Salimullah Medical College Mitford Hospital.

His body was crushed with large chunks of concrete. Later, his battered and broken body was left on the street as onlookers watched in horror.

Police and family members said a long-standing feud over control of the scrap trade and territorial dominance in Old Dhaka's Mitford area led to the brutal daylight murder.

Scrap trade refers to collecting, buying, and selling junk items — typically metal, plastic, paper, and other discarded or recyclable goods.

A day after the murder, police arrested two suspects, Mahmudul



Sohag

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Protests erupt on campuses

Students demand punishment for culprits, end to extortion; 4 held so far; Jubo Dal, Chhatra Dal expel 4

STAR REPORT

Protests were held on campuses and in some districts last night demanding swift trial and exemplary punishment for those involved in the brutal murder of Lal Chand, alias Sohag, in Old Dhaka's Mitford area.

Sohag was hit with large chunks of concrete and beaten to death on Wednesday in broad daylight for allegedly refusing to pay extortion money.

Allegations run rife that Jubo Dal men were involved with the killing. As the video of the killing went viral, student organisations brought out processions at Dhaka University, Bangladesh University of Engineering and Technology, Jagannath University, Jahangirnagar University, and Rajshahi University.

Several DU-based student organisations, including Bangladesh Chhatra Odhikar Parishad, Bangladesh Chhatra Federation, and Islami Chhatra Andolon Bangladesh, brought out processions at DU around 10:00pm.

Speakers at the rallies blamed the BNP for its "failure to control its leaders and activists," accusing them of getting involved in internal clashes over extortion money and territorial dominance.

Bangladesh Jatiyotabadi Chhatra Dal also brought out a procession at DU demanding punishment of the culprits.

Speaking at a rally, Chhatra Dal President Ganesh Chandra Roy said, "We strongly condemn the way Sohag was murdered. We demand that the perpetrators be brought to justice immediately."

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Washington, Dhaka try to iron out key tariff issues

REFAYET ULLAH MIRDHA

The second round of tariff negotiations between Bangladesh and the United States ended yesterday in Washington, DC, with both sides reviewing and debating key proposals.

The three-day talks resumed Wednesday, with delegates from both governments discussing a wide range of trade, labour, and investment matters.

The discussion was friendly and Bangladesh can expect a positive outcome from the negotiation, said an official familiar with the negotiation.

Both sides agreed on most of the issues discussed during the meeting, the official also said.

Now the US officials will send the key aspects of the meetings to the high-ups of the Trump administration for their decision on the tariff rate on Bangladesh.

On the second day of negotiations on Thursday, the US suggested

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Despite a slight improvement in the flood situation, parts of Feni remain submerged. The photo was taken yesterday in the district's Sonagazi upazila.

PHOTO: RAJIB RAIHAN

Crops on 78,000 hectares of land under water

Torrential rains devastate coastal farmlands

STAR REPORT

Heavy rains have inundated vast stretches of farmland across 21 districts in Barishal, Khulna, Chattogram and Dhaka divisions, leaving thousands of farmers devastated as crops and fish enclosures were washed away over the past week.

According to the Department of Agricultural Extension (DAE), weeklong torrential rains initially submerged 1.36 lakh hectares of cropland, including Aush paddy, Aman seedbeds, and seasonal vegetables, as of July 8.

The affected area decreased to 78,173 hectares by yesterday evening.

Md Jamal Uddin, additional director of monitoring and implementation at the DAE's field service wing, said temporary waterlogging has occurred in the 21 districts due to very heavy rainfall across the country.

He said crops including Aush paddy, Aman seedbeds, bona Aman, jute, vegetables, fruit orchards, betel leaf, watermelon, and others have been submerged.

The affected districts include Cumilla, Chandpur, Brahmanbaria, Chattogram, Cox's Bazar, Noakhali, Feni, Lakshmipur, Khagrachari, Pabna, Khulna, Bagerhat, Satkhira, Narail, Barishal, Pirojpur, Jhalokathi, Patuakhali, Barguna, Bhola, and Shariatpur.

With the reduction in rainfall, water levels are gradually receding, and the submerged areas are declining, Jamal said. A final assessment of the damage to the crops will

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