



A kiln worker carefully carries bricks across uneven stacks in Manda upazila of Naogaon, doing a risky and physically demanding job for a daily wage of around Tk 600-Tk 700. The photo was taken yesterday, ahead of International Workers' Day being observed today.

PHOTO: AZAHAR UDDIN

## Alphabet soars as Meta stumbles over AI costs

AFP, San Francisco

Google-parent Alphabet impressed Wall Street with its latest quarterly earnings on Wednesday, as big tech rival Meta left investors lukewarm amid concerns about the huge cost of AI development.

The earnings – along with reports from Microsoft and Amazon – came as AI titans pump billions of dollars into cloud computing and artificial intelligence, vying to lead in technology that they insist will transform all aspects of life.

Shares in Alphabet rose by more than six percent in after-hours trading as investors lauded the company's success in making the pivot to AI and solid revenue across its major divisions.

The tech giant reported a profit of \$62.6 billion on revenue just shy of \$110 billion, easily eclipsing the same period a year earlier and beating market expectations.

Shares of Alphabet, maker of Gemini AI, have risen 26 percent in the past six months while rivals Meta and Microsoft have watched their shares dive nearly 11 percent and 22 percent respectively in the same period.

"Alphabet remains one of the top names in the AI Revolution given the vertically integrated approach across Search, YouTube, and its ad cohort which continues to accelerate," said Dan Ives of Wedbush Securities.

Social media behemoth Meta, which rivals Google for advertising revenue, meanwhile saw its shares slide by more than six percent, despite topping earnings expectations for the recently ended quarter.



PHOTO: REUTERS/FILE

Meta sent tremors through its results by announcing that expenses at the tech giant notched up to \$33.4 billion as it chases "superintelligence," including a hiring spree for top AI talent.

Meta also increased its projected capital spending – mainly for data centers – for the year by \$10 billion, to a new range of \$125 billion to \$145 billion. The company reported a profit of \$26.8 billion on revenue of \$56.3 billion in the quarter.

AI investments from the company that owns Instagram and Facebook are not directly tied to a revenue stream as with Amazon, Microsoft and Google, which sell AI capabilities to cloud clients.

Meta has moved to rein in costs to help fund its AI ambitions, announcing last week that it would cut roughly 8,000 jobs and leave 6,000 open roles unfilled.

While investors are wary of whether spending fortunes on AI is financially shrewd, companies insist it is justified by seemingly insatiable demand, a position Wall Street mostly supports even if shares in some of the tech giants have struggled in recent months.

## Gold gains

REUTERS

Gold rose on Thursday on dip-buying, but was on track for a second straight monthly fall as elevated oil prices kept fears of inflation and higher-for-longer interest rates alive.

Spot gold was up 1 percent at \$4,588.09 per ounce, as of 0736 GMT, after falling to its lowest point since March 31 in the last session. Bullion was down about 1.7 percent so far this month.

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US gold futures for June delivery rose 0.4 percent to \$4,578.10.

"Gold has struggled again this month as oil strength has dominated the narrative. Rising crude pushes up inflation expectations and interest rate forecasts, which in turn caps gold's appeal," said Tim Waterer, chief market analyst at KCM Trade.

However, "a combination of bargain-hunting and expectations that a peaceful resolution to the (US-Iran) conflict will be found at some point are providing something of a floor for gold," he said.

# Govt forms panel to review revenue reform

STAR BUSINESS REPORT

The government has formed a high-powered panel to review the widely discussed ordinances on revenue reform framed by the Prof Muhammad Yunus-led interim administration.

The ordinance and its subsequent amendment on Revenue Policy and Revenue Management, along with 12 other ordinances, lost validity as the parliament failed to ratify them within the constitutionally mandated 30-day period since its first sitting on March 12.

According to a Cabinet Division notification issued on April 28, the nine-member panel will be headed by Ismail Zabiullah, the prime minister's adviser on public administration, to re-examine the Revenue Policy and Revenue Management Ordinance and its amendment.

The committee includes Rashed Al Mahmud Titumir, adviser to the prime minister on finance and planning, along with the cabinet secretary and secretaries

of the finance, public administration, and legislative divisions.

The National Board of Revenue (NBR) chairman will serve as the member-secretary of the panel to review the ordinance and make recommendations

**Framed in May 2025, the ordinances sought to separate tax policy formulation from collection and to form two divisions by dissolving the NBR, which drew massive protests from revenue officials in June**

to propose a new bill for revenue reform, a key condition tied to the International Monetary Fund's (IMF) \$5.5 billion loan programme approved for Bangladesh.

Multilateral lenders, including the IMF, had long advocated reforms in the tax system and administration to boost

revenue collection, as Bangladesh has one of the world's lowest tax-to-GDP ratios.

Framed in May 2025, the ordinances sought to separate tax policy formulation from collection and to form two divisions by dissolving the NBR, which drew massive protests from revenue officials in June.

The process of separation was further delayed in the later months due to bureaucratic wrangling over the organogram and rules of business.

Subsequently, the interim administration left office, leaving the implementation of the law to the next elected government.

At a meeting with the Economic Reporters' Forum on April 25, Finance Minister Amir Khosru Mahmud Chowdhury termed the country's tax framework historically "half-baked" and said a new committee has been formed to separate tax policy from execution, ensuring future policies "genuinely reflect the will of the people."

## ECB warns of risks from war as it holds rates

AFP, Frankfurt

The European Central Bank held interest rates steady on Thursday but signalled a possible increase ahead as it warned of growing risks to the growth and inflation outlook due to the war in the Middle East.

Energy costs have surged since the near-total closure of the Strait of Hormuz, through which about a fifth of the world's oil and gas usually passes, following the outbreak of the US-Israeli war against Iran.

"The increase in energy prices will keep inflation well above two percent in the near term," ECB president Christine Lagarde said at a press conference. "As the period of high energy prices extends, the likely impact on broader inflation through indirect and second round effects intensifies," she added.

The ECB's decision to hold its key deposit rate at two percent, where it has been since June last year, was in line with analysts' expectations, as the bank waits to see how the war plays out and for more data to gauge its impact on the eurozone economy.

Lagarde told journalists the ECB had made a unanimous decision to keep rates where they were on the basis of "insufficient information", adding that some indicators nevertheless showed the economy moving away from the bank's more benign baseline scenario.

"We are certainly moving away from the baseline," Lagarde said. "I think directionally I know where we're heading."

Eurozone economic growth slowed to 0.1 percent in the first three months of the year, official data showed Thursday, and eurozone inflation jumped to three percent in April, well above the ECB's two-percent target.

## More than half of local banks ineligible for dividend

FROM PAGE B1

Mercantile Bank, Global Islami Bank, EXIM Bank, First Security Islami Bank, Social Islami Bank, Union Bank, SBAC Bank, Padma Bank, United Commercial Bank, Shimanto Bank, National Bank, Premier Bank, Meghna Bank, Bangladesh Commerce Bank and Citizens Bank.

They have been disqualified due to elevated bad loans and reliance on provisioning deferral facilities. Some of these banks are still seeking approval to declare at least stock dividends and are continuing discussions with the central bank.

Tarek Reaz Khan, managing director and chief executive of NRB Bank PLC, said the bank will not be able to declare a dividend this year

## Bangladesh presents its case

FROM PAGE B1

transition until 2029, citing domestic and external economic pressures.

The UNCDP will prepare a report on Bangladesh's hearing and submit its recommendations to the United Nations Economic and Social Council (ECOSOC) in June.

The ECOSOC will then forward its assessment to the United Nations General Assembly (UNGA), scheduled to meet in September, where a vote will finalise the decision on the deferral.

Earlier, on February 19, the newly elected government sent a letter to the chair of the UNCDP, requesting that the preparatory period be extended until November 24, 2029, mentioning that more time is needed to ensure readiness.

Following Bangladesh's request, the UNCDP discussed the issue at its annual meeting in February and agreed on a process to assess the proposal.

due to the BB policy.

"We are reducing our provisioning shortfall, and other financial indicators of the bank are improving," he added.

Sharif Zahir, chairman of United Commercial Bank (UCB), said the bank's financial position is improving.

"We submitted a three-year plan to the central bank and are working in line with it. However, we are still unable to pay dividends this year," he said.

Md Touhidul Alam Khan, managing director of NRB Bank, said the lender has improved across several indicators, including governance, but is unable to pay dividends due to the use of provisioning deferral facilities.

As per the BB rules, a bank may

only pay cash dividends from the net profit of the relevant financial year and cannot use accumulated profits. Even then, payouts are capped at 30 percent of paid-up capital or 50 percent of net profit, whichever is lower.

Despite the restrictions, a small group of listed banks have declared dividends.

These include City Bank, BRAC Bank, Pubali Bank, Dhaka Bank, Uttara Bank, Eastern Bank, Prime Bank, NCC Bank, Dutch-Bangla Bank, Mutual Trust Bank, Bank Asia, Jamuna Bank, Shahjalal Islami Bank, Southeast Bank, Trust Bank and Midland Bank.

Outside of the listed category, Community Bank has declared a dividend.

Ukraine war, inflation, and pressure on the balance of payments.

It also noted that while Bangladesh meets all three criteria for graduation, significant risks persist, including the loss of trade preferences, fiscal and financial vulnerabilities, and weak institutional coordination.

Rising import costs for fossil fuels have created operational constraints, with gas shortages worsening due to the Middle East conflict, the report said.

Economic growth slowed from 7.1 percent in FY22 to 3.5 percent in FY25, weakening momentum ahead of graduation.

Inflation has outpaced wages, pushing millions into hardship and vulnerability.

A recent UN Trade and Development assessment estimated that Bangladesh could lose more than \$17.5 billion in annual exports after graduation.

## Haor flooded

FROM PAGE B1

It attributed lower Boro yields partly to disrupted irrigation and fertiliser use, caused by fuel and fertiliser shortages linked to the Middle East conflict.

Agricultural economist Jahangir Alam Khan estimated that Boro production could decline by as much as 20 percent in haor regions and 10 percent nationally, citing fertiliser shortages, rainfall, and upstream flooding.

**PRICE OUTLOOK**

Whether production losses will translate into broader price increases remains an open question.

Major producing regions – Naogaon, Rajshahi, Natore, Bogra, and Joypurhat – have only recently started harvesting.

A clearer picture will emerge in the next 10 to 15 days, said Nirod Baran Saha, president of the Paddy and Rice Stockists and Wholesalers' Association in Naogaon.

"If the crop performs well in these northern regions, it could offset the losses in the Haor area and have a stabilising effect on the overall market," he said. "It will be possible to understand the real market impact only after the harvest is largely completed. At this stage, it is not appropriate to draw conclusions."

DAE's director of field services Md Obaidur Rahman Mondol said that two or three days of dry conditions would be enough to keep remaining crops out of danger.

Md Moniruzzaman, director of procurement at the Directorate General of Food, also said he does not

expect damage to be very high or to have a significant market impact.

Abdul Bayes, former vice-chancellor and economics professor at Jahangirnagar University, noted that this year's rain-induced damage is expected to have only a marginal effect on national prices.

The government's existing stock of about 13 lakh tonnes should help prevent major market fluctuations, he added.

He also noted that the pressure will be felt most acutely in the haor districts themselves, where Boro is the sole crop.

The professor explained that affected farmers may have to turn to the market for their own rice needs – creating localised demand pressure even if the national picture holds.

The government has begun responding. On April 29, a high-level meeting chaired by Food Secretary Abu Taher Md Masud Rana decided to allow farmers to use private rice mills and government warehouses to dry their paddy with departmental support.

The Directorate General of Food will procure the dried paddy directly, Moniruzzaman said. Millers are also being encouraged to quickly purchase paddy so the government can maximise procurement while sustaining mill operations, he said.

Prof Bayes said compensating farmers through a fixed procurement price is necessary.

Ensuring farmers can sell their grain without corruption, harassment, or insecurity should be a priority, he added.

## Govt allows

FROM PAGE B1

Importers will have to apply to the NBR with the required documents to obtain the exemption, and the board will issue a decision within 10 working days after verification.

An undertaking on non-judicial stamp paper must also be submitted to customs authorities to ensure compliance with the conditions.

In case of any violation, the

exemption will be cancelled, all applicable duties, taxes, fines and interest will be realised, and the importer will become ineligible for such benefits in the future.

The SRO came into effect immediately and will remain valid until June 30, 2026. NBR officials said the initiative is expected to encourage safer and greener student transportation across the country.