Gold slips from three-week high

REUTERS

Gold prices retreated from a three-week high on Friday, pressured by a robust dollar, while markets braced for potential economic and trade shifts under US President-elect Donald Trump.

Spot gold eased 0.6 percent to $2,641.52 an ounce at 01:41 p.m. ET (1841 GMT), after hitting its highest level since Dec. 13 earlier in the session. Bullion is up about 0.8 percent for the week so far.

US gold futures settled 0.5 percent lower at $2,654.70.

The new president's agenda that supports higher tariffs has boosted the dollar and created significant underlying pressure on metal markets, said Nitesh Shah, commodity strategist at WisdomTree.

The dollar index was set for its strongest weekly performance since mid-

November, making gold pricier for overseas buyers.

"For most of the metals, the slowing of global trade has typically been coupled with a slowing economy and therefore slowing demand for metals," Shah said, referring to the potential impact of Trump's proposed trade tariffs.

A headwind from a stronger dollar is likely to persist for gold, but it looks like debt will continue rising in the US and other countries, and geopolitical issues aren't going to end soon, so it should stay supported, he added.

Trump is set to take the oath of office on Jan. 20. His proposed tariffs and protectionist policies are expected to fuel inflation.

This could slow the US Federal Reserve's interest rate cuts, limiting gold's upside. After three rate cuts in 2024, the Fed projects only two reductions in 2025 due to persistent inflation.

Gold, which thrives in low-rate environments, is currently benefiting from seasonal demand.

Bangladesh has 21 private inland container depots that handle almost 90 percent of export containers.

PHOTO: RAJIB RAIHAN

Container handling at private ICDs rose 16% in 2024

KDS Logistics retains top spot

DWAIPAYAN BARUA, *Chattogram*

Six out of the 21 private inland container depots (ICDs) have come up as the major handlers of export and import-laden containers in the just concluded year of 2024, when business in the ICDs rose 16 percent year-on-year.

Like previous years, an intense competition was seen among the private ICDs seeking to handle the highest amount of import and export cargoes, which helped ease congestion at the Chattogram port by facilitating the quick clearance of shipments.

KDS Logistics Limited managed to retain its top position among these ICDs in handling export and import-laden containers in 2024.

This is the seventh consecutive year that the KDS clinched the top spot.

There are 21 privately owned ICDs located in and around the port city. Two out of these 21 currently handle empty containers and are yet to start handling export and import-laden containers.

The remaining 19 ICDs have been facilitating quick clearance of both export and import-laden containers as well as the handling of empty containers.

Almost 90 percent of the export-laden containers are handled by these ICDs before their shipments through the Chattogram port.

Exporters from different parts of the country send their cargoes on trucks and covered vans to these ICDs, where these cargoes are filled into containers, checked by customs and sent to the port.

The ICDs handle 23 percent of the total imports as they are allowed to process 38 types of imports. The containers bearing these goods are sent to the ICDs after being unloaded at the port for delivery to the consignees.

A total of 1,019,058 TEUs (twenty-foot equivalent units) of import and export-laden containers were handled in the 19 ICDs in 2024.

This is a rise of around 16 percent from the 877,689 TEUs handled in 2023.

These ICDs handled 7.50 lakh TEUs of export-laden containers, a 13.5 percent increase from that in 2023.

In case of import-laden containers, they handled 2.68 lakh TEUs, a 24 percent increase year-on-year.

The ICDs handle 23 percent of the total imports as they are allowed to process 38 types of imports

Such a volume increase indicates the enhanced capacities of the private ICDs, said Mohammad Ruhul Amin Sikder, secretary general of Bangladesh Inland Container Depots Association (Bicda).

"The ICDs are capable of handling more export and import volumes," he said.

"A considerable portion of their capacity is being utilised for handling a huge volume of empty containers generated from the delivery of containerised imported goods from the port," he added.

The 21 ICDs handled 6.24 lakh TEUs of empty containers in 2024.

Sikder stressed on letting the ICDs handle more import-laden containers for the delivery of goods to consignees.

He opined that the direct delivery of containerised imports from the port yards was the root cause behind all operational hurdles at the port, which has been chipping away at the productivity of both the port and ICDs.

Six leading ICDs jointly handled 613,944 TEUs, around 60 percent of the total volume handled by all the ICDs together.

Among them, KDS Logistics was on top by handling 162,222 TEUs of export and import-laden containers, which is nearly 16 percent of the total volume.

It is followed by five others -- Portlink Logistics Centre Limited, two units of Summit Alliance Port Limited (East and West), Incontrade Limited and Ispahani Summit Alliance Terminals Limited (ISATL).

The ISATL came up in the top six last year, toppling Esack Brothers Industries by handling a mammoth 37 percent more exports and imports than the previous year.

The remaining five top ICDs also saw a noticeable increase in business in 2024.

Handling of export and import containers increased by 12 percent in the KDS, nearly 12 percent in the Portlink, around 15 percent in the SAPL (East and West) and nearly 18 percent in Incontrade.

The KDS also clinched the top position in handling export-laden containers by managing 1.19 lakh TEUs while the Portlink became the top imports handler by managing 66,000 TEUs.

KDS Logistics Executive Director Md Ahsanul Kabir said they always focused on developing efficiency by adding modern equipment and ensuring good management to provide quality service to clients.

Salvaging business and employment

MAMUN RASHID

Despite some episodic spikes here and there, the economy of Bangladesh is still struggling, and the government isn't sure what the top priority should be. Businesses are under pressure as inflation rises beyond 9 percent and GDP growth slows to 5.2 percent in FY24 with further downward trend.

As we know, family-run and promoter-led firms dominate the Bangladesh economy, especially in the textile, export and manufacturing industries. Nearly 4 million people work in the readymade garment industry alone. Many company leaders/owners have been put behind bars or are absconding due to recent upheavals, which have interrupted operations and made decision-making more time-consuming. Further degradation will cause closures, pay reductions, and rapid layoffs.

In response to similar problems, nations like Vietnam and India offered financial aid and tax breaks to save domestic companies. But Bangladesh rather eliminated incentives and reportedly raising taxes, which may make recovery far more challenging.

What's at stake if large companies fail?

The collapse of large companies would shock Bangladesh's job market. Over 80 percent of formal occupations are directly or indirectly related to these companies. Layoffs will cause families to experience immediate financial instability and income loss.

Not only the manufacturing industry but also transporters, raw material suppliers, port personnel, and logistics providers would all see a sharp drop in business, which would result in a large number of job losses. The loss of jobs in the unorganised sector, which is heavily reliant on the spending power of those in corporate occupations, would make poverty worse.

The economy as a whole will suffer from a deteriorating labour market. As incomes decline, consumer spending will also decline, which will force more businesses to shut down or scale back operations. There will be more protests and strikes, which will lead to higher unemployment rates and more instability in society. Similar periods of political and economic instability have been experienced by nations like Pakistan and Sri Lanka as a result of delayed interventions. Bangladesh is unable to afford to take the same path.

What the government must do now

Large companies and promoters need immediate breathing space to survive. The government must step in with low-interest loans, deferred taxes, and grace periods for repayments. Vietnam saved thousands of businesses this way. Bangladesh must act similarly to prevent layoffs and closures. Investment incentives must also be restored to attract capital and revive confidence in economic zones that are now stagnant.

The workforce needs skill development badly. Mismatched skills keep 40 percent of graduates unemployed. The 'Skill India' mission trained millions and increased employment. Bangladesh must duplicate such initiatives to prepare its workers.

Reviving clothing export orders necessitates careful attention. Simplifying trade regulations, offering export incentives, and lowering transportation costs can all help. Vietnam invested $1.2 billion in textiles to compete; Bangladesh must do the same or risk falling behind.

Equally important is simplifying regulations. Endless red tape slows corporate growth and hiring. To grow and stabilise employment, the government must streamline processes.

A last chance to act

Bangladesh's large companies don't just create jobs -- they sustain entire ecosystems. If these companies collapse, millions of jobs will vanish, poverty rates will spike, and social unrest will escalate. Countries like Vietnam and India acted fast to prevent such outcomes with bold interventions. Bangladesh, however, risks falling further behind if it continues to delay action.

The time for hesitation is over. The government must step up with financial support, regulatory reforms, and investment incentives to protect jobs and stabilise corporations. Employment must be prioritised to prevent economic disaster and ensure Bangladesh's long-term recovery. Reconstituting boards or temporarily releasing funds to ailing banks would not help. Business continuity, including corporate and large loan restructuring for distressed companies, is key here. Policy makers need to think beyond and act sensibly.

The author is chairman of Financial Excellence Ltd

Microsoft expects to spend $80b on AI this fiscal year

AFP, *San Francisco*

Microsoft president Brad Smith on Friday said the company is on track to pump about $80 billion into artificial intelligence (AI) this fiscal year.

Smith contended AI is poised to transform all aspects of life, and it is imperative that the United States be the global leader when it comes to the technology, he wrote in an online post.

"In many ways, artificial intelligence is the electricity of our age, and the next four years can build a foundation for America's economic success for the next quarter century," Smith said.

"The United States is poised to stand at the forefront of this new technology wave, especially if it doubles down on its strengths and effectively partners internationally."

Smith called on President-elect Donald Trump and Congress to expand support for AI innovation with moves such as increased funding for research at universities and the National Science Foundation.

China and the United States are racing to spread their AI systems to other countries in an effort to become the de facto standard, according to Smith.

"Given the nature of technology markets and their potential network effects, this race between the US and China for international influence likely will be won by the fastest first mover," Smith reasoned.

"Hence, the United States needs a smart international strategy to rapidly support American AI around the world."

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Politicians will hinder central banks' easing plan

REUTERS, *London*

In 2025, the global economy will be in a much better place than at any time since the outbreak of Covid-19. Growth will be solid, and inflation will finally abate. Those are ideal conditions for central banks to lower interest rates. But the virtuous circle of an easier monetary policy feeding faster expansion will hit a big snag: governments' inability, or unwillingness, to reduce their huge debts.

Barring a major external shock -- and there are plenty of candidates to supply one -- 2025 could be a placid year for the world economy. Global GDP will expand by 3.2 percent -- keeping pace with 2024 and faster than the 2.9 percent recorded in 2019, according to the International Monetary Fund. Advanced economies are on course to grow by 1.8 percent in 2025, not far from the 1.9 percent cruising speed they had reached in the nine years prior to the pandemic.

Admittedly, world growth will still be below its long-term average, largely because China's days as an economic locomotive are behind it. And developed economies' performances will vary widely, with yet another strong showing by the United States offsetting weakness in Europe and Japan. Still, the relatively benign outlook should also be accompanied by subdued price growth. Inflation will be around the 2 percent level targeted by major central banks in all advanced economies in 2025, the IMF reckons.

This economic environment is usually blissful for central bankers. After playing the Grinch for a couple of years, squeezing living standards with sharp hikes in interest rates, the likes of U.S. Federal Reserve Chair Jerome Powell and European Central Bank President Christine Lagarde should be in a position to dole out presents to citizens and businesses by lowering borrowing costs. Indeed, the Fed, the ECB and the Bank of England have all begun cutting rates and markets expect them to continue doing so in the next 12 months.

In normal times, steady growth, low inflation and falling rates would have another positive outcome: encouraging governments to cut public debt. But politicians, especially in developed countries, will squander the chance to tighten their belts.

That's not because the world's fiscal house is in order. In fact, it resembles a family home after teenage kids staged a party while their parents were away for the weekend. The IMF calculates that global public debt is on course to hit 100 percent of GDP -- 10 percentage points above the 2019 level -- by the end of the decade. Countries accounting for 75 percent of world GDP, including the United States, Japan, France, Italy, China and Brazil, are set to run large budget deficits of more than 3 percent of GDP until 2026 at least. And their plans to reduce their budgetary

PHOTO: REUTERS/FILE

The US Federal Reserve building is seen in Washington. There are some ideal conditions for central banks around the world to lower interest rates this year.

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