

Gold slips from two-week high

REUTERS

Gold slipped from a near two-week high on Monday as the dollar strengthened, although rising bets of interest rate cuts by the US Federal Reserve following Chair Jerome Powell's dovish pivot last week, lent some support to bullion.

Spot gold inched down 0.1 percent at \$3,367.86 per ounce, as of 0632 GMT, after hitting its highest since August 11 on Friday.

US gold futures for December delivery eased 0.2 percent to \$3,412.50.

The dollar index rose 0.1 percent against its rivals after dropping to a four-week low, making gold less attractive to overseas buyers.

"There's a decent level of support for gold around \$3,350 over the near term, with Powell's dovish hints allowing gold to carve out a prominent swing low on Friday," City Index senior analyst Matt Simpson said.

"A sustained rally likely requires softer PCE



Workers in Pirojpur load fruit saplings onto a truck to be sent to nurseries in Dhaka. Each worker toils from 8am to 5pm for Tk 700 a day. The photo was taken from Alankarkathi village of Nesarabad (Swarupkathi) upazila recently.

PHOTO: TITU DAS

SMEs struggle to access loans despite supportive policies: experts

STAR BUSINESS REPORT

Micro, small, and medium enterprises (MSMEs) continue to face significant hurdles in obtaining loans despite Bangladesh Bank's supportive policies to ease access to finance, stakeholders said at a roundtable in Dhaka yesterday.

Organised by the SME Foundation, with support from the Local Government Division, Swisscontact, and Innovision Consulting, the event titled "Access to Finance: From Policy to Practice" brought together entrepreneurs, bankers, policymakers, and development partners to identify practical barriers to financing the MSME sector.

At the event, Md Musfiqur Rahman, chairperson of the SME Foundation, said nearly 1.18 crore MSME entrepreneurs across the country are still failing to realise their full potential due to limited access to finance.

"Despite the sector's immense contribution to the national economy, various obstacles still restrict their growth," he said.

"We must collectively support these entrepreneurs and remove the barriers to unlock real economic progress."

According to the 2024 Economic Census by the Bangladesh Bureau of Statistics, over 99 percent of the country's MSMEs fall under the cottage, micro, small, and medium (CMSME) category.

These enterprises contribute nearly 32 percent to the gross domestic product and account for 85 percent of employment in the industrial sector.

Anwar Hossain Chowdhury, managing director of the SME Foundation, described MSMEs as the "backbone of the economy" and emphasised the need for coordinated efforts to address the structural challenges they face.

Farzana Khan, deputy managing director of the foundation, noted that although financing for MSMEs has been widely discussed, few tangible solutions have been implemented.

"Many of the challenges have been talked about for years, yet very few have seen real

progress," she said.

Rukhen Uddin Ahmed, senior adviser at Swisscontact, underscored the need to explore alternative sources of financing outside traditional banking channels, including fintech platforms and private investment vehicles.

The roundtable also highlighted the disconnect between the central bank's policy initiatives and their implementation at the grassroots level, where many MSME entrepreneurs continue to face issues such as bureaucratic delays, excessive collateral requirements, and a lack of customised loan products, according to a press release.

Since its inception in 2006, the SME Foundation — a government-affiliated agency under the Ministry of Industries — has supported nearly 20 lakh entrepreneurs, 60 percent of whom are women.

The organisation operates in line with the National Industrial Policy 2022, SME Policy 2019, and the Sustainable Development Goals (SDG) 2030.



inflation and weaker employment data going forward. But with inflation likely to remain elevated, gold's gains could remain capped beyond the expected initial bounce."

Powell on Friday signalled a possible rate cut at the Fed's meeting next month, saying that risks to the job market were rising but inflation remained a threat, and that a decision wasn't set in stone.

Markets are now pricing in an 87 percent chance of a quarter-point rate cut in the September policy meeting, and a cumulative reduction of 48 basis points by this year-end, according to CME FedWatch Tool.

Gold tends to appreciate in a low-interest-rate environment, which reduces the opportunity cost of holding non-yielding bullion.

Dollar struggles to recover from slump

REUTERS, Tokyo

The US dollar attempted on Monday to pull itself up from a four-week low on the euro after a dovish pivot from Federal Reserve Chair Jerome Powell sent it tumbling more than 1 percent.

The US currency added 0.1 percent to \$1.1705 per euro, but remained within striking distance of Friday's low at \$1.174225, a level not seen since July 28.

It edged up 0.1 percent to \$1.3509 versus sterling, following a 0.8 percent slide in the prior session, and rose 0.3 percent to 147.26 yen, clawing back part of Friday's 1 percent tumble.

The risk-sensitive Australian dollar briefly leapt to a one-week high of \$0.6523 on Monday before pulling back to trade little changed at \$0.6490. In the previous session, it surged 1.1 percent.

Powell in a closely watched speech

at the Fed's annual Jackson Hole symposium on Friday opened the door to an interest rate cut at the central bank's meeting next month.

"Downside risks to employment are rising," he told an audience of international economists and policymakers. "And if those risks materialize, they can do so quickly."

Traders are now pricing in 84 percent odds of a quarter-point rate cut on September 17, and a cumulative 53 basis points of reductions by year-end, according to LSEG data.

Traders had ramped up bets on a September cut early this month after an unexpectedly weak monthly payroll report, but hotter-than-expected producer price inflation and strong business activity surveys forced a paring back in the run-up to Jackson Hole.

Debt burden on the poorest

FROM PAGE B1 government is focusing on macroeconomic indicators, which is not enough.

"We need to focus on people's well-being, on ground realities, on equitable allocation. Discussions should not remain limited to GDP alone; instead, greater focus must be given to equality, justice, inclusiveness, and the welfare of citizens," he said.

The survey found that average household debt in mid-2025 was Tk 189,033, which is 45 percent higher than average household savings of Tk 130,728. This imbalance is more severe among low-income groups.

The debt load of the poorest 10 percent of households was Tk 62,767, more than three times higher than their savings of Tk 19,737.

By contrast, the richest 10 percent of households could save from their income after meeting basic needs, maintaining average savings of Tk

716,265, higher than average debts of Tk 643,083.

PPRC said its findings underline a worrying dependence on debt to finance essentials. For many poor and vulnerable families, borrowing is not a pathway to asset creation but a lifeline for food, healthcare, and daily survival.

This pressure is compounded by rising medical costs, especially as more than half of households reported at least one chronically ill member, pushing families deeper into the cycle of borrowing.

Unless household-level vulnerabilities are directly addressed, the growing gap between savings and debt could further entrench poverty, it said.

Targeted financial assistance, affordable healthcare, and debt-relief mechanisms may be needed to prevent the debt trap from becoming a structural feature of Bangladesh's economy, PPRC added.

Tariffs, weak confidence

FROM PAGE B1 Facility (IBLF) and the Mudarabah Liquidity Support (MLS).

From July 2022 to June 2023, BB supplied Tk 96,000 crore through the IBLF and Tk 200 crore via the MLS.

The amount of support through IBLF rose to Tk 190,000 crore in the July-June period of 2023-2024. Similarly, liquidity support via MLS during this period surged to Tk 1,300 crore, said Moody's in its report.

The amount of liquidity support provided in fiscal 2024 amounted to 3.8 percent of Bangladesh's GDP, or 22.1 percent of total Islamic banking assets, said the report.

Businesses oppose

FROM PAGE B1 other major global ports, even after the adjustment.

Addressing the meeting, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Mahmud Hasan Khan termed the steep rise in tariffs unacceptable.

Talking to The Daily Star, Khan said they argued that the country's foreign trade would lose competitiveness if such an excessive tariff hike were implemented.

Business expenses need to be reduced ahead of LDC graduation, he added.

Khan said they proposed gradually raising the tariffs by 10 percent annually in phases instead of increasing them by such an exorbitant 40 percent.

Opposing the tariff hike, Bangladesh Shipping Agents Association (BSAA) Chairman Syed M Arif said at the meeting that after the berth operators and the private off-dock operators hiked tariffs, if the port tariffs were also hiked, it would further raise overall trade costs.

He warned that in the face of such tariff hikes, foreign shipping lines would have no option but to increase freight charges as well, which would negatively impact the country's foreign trade.

Ismartu Tech to make DrKumo tablets

FROM PAGE B1 Bangladesh before the devices are packaged and sent back to America for use by its staff and clients.

The BTRC document notes that the move highlights new opportunities for Bangladesh to integrate into international supply chains.

"No company has previously been granted such approval. However, if mobile phones produced in Bangladesh are exported abroad, or if foreign-branded handsets are manufactured locally for export, it will open a new avenue for earning foreign currency while also expanding Bangladesh's footprint in global trade," it states.

Until now, local handset assemblers of global brands like Samsung, Oppo, Vivo, and Xiaomi have primarily catered to domestic demand, supported by government

incentives. The new deal with DrKumo highlights Bangladesh's potential in international contract manufacturing, a sector previously untapped.

DrKumo's decision to source production from Bangladesh was influenced by the lower cost of manufacturing compared to other markets, as well as the presence of certified local assemblers capable of meeting international quality standards, according to the BTRC document.

BTRC officials confirmed that Ismartu submitted all required documentation, including the draft agreement with DrKumo and technical specifications.

As per the commission's export guidelines, local assemblers must obtain explicit permission before producing any foreign-branded

devices, and such production is allowed only on the condition that the entire volume is exported.

Local handset assembly has expanded significantly since 2017, following government policies to encourage investment in electronics manufacturing through tax incentives and reduced duties on raw materials.

Brands such as Samsung, Oppo, Vivo, and Xiaomi already assemble a portion of their devices in Bangladesh to serve local demand.

The latest development comes at a time when Bangladesh's handset manufacturing industry faces mounting hurdles, including sluggish consumer demand, rising production costs from a weakening taka, and higher duties that erode profits.

Ismartu Technology declined to comment on the matter.

Rubber imports rose 33%

FROM PAGE 1 the supply gap, it is also driving up costs and threatening production efficiency.

Rubber is a vital raw material for Bangladesh's tyre, footwear, automotive parts, and household goods industries. Manufacturers caution that prolonged reliance on imports could undermine production efficiency and slow down industrial growth.

According to BTTC, Bangladesh exported rubber worth over \$7.5 million (over Tk 91 crore) as of May 31 in FY25. The figure is extensively higher than the \$2.28 million in FY24 and \$2.30 million in FY23. India, Sri Lanka, Pakistan and Malaysia are Bangladesh's primary export market for the item.

Manufacturers say this is hurting the local industry.

"We're not against exports, but there has to be a balance. The domestic industry should come first," said Megha Group's Bari.

He warned that continued export in the face of local scarcity would hurt Bangladesh's competitiveness, especially in price-sensitive markets. Moreover, Rahman criticised the absence of a strategic framework

for managing rubber exports in an efficient and sustainable manner.

BFIDC Chairman Nasir Uddin Ahmed could not be reached for comment in this regard.

CULTIVATION CHALLENGES

The BTTC report identified several structural problems in rubber cultivations, including lack of modern tools, laboratories, and research for skill development.

It also highlighted insufficient incentives for small and marginal farmers, inadequate tariff protection for domestic producers, a 15 percent value-added tax (VAT) at the primary marketing stage, natural disruptions, absence of high-yield rubber varieties, and limited research on intercropping rubber with suitable crops.

POLICY SUGGESTIONS

The BTTC recommended several measures to strengthen the sector, including raising import duties on raw rubber from 10 percent to 15 percent.

It suggested that to encourage domestic production and industrial development, import duties on rubber sheets should be structured so that products made from these sheets face higher duties than the

Bangladesh, China partner on semiconductors

STAR BUSINESS REPORT

Bangladesh and China have signed a memorandum of understanding (MoU) to expand cooperation in the semiconductor sector.

The agreement, signed in Dhaka on Sunday between the Bangladesh Semiconductor Industry Association (BSIA) and the Hubei Semiconductor Industry Association (HSIA), aims to promote technology exchange, research collaboration, and workforce development.

It includes initiatives such as joint research and development projects, training programmes, certification courses, and investment opportunities to strengthen Bangladesh's semiconductor ecosystem.

The MoU also opens the door for joint events, trade delegations, and academic partnerships.

Highlighting Wuhan's strength in technology and talent, HSIA Vice-President Professor Wei Liu said, "Wuhan is home to hundreds of semiconductor companies and over 60 universities with 1.3 million students."

"Bangladesh has a huge talent pool, which creates opportunities for cooperation in technology exchange, engineer training, and academic collaboration."

He added that HSIA, representing 500 semiconductor firms, plans to bring some of them to Bangladesh to explore joint ventures and technology transfer.

BSIA President MA Jabbar expressed optimism about the collaboration, calling it "a milestone that opens doors for business growth, academic exchange, and technological advancement. This partnership will accelerate Bangladesh's progress in the global semiconductor value chain."

Dhaka stocks continue upward momentum

STAR BUSINESS REPORT

The benchmark index of the Dhaka Stock Exchange rose yesterday, extending its gains for the second consecutive session.

The DSEX, the main index of the bourse, gained 66.23 points, or 1.22 percent, to settle at 5,455.40.

The other indices also had positive performances before the end of the day's trading. The Shariah-compliant DSES increased by 0.84 percent to 1,189.51.

The DS30, comprising the blue-chip shares, rose 1.29 percent to close at 2,128.76.

Turnover, a key gauge of investor participation, hit Tk 1,177.76 crore, lower than Tk 1,200.26 crore in the previous session.

A total of 311,697 trades were executed, while block transactions amounted to Tk 17.01 crore across 34 scrips.

Market breadth was positive with 238 stocks advancing, 114 declining, and 44 remaining unchanged.

Among A-category scrips, 156 gained, 44 lost, and 17 remained unchanged.

The B-category saw 47 stocks rise and 26 fall, while there was no movement in the N-category.