Gold nears Tk 2 lakh mark per bhori

STAR BUSINESS REPORT

Gold prices have spiked again within less than a week, hitting Tk 197,576 per bhori.

The new rate is Tk 2,193 higher than the price - Tk 195,383 per bhori - fixed by the Bangladesh Jewellers Association (Bajus) on September 29.

The new rate will become effective from today, said Bajus, adding that prices of pure gold have increased in the domestic market.

Gold prices in Bangladesh have been climbing steadily, setting new records almost every week. In September alone, the price of 22-carat gold jumped by over Tk 16,000 per bhori.

Industry insiders attribute the surge mainly to the international bullion market, the devaluation of the taka, economic uncertainty, and high inflation.

Bowls made of clay being taken away for sale. Potters shape household items such as pots, plates and bowls with skilled hands and bake those in traditional kilns at precise temperatures. The finished goods are then sold to Dhaka-based traders at wholesale for Tk 12 to Tk 20 per piece depending on the size and quality. The photo was taken at Maheshpur village in Barishal's Bakerganj upazila around a week ago. PHOTO: TITU DAS

Trump weighs big tariff cuts to boost US auto production

REUTERS, *Washington*

US President Donald Trump is considering significant tariff relief for US auto production that could effectively eliminate much of the costs major car companies are paying, Republican Senator Bernie Moreno and auto officials told Reuters on Friday.

"The signal to the car companies around the world is look, you have final assembly in the US: we're going to reward you," Moreno said in an interview. "For Ford, for Toyota, for Honda, for Tesla, for GM, those are the almost in order of the top five domestic content vehicle producers - they'll be immune to tariffs."

Moreno, a former car dealer, serves on the Senate Commerce Committee that oversees auto issues and is active in automotive policy matters.

Automakers' shares rose on the news first reported by Reuters. Ford closed up 3.7 percent, Chrysler-parent Stellantis rose 3.2 percent and GM closed up 1.3 percent.

The extended tariff relief -- if finalized -- would give automakers more incentive to move car production to the United States, which would fulfill a key Trump policy aimed at creating more jobs for Americans.

The Commerce Department said in June that it planned an import adjustment offset equal to 3.75 percent of the suggested retail price for eligible US assembled vehicles through April 2026 and then a second year at 2.5 percent to address tariffs from imported automobile parts.

Trump is considering keeping the offset at 3.75 percent and extending the length of the credit to five years, and expanding the offset to US engine production, Moreno and auto officials said.

Moreno said he thinks Trump will make a final decision soon. "It's obviously up to the president, but (I'm) absolutely thrilled that we're creating now an incentive system that really separates these importer only versus the ones that are manufacturing in America."

Moreno added automakers with significant final production in the United States should get tariff breaks: "Look, at the end of the day, they're doing exactly we want them to do - paying employees in America well and doing final assembly in the United States with the cars that they sell here."

The extended tariff relief -- if finalized -- would give automakers more incentive to move car production to the United States

Asked for comment on the proposal, a White House official told Reuters that Trump and the administration "are committed to a nuanced and multi-faceted approach to securing domestic auto and auto parts production. Until any official action is signed by the president, however, any discussion about administration policymaking is speculative."

In May, Trump imposed 25 percent auto tariffs on more than $460 billion worth of imports of vehicles and auto parts annually, but has since struck deals to reduce those tariffs on some countries including Japan, the United Kingdom and the European Union.

The Commerce Department said in August that it was hiking steel and aluminum tariffs on more than 400 products including numerous auto parts totaling $240 billion in annual imports. The parts include automotive exhaust systems and electrical steel needed for electric vehicles as well as components for buses.

The automakers did not immediately respond to requests for comment. One open question is whether the automakers will be able to apply the relief to the impact of aluminum and steel tariffs.

Separately, the Trump administration has delayed finalizing new tariffs on heavy-duty trucks that were set to take effect this week it considers the extent to which it will impose new 25 percent levies.

GM said earlier this year the company will face up to $5 billion in gross tariff-related costs this year, while Ford cited a $3 billion gross hit.

Warren Buffett's last deal barely moves the needle

REUTERS, *New York*

Warren Buffett will step down as chief executive of Berkshire Hathaway at year end, but the cash pile he's created at the $1 trillion valued conglomerate may stick around far longer. Thursday's $10 billion deal to buy Occidental Petroleum's chemicals business, OxyChem, is the company's biggest in three years. It may be the Oracle of Omaha's last move, yet it barely makes a dent in the coffers. That presents a dilemma for successor Greg Abel.

The transaction shows how sprawling Berkshire has become. The acquisition adds another sizeable chemicals business to the company's collection of insurance, candy, paint, mobile homes, railroads, underwear, utilities and more. OxyChem should throw off $800 million of pre-tax income this year. Taxed at the statutory rate, that's a 6.5 percent return on the purchase price. Eventual returns might be higher, as the business is cyclical and earned three times as much in 2022.

Occidental boss Vicki Hollub, meanwhile, plans to use part of the proceeds to pay down some debt still hanging around from her acquisitions of Anadarko Petroleum and CrownRock. That will allow the company to rev up its stock repurchasing plan, to the benefit of shareholders. And the largest stakeholder is Berkshire, which has over a quarter of the common shares in the $18 billion oil company, as well as significant amounts of warrants and preferred stock.

While this transaction may be Buffett's swan song, investors will wonder what else Berkshire has planned. The company's cash pile was almost $350 billion at the end of last quarter, more than double the amount of five years ago.

Even Buffett has admitted the challenge: Finding deals to move the needle of a $1 trillion conglomerate is tough. Sizeable opportunities are few and well picked over.

Indeed, Berkshire's stock price barely moved this week despite reports suggesting the purchase. It will be hard for Abel to find attractive outlets for this much cash, yet shareholders will also wonder why the company is sitting on so much. Buffett's final gift to his successor may be Abel's most difficult burden.

Occidental Petroleum said on October 2 it had agreed to sell its chemical division, OxyChem, to Berkshire Hathaway for $9.7 billion in cash.

CEO Vicki Hollub said in an interview on CNBC that the deal would allow Occidental to resume buying back stock. Berkshire Hathaway owns over a quarter of Occidental.

The deal is Berkshire's largest since 2022, when it bought insurer Alleghany for $11.6 billion. Berkshire had $344 billion of cash and short-term investments on its balance sheet at the end of last quarter.

Warren Buffett will step down as Berkshire's CEO at the end of the year, handing over leadership to Greg Abel.

Occidental's shares were down 6 percent in noon trading, while Berkshire's shares were flat.

World turns to AI, Bangladesh stuck

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courses mainly for the certificates, which serve as proof of basic competence when applying for jobs.

But questions persist over what students truly learn and whether these certificates genuinely help them secure employment.

Masudur Rahman, a graduate from Sirajganj Government College, took a six-month computer course in 2019 at a private centre registered with the social welfare ministry.

The 27-year-old learned MS Word, PowerPoint and Excel there. But he failed a recruitment test at a Dhaka firm last year.

"I passed the written exam," he said, "but failed in the practical as it included advanced computer tasks."

Nearly half of all vocational training is provided by government institutes, while private institutes account for 39.6 percent. NGOs contribute 5.7 percent, focusing on women, rural youth and marginalised groups. Foreign institutes and joint ventures provide specialised or advanced skills. The remaining 2.7 percent comes from other centres.

LESS TRAINING IN RMG, TOURISM ALMOST NONE

Vocational training in the garments sector, which contributes more than 82 percent of the country's export earnings, stands at just 7.82 percent, according to the survey.

Agriculture, which employs nearly 44 percent of workers, accounts for only 4.59 percent of crop-related training and 9.54 percent in non-crop activities.

Leather and textiles, identified as a thrust sector for export diversification, make up a paltry 0.07 percent of training.

Critical skills such as mechanical and civil engineering form just over 1 percent of vocational training, electrical and electronic work around 3 percent, and paramedical services 3.50 percent. Despite demand for these professions, they remain neglected.

In journalism and mass communication, only 0.23 percent of people received training, according to the survey. Tourism training, the survey found, is almost zero.

"This is so minimal that it could not be counted as a percentage," said Aziza Rahman, project director of the LFS. "We have only counted formal sources, including government, non-government and private sectors."

Towfiqul Islam Khan, senior research fellow at local think tank Centre for Policy Dialogue (CPD), said the kind of progress that should have happened with technical and vocational training has not really happened.

"When we say technical and vocational training, we mean increasing employability, building relevant skills, and improving productivity. But the design of our courses hasn't improved much over the years," he commented.

WHAT ABOUT INCOME?

Referring to CPD surveys, Khan said many people have little interest in vocational training because the financial return is not attractive.

A CPD study in Sunamganj found that while most technical and vocational graduates found jobs quickly, 78 percent within six months, their wages were very low.

According to him, more than 81 percent earned below Tk 10,000, around 15 percent earned Tk 15,000 to 25,000, and only a few made Tk 30,000 to 50,000. None earned above Tk 60,000.

Similar findings came from Satkhira and Panchagarh.

Khan said basic computer training might still help the poorest, but it does not raise employability.

He said, "If we want IT-based skilled manpower, more advanced skills will be required."

Outsourcing is happening, but Bangladesh has not developed widespread skills across the range from low-paid, low-skilled work to high-paid, high-skilled work.

Khan said that the country needs to move beyond the "numbers game".

"If you ask officials, they will quote statistics, 'so many people trained, so many skilled.' But that doesn't reflect reality. Training must be impact-oriented and outcome-oriented. Ultimately, these training sessions are not achieving the outcomes they should," he added.

He believes technologies such as AI will make jobs like data entry or basic design redundant in the coming years.

FEWER STUDENTS FOR HIGH-DEMAND SUBJECTS

Apart from basic computer training, Technical Education Board Director Anwarul Kabir said the board offers courses in subjects such as office management, journalism and foreign languages.

But enrolment in many of these remains low, apart from Japanese, which has gained popularity due to rising labour demand in the island nation recently.

Currently, more than 12,000 institutions under the board provide training in 121 courses, ranging from basic skills to advanced diplomas.

Employers' Federation President Fazlee Shamim Ehsan highlighted the gap between training and industry needs. He said many industries, such as footwear, leather, plastics and toys, lack dedicated training programmes.

"The advanced IT skills, including software development or call centre operations, are offered in a limited scope and often fail to meet industry needs," he said.

Shamim, who is also executive president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), stressed the importance of practical, on-the-job training, especially for workers in the informal sector.

"Millions of people work in transport, logistics or other informal sectors without proper training. If we could provide structured training, even for a month or three months, it could significantly improve their skills and safety on the job."

On training in garments, Ehsan said large factories had already set up their own centres, which he described as "highly effective".

The knitwear leader believes vocational training must be strengthened, sector-specific and linked directly to employment outcomes.

"Training should move beyond issuing certificates. It must develop practical, job-ready skills and prepare workers for future technologies and industry shifts," he concluded.

Taka firmed

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Interbank foreign exchange transactions in Bangladesh are comprised mainly of spot and swap deals between authorised dealer banks, while forward trades remain infrequent and small.

Market activity slowed in August—average daily spot transactions fell to $33.23 million from $40.75 million in July. The share of spot trades in overall interbank activity also slipped to 30.22 percent from 32.14 percent a month earlier. The favourable developments in the balance of payments, supported by strong inflows of foreign currencies and sluggish import growth, have put appreciation pressure on the exchange rate since June 2025, BB said in the report.

Meanwhile, gross international reserves, measured under International Monetary Fund's BPM6 (6th edition of the Balance of Payments and International Investment Position Manual), continued to grow.

It rose to $26.18 billion at the end of August from $24.78 billion in July.

The increase was due mainly to the BB's intervention in the foreign exchange market through purchases and deposits made by commercial banks with the BB for payments of Asian Clearing Union liabilities, the central bank said in the report.

BRAC Bank

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2025, the BRAC Bank Social Bond Framework has been independently verified by S&P Global Ratings through a Second Party Opinion — another first for Bangladesh. This reflects the bank's commitment to global best practices, transparency, and accountability.

According to the press statement, the move further consolidates BRAC Bank's position as a leader in sustainable finance, following its No.1 Bloomberg ESG rating in 2024, five-time recognition as Top Sustainable Bank by Bangladesh Bank, and the recent Sustainable SME Financier of the Year – Asia award. Currently, 82 percent of the bank's loan portfolio is dedicated to sustainable finance.

Why is Bangladesh's

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"We would have seen better results had we taken the appropriate measures at the right time. It appears that the idiom 'too little, too late' has proved to be true," she said.

Besides, monetary policy alone cannot bring the desired results. Inflation here is not demand-driven only; it is also supply-led, owing to Bangladesh's high dependency on imports of key commodities and the depreciation of its currency, the taka.

Since FY21, the taka has lost 43 percent of its value against the US dollar.

This has had a significant pass-through effect on domestic prices, especially for imported goods and inputs, amplifying inflation despite subsequent currency stabilisation, said the BB in its latest monetary policy.

"Additionally, higher inflation expectations emerged from rising food prices over a prolonged period," it said.

The central bank blamed supply chain disruptions caused by political turmoil and severe floods in August and September 2024 for food prices remaining volatile while food inflation stayed elevated during the first half of FY25.

Imperfect market conditions, such as limited competition in key commodity markets, have also hindered the complete transmission of policy measures, it added.

"There is a gap between the prices received by farmers and those paid by consumers. Markets in our country are manipulated in many cases," said Khatun.

Another reason, she said, was the gap between monetary and fiscal policies. "Fiscal policy was not in tandem with monetary policy. Of late, we see some consistency," she said.

Birupaksha Paul, a professor of economics at the State University of New York in the US, has a different view.

"It is undoubtedly Bangladeshi authorities who are fuelling inflation. This government has taken a half-hearted approach. There is duality in their approach," he said.

"On one hand, it is pursuing monetary contraction by keeping the interest rate high, and on the other, it is printing money," said Paul, who was a chief economist at the BB, citing dollar purchases and liquidity support to ailing banks.

There are other internal reasons, such as extortion, which also impact prices.

Ashikur Rahman, principal economist at the Policy Research Institute (PRI) of Bangladesh, said the monetary policy was previously relaxed and this has since been addressed.

"This led to downward pressure on the price level in recent months. But we don't see a sharp downturn because there were two dynamics at play: political instability and exchange rate depreciation," he said.

"Political unrest over the past year has disrupted the supply of commodities, while losses in the value of the taka led to increased import costs," he said.

He said businesses have kept investment decisions on hold in anticipation of national elections.

"This has also had an impact on the supply of goods in the market and on prices. Inflation may ease if political stability is restored after the general election, scheduled to take place in February next year," he said.

However, in its country report on Bangladesh released in June this year, the International Monetary Fund said cost pressures due to depreciation are projected to keep inflation above the target range in FY26.

"A possible increase in US trade tariffs will likely require some exchange rate adjustment, which will counteract a faster deceleration of inflation," it said.

The BB aims to bring down inflation below 7 percent this fiscal year.

There is a risk.

CPD's Khatun said a pay hike for public sector employees and increased spending by election candidates ahead of the election might stoke inflation.

"So, 2026 is not going to give any comfort, at least in prices. It will be tough to manage inflation."