

## Goldman hikes gold price forecast

REUTERS

Goldman Sachs raised on Monday its December 2026 gold price forecast to \$4,900 per ounce from \$4,300, citing strong Western exchange-traded fund (ETF) inflows and likely central bank buying.

"We see the risks to our upgraded gold price forecast as still skewed to the upside on net, because private sector diversification into the relatively small gold market may boost ETF holdings above our rates-implied estimate," Goldman said.

Spot gold was trading around \$3,960 per ounce, as of 0130 GMT on Tuesday, after hitting a fresh high of \$3,977.19 earlier in the day.

Gold has climbed 51 percent so far this year on strong central bank buying, increased demand for gold-backed ETFs, a weaker dollar and growing interest from retail investors seeking a hedge against rising trade and geopolitical tensions.

Goldman expects central bank buying to average 80 metric tons in 2025 and 70 tons in 2026, saying emerging market central banks are likely to continue the structural diversification of their reserves into gold.

## Sri Lanka faces slow recovery from recession: WB

AFP, Colombo

Cash-strapped Sri Lanka's recovery from its worst economic meltdown remains "uneven and incomplete" with many households yet to regain livelihoods lost during the 2022 crisis, the World Bank said Tuesday.

In its latest review of the South Asian island nation, the World Bank projected that growth would slow to 4.6 percent in 2025 and 3.5 percent in 2026, down from 5 percent last year.

Sri Lanka's economy experienced its worst recession in 2022, contracting by 7.3 percent, when then-president Gotabaya Rajapaksa was forced to resign following months of street protests.

"While Sri Lanka's recent economic progress is encouraging, the recovery is uneven and incomplete," said David Sislén, who covers Sri Lanka for the World Bank.

The poverty rate has declined but remains twice as high as in 2019, Sislén told reporters in Colombo.

# NO CATCH, NO CASH

## Fishermen wait for promised aid amid ban

SOHRAB HOSSAIN and SUKANTA HALDER

With low hauls from the sea throughout the year, Masum Billah, a 42-year-old fisherman from Dhulasar village near Kuakata in Patuakhali, was already struggling to feed his family of five. Now, with a 22-day ban on hilsa fishing in effect, he has no choice but to depend on government aid for survival — aid that has yet to arrive.

"With the ban, I'm now without work," Masum said quietly. "The government promised 25 kilogrammes (kg) of rice for each registered fisherman, but I have yet to receive mine."

"The local administration says the rice will arrive soon, but rice alone cannot sustain a family. How am I supposed to buy oil, salt, and other essentials?" he added.

Like Masum, thousands of fishermen across the coastal belt are enduring hardship during the fishing ban, which began on October 4 and will last until October 25 to protect brood hilsa during its peak breeding season.

"I am the sole breadwinner for my six-member family. Last year, we requested Tk 5,000 in cash along with rice from the fisheries officer, but we only received the rice," said Shah Alam, another fisherman from the same village.

Community leaders and traders say the struggle of fishermen has worsened amid persistently high prices of daily essentials. They have urged the government to increase rice allocations and provide additional assistance, including cash support, during the ban period.

"Fishermen are among the poorest communities in the country and have long called for both rice and cash assistance. However, their appeals have largely gone unheard," said Raja Ahmed Raju, president of the Fish Traders' Association at Mahipur Fish Landing Centre in Kalapara.

"A family can't survive on rice alone. The government should also provide other essentials or at least some cash support. Unfortunately, no action has been taken so far," he added.

According to data from the Bangladesh Bureau of Statistics, the country's headline inflation rose slightly to 8.36 percent in September from 8.29 percent in August, with food and non-food prices continuing to strain household budgets.

Bangladesh currently has about 17 lakh registered fishermen working across

**KEY POINTS**

- Fishermen get just 25kg rice, "not enough," they say
- Many still waiting as rice delivery delayed
- No cash aid, despite repeated pleas
- High inflation worsens crisis
- Fishermen see little profits due to middlemen
- Experts urge rice plus cash support for ban

PHOTO: STAR/FILE

rivers, haors, baors, canals, and other water bodies. Of them, around 7.42 lakh are involved in hilsa fishing, according to the Department of Fisheries (DoF).

However, due to limited allocations, assistance this year could be extended to only 6.2 lakh fishermen, said Mohammad Faruque Moyaduzzaman, an assistant director at the DoF.

"Last year, during the hilsa ban, fishermen were given 14,164 tonnes of rice across the country. This year, the allocation has increased to 15,503 tonnes," he said.

A proposal was also submitted to increase rice support during the 58-day ban from 40 kg to 50 kg per fisherman, and during the 22-day ban from 25 kg to 30 kg.

"Despite the clear need, the proposal was not approved by the authorities due to budgetary constraints," he added.

Abdur Rouf, director general of the DoF, said about half of this year's allocations have already been distributed and the rest should be completed by October 10.

"Due to the Durga Puja holidays, the process was delayed. We submitted our demand but received a limited allocation, which we are now distributing," he said.

"The allocation was insufficient. We couldn't cover everyone. This decision comes from higher authorities," he added.

Local administrations echoed similar delays. Masudur Rahman, chairman of Golkhali Union in Galachipa upazila, said, "Rice allocations have arrived but have not yet been distributed. We'll start within a few days."

He added that authorities were also conducting drives to ensure compliance with the fishing ban.

In Barguna, Golam Mostafa Chowdhury, president of the District Trawler Owners' Association, said, "Protecting hilsa is vital, but we must also protect fishermen's livelihoods. The government should provide both rice and cash support."

Economists say the crisis facing fishing communities is a reflection of structural weaknesses in social

protection.

Selim Raihan, professor of economics at the University of Dhaka, said that while hilsa remains abundant in the market and is selling at exorbitant prices, fishermen receive only a fraction of the profit.

"Based on value chain analysis, most benefits go to those higher up the supply chain," he said.

"The current support, such as rice allocation during the 22-day ban, is clearly insufficient for fishermen's expenses. It seems unlikely that a family can manage solely on rice without additional aid," he said, stressing the need for targeted social protection programmes for fishing households.

"Many studies suggest cash transfers are more effective than in-kind support because cash provides flexibility," Prof Raihan noted.

"Fishermen might sell the rice to cover other urgent needs. A better approach would combine both cash and in-kind assistance, with efforts to expand coverage to the additional 80,000 people who remain outside current support schemes," he added.

## Why food inflation feels detached from reality

SELIM RAIHAN

The officially reported figures showing only a slight rise in food inflation in September 2025 seem hard to reconcile with ground realities. Anyone who has visited a kitchen market in Dhaka in recent months knows that the prices of essentials, such as rice, flour, pulses, edible oil, meat, and fish, have surged far more sharply than the marginal 0.04 percentage point increase would suggest.

The Trading Corporation of Bangladesh's (TCB) daily retail price data for September tells a different story: prices of most staple items were significantly higher than those a year ago. From this perspective, the official estimate of 7.64 percent food inflation appears understated.

This raises a fundamental question: are the sampling methods, market coverage, or weighting patterns used by the statistical agency still capturing the lived experience of consumers?

The credibility gap widens further when we look at the composition of non-food inflation. The Bangladesh Bureau of Statistics (BBS) figures suggest that non-food inflation is now the main driver, but the process through which these prices are gathered and weighted remains opaque.

Simply put, we do not know which non-food goods and services are being priced, how often they are monitored, or whether the official basket reflects the actual consumption patterns of urban and rural households today. Without such clarity, any movement in non-food inflation becomes difficult to interpret.

For instance, how much of the increase comes from rent, health, education, or transport costs? And how much reflects administrative price adjustments rather than market dynamics?

In short, the persistence of inflation above 8 percent is real, and perhaps the actual rate is still much higher, but its internal composition appears blurred by data limitations. When food inflation seems far higher on the ground while official numbers show little change, it can erode public trust in statistics.

The need, therefore, is for greater transparency in methodology and communication, particularly regarding how prices are gathered, how index weights are updated, and how regional differences are incorporated. Only then will inflation data become more than a bureaucratic exercise, offering instead a credible picture of the cost pressures ordinary people face.

Another issue that deserves serious attention is the structure of the basket of goods used to calculate inflation. Currently, the food inflation rate is determined using a long list of items, many of which are rarely bought or carry low weight in the average household budget.

When basic commodities such as rice, flour, pulses, edible oil, vegetables, fish, and meat, whose prices have soared, are averaged with dozens of less frequently consumed products, the overall index becomes artificially muted.

From this perspective, it seems more sensible to base the calculation on the prices of essential and commonly consumed food items that actually determine household welfare. After all, inflation is not just a statistical indicator; it reflects the daily struggle of families trying to put food on the table. A narrower, essentials-based food inflation index would thus offer a far more accurate and policy-relevant picture of the pressures real consumers face.

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## US tariffs on Indian exports to slow South Asia growth World Bank says

REUTERS, New Delhi

The World Bank on Tuesday said higher tariffs on Indian goods exported to the US will drag the South Asian growth rate in 2026, even as the current year remains shielded by government spending.

The World Bank said growth in South Asia is expected to slow sharply to 5.8 percent in 2026 from its projection of 6.6 percent for 2025. Its forecast for the region comprises India, Bangladesh, Sri Lanka, Nepal, Bhutan, and the Maldives.

"For 2026, the forecast has been downgraded, as some of these effects unwind and India continues to face higher-than-expected tariffs on goods exports to the United States," the World Bank said in its report.

The World Bank has raised its forecast for India's growth in the current fiscal year ending March 2026 to 6.5 percent from 6.3 percent, while trimming its projection for the next fiscal year to 6.3 percent from 6.5 percent.

US President Donald Trump imposed a 50 percent tariff on most exports from India, among the highest of any US trading partner. The move impacts about \$50 billion of Indian exports to the US, mainly hurting labour-intensive sectors such as textiles, gems and jewellery and the shrimp industry.

To offset the impact of tariffs, Indian Prime Minister Narendra Modi cut taxes on everything from shampoos to cars last month, in the biggest tax overhaul since 2017, even as India continues to spend aggressively on infrastructure projects.

REUTERS, New York

Sam Altman should be used to starring in bizarre fantasies by now. Thanks to OpenAI's Sora model, the artificial intelligence company's boss can be seen shoplifting or directing a movie set in life-like videos. Yet they pale next to the reality-bending might of a press release. On Monday, Altman announced a huge, multi-year order of chips. The twist is that they're from second-choice AMD, while OpenAI gets the option to purchase, for a nominal sum, up to 10 percent of the \$340 billion firm in return. It may help restrain the costs of server farms fueling the AI boom. It just depends on seemingly fantastical spending.

OpenAI's revenue and now \$500-billion valuation are growing at incredible speed. So too are its costs. Even with aid from Nvidia, the company expects to burn over \$100 billion before it reaches profitability in 2029. Nurturing a stronger competitor among its suppliers could help slash these enormous expenses.

AMD just isn't there yet. Yes, tech giants are buying its chips, but Nvidia's are the gold standard for training new models, where falling behind is unacceptable. AMD's silicon is primarily

useful for inference, or running those trained models, a less profitable slice of the business. The company's shares lag leagues behind Nvidia's.

Still, if AMD can make the leap to training, returns could be large. Go back ten years, and its stock vastly outperformed the S&P 500 Index as it

gained share in the traditional processor market from then-dominant Intel.

A purchase order for enough chips to consume 6 gigawatts of power - equivalent to the demand of nearly 5 million homes - over five years provides stability and a seal of technological approval from OpenAI. That might encourage other buyers to

step forward.

Altman is taking a cut. After all, cheaper chips also benefit his competitors. The option to buy a chunk of AMD almost for free is his reward. If the chipmaker's business benefits, OpenAI captures the value. It's also effectively a rebate on the purchases, just one that doesn't hurt AMD's reported margin.

That's if it works. This is all on paper. Chip delivery starts in late 2026. The stock-purchase rights are conditional on orders and shares appreciating in value. Moreover, shares Altman's recent agreement with Nvidia and today's, he is committing his company, and its partners, to buy 16 gigawatts of computing power. Assume \$50 billion a gigawatt in costs, and that's \$800 billion. That far outstrips giant Microsoft's cumulative expected free cashflow through the rest of the decade, according to Visible Alpha. Nonetheless, AMD's market value jumped an incredible \$72 billion on the news. Investors, at least, already trust in the fantasy.

OpenAI and AMD on October 6 announced an agreement under which AMD would supply six gigawatts' worth of chips over several years, either directly to OpenAI or its cloud partners, starting in the second half of 2026.

# OpenAI takes its cut for expanding the AI boom



OpenAI CEO Sam Altman speaks at OpenAI DevDay, the company's annual conference for developers, in San Francisco on October 6. OpenAI and AMD on October 6 announced an agreement under which AMD would supply six gigawatts' worth of chips over several years, either directly to OpenAI or its cloud partners. PHOTO: AFP