

Gold crosses \$4,200 for first time

REUTERS

Gold extended its rally to breach \$4,200-per-ounce for the first time on Wednesday on expectations of more US interest rate cuts, while broader economic and geopolitical uncertainty also led investors to buy the safe-haven metal.

Spot gold was up 1.6 percent at \$4,209.49 per ounce as of 0829 GMT, after touching a record high of \$4,217.95 earlier in the session. US gold futures for December delivery gained 1.5 percent to \$4,227.60.

Gold has risen about 60 percent so far this year, fuelled by geopolitical and economic uncertainties, expectations of US rate cuts, strong central bank buying, a broader de-dollarisation trend and robust exchange-traded fund inflows.

"Prolongation of the US government shutdown, more dovish comments from Fed officials, and the

Gold has risen about 60 percent so far this year, fuelled by geopolitical and economic uncertainties, expectations of US rate cuts and other factors

continued escalation of trade tensions between the US and China are likely to support further gains in gold prices," said ActivTrades analyst Ricardo Evangelista.

"Reaching the \$5,000 level does not seem impossible in the medium to long term."

The US dollar dropped against a basket of peers on Wednesday after comments from Federal Reserve Chair Jerome Powell bolstered bets on a series of rate cuts in coming months.

Traders are pricing in a 25 basis-point cut in October with another in December, seen as 96 percent and 93 percent chances respectively.

Meanwhile, US President Donald Trump said Washington was considering cutting some trade ties with China, after both countries began imposing tit-for-tat port fees on Tuesday.

Markets are also closely monitoring the risks related to the ongoing government shutdown in the United States and political turmoil in France and Japan.

Gold, traditionally seen as a hedge against political and economic uncertainty and inflation, also tends to do well in low-interest rate environments.



PHOTO: MOSTAFA SHABUJ

The photo shows workers sorting potatoes at a cold storage shed in Gobindaganj of Gaibandha on October 12.

Potato farmers left in the lurch as prices crash

Cultivation of new potatoes also falls; experts blame govt's poor planning, policy gaps

MOSTAFA SHABUJ and SUKANTA HALDER

With wholesale potato prices tumbling to a record low of Tk 8 per kilogramme — barely half the production cost — farmers are refusing to release their stored produce. The reluctance has sparked fears of a severe glut and mounting losses for growers, with storage contracts set to expire next month.

Many farmers are also cutting back on new cultivation, raising concern over a possible shortage next year.

Bangladesh produced a record 1.15 crore tonnes of potatoes last season, far exceeding annual domestic demand of around 90 lakh tonnes, according to the Bangladesh Bureau of Statistics (BBS). That bumper harvest has now turned into a burden as government almost did nothing to curb the price fall and help growers.

MOUNTING LOSSES

Farmers usually store their potatoes for about six months, hoping for higher prices later. But when that period ends, on November 15 this year, ownership of any unsold stock will pass to cold storage owners.

"The market price has dropped to Tk 8-Tk 10 per kg, so farmers are simply not releasing their stock," said Moshir Rahman, managing director of Gobindaganj Cold Storage Limited in Gaibandha. "Out of 20,000 tonnes stored in our two facilities, only 3,000 tonnes have been withdrawn so far. By this time last year, over twice that amount had been released."

At Himadri Limited, another cold storage in Gobindaganj, only 40,000 of 1.2 lakh stored bags had been withdrawn by September 13, compared with 70,000 bags

last year, said manager Mozammel Hoque.

The Bangladesh Cold Storage Association (BCSA) reported that 21.79 lakh tonnes of potatoes were preserved across 340 cold storages nationwide as of September 30 — 12.5 lakh tonnes of table potatoes, 9.13 lakh tonnes of seed potatoes, and the rest for industrial use.

Farmers say selling at current prices would mean incurring huge losses. The Department of Agricultural Extension (DAE) estimates the production cost in northern districts, which account for around 80 percent of total production, at Tk 14.5-Tk 16 per kg.

Bangladesh produced a record 1.15 crore tonnes of potatoes last season, far exceeding annual domestic demand for around 90 lakh tonnes, according to the BBS

"I spent Tk 45,000 on one bigha and harvested 20 bags," said Badsha Mia, a farmer from Rakkhalburuz Union in Gobindaganj. "Storage rent is Tk 380 per bag, and transport Tk 100. At Tk 8 per kg, I can't even recover my costs. I've sold only five bags at a loss, just out of need."

Each bag holds about 60 kg of potatoes, selling for Tk 480 at current prices — less than half the production and storage costs.

Nurul Alam Masud, chief executive of the Participatory Research Action Network, said farmers face an average loss of Tk 15-Tk 20 per kg, threatening their livelihoods and the sustainability of the potato sector.

"This loss reduces farmers' capital for future cultivation, deepens poverty, and

risks food security," he said, calling for a proactive government strategy, including demand-based production planning and guaranteed procurement.

CULTIVATION DECLINES, PRICE HIKE NEXT YEAR LIKELY

This year's market crash has already discouraged new cultivation. DAE offices in the Dinajpur and Rangpur regions reported that only 1,658 hectares have been planted with early potato varieties so far, compared with 2,088 hectares at the same time last year.

Farmers usually grow early varieties such as Diamond, Granola, and Cardinal, which reach the market between mid-November and early December.

To stem the price fall, the government in August announced plans to procure 50,000 tonnes of potatoes and set a minimum cold storage gate price of Tk 22 per kg. But two months on, procurement has yet to begin, and promised incentives have not reached farmers.

"The government set a floor price but didn't follow through," said Mostofa Azad Chowdhury Babu, president of the BCSA. "Since no purchases have started and prices remain low, farmers are keeping their stock."

He said the country consumes about 3-4 lakh tonnes of table potatoes monthly. "If the early potatoes are delayed until December, the stored potatoes will be depleted."

In a letter to the agriculture ministry on October 13, the BCSA warned that without immediate intervention, many farmers might be forced to sell off the seed potatoes in storage, jeopardising next year's production. "This might lead retail potato prices to reach last year's level of Tk 70-Tk 80 per kg."

READ MORE ON B2

Bangladesh must turn to global equity for infrastructure

MANWAR HOSSAIN

Bangladesh must rethink how it finances its infrastructure. The current system is too weak to bear the weight of an aspiring middle-income nation. Highways, ports, power grids, water systems, health facilities, education, digital networks, business districts and technology hubs all demand massive investment if the country is to become a developed economy.

For decades, Bangladesh has relied almost entirely on foreign debt. That approach delivered progress but at a high cost. The Finance Division projects that external debt servicing alone will consume nearly a quarter of government revenue by the end of this decade. The economy is still recovering from repayment pressure, and the recent stability in foreign reserves owes more to reduced imports than to genuine resilience.

Globally, infrastructure has become one of the most attractive destinations for long-term capital. Pension funds, insurance firms, sovereign wealth funds and private equity managers now treat it as a core asset class because it offers steady, inflation-linked returns. In 2023, private infrastructure funds managed about \$1.3 trillion worldwide, a figure expected to reach \$2 trillion by 2026. The OECD estimates the world will need nearly \$7 trillion in new infrastructure investment each year through 2030.

This capital is already flowing into Africa, Latin America and neighbouring Asian economies, where frameworks are credible, contracts transparent and investor rights protected. Unfortunately, Bangladesh, once seen as an emerging Asian tiger, has yet to position itself in this market.

Infrastructure is permanent. Roads, ports and power lines cannot be relocated once built, which makes them well-suited for equity investment. In equity-based models, the state provides the policy and regulatory

framework, while private investors bring in capital and expertise. Users pay through tolls or service charges, meaning the fiscal burden falls only on those who use the service. When structured transparently, these projects are less prone to corruption or inflated costs.

Other countries have shown the way. India's National Highways Authority raised over \$10 billion by monetising roads. Brookfield and KKR together invested more than \$12 billion in India's road and power assets. Vietnam's renewable energy growth was driven by private investment under stable policy, while Chile transformed its ports and highways through public-private partnerships, creating one of Latin America's most efficient systems. As I often say, "money is like water, it settles where it finds peace".

Bangladesh can do the same. Rising literacy, urbanisation, industrial growth and trade are driving demand for world-class infrastructure. To attract capital, projects must be packaged into special-purpose companies with enforceable contracts. Infrastructure should also be brought into the country's capital markets. Listing projects would create transparency and give citizens a chance to co-own national assets while providing global investors with an exit route. Liquidity attracts capital.

The institutions already exist: Bida, Beza, Bepza and the PPP Authority. What is needed is a change in mindset. The PPP Authority must be empowered to standardise contracts and speed up approvals. Bida, under strong leadership and with proven communication capacity, can promote Bangladesh's infrastructure pipeline globally.

Confidence building will be crucial at the start. Bangladesh could engage a globally recognised fund manager to structure and market the first set of projects. International names add credibility, reduce risk perception and help draw long-term capital. Once the first projects succeed, more investors will follow.

The global financing opportunity runs into trillions each year. Bangladesh has the demand and the potential. What it lacks is the right mechanism. By embracing equity-based investment, the country can build faster, build more safely and free up fiscal space for education, social protection and health.

The writer is chairman of Anwar Group of Industries



Trump threatens to end cooking oil purchases from China

AFP, Washington

US President Donald Trump slammed China's halt of American soybean purchases as an "economically hostile act," warning Tuesday that his country could in turn stop buying cooking oil from the world's second-biggest economy.

"We are considering terminating business with China having to do with Cooking Oil, and other elements of Trade, as retribution," Trump said on his Truth Social platform.

His comments online, however, came shortly after he appeared to soothe rising temperatures between Washington and Beijing.

"We have a fair relationship with China, and I think it'll be fine. And if it's not, that's okay too," Trump told reporters at the White House.

Trade tensions between the world's two biggest economies have reignited in Trump's second presidency, with tit-for-tat duties reaching triple-digit levels at one point.

In an interview with the Financial Times on Monday, US Treasury Secretary Scott Bessent slammed Beijing, accusing it of seeking to harm the global economy following China's sweeping new export controls in the strategic field of rare earths.

READ MORE ON B2

China brings shipping battle to US capital market

REUTERS, Hong Kong

China has opened a new front in the epic maritime battle with the US: the capital market. Beijing matched Washington's port fees but is targeting entities with American ownership. That might hit major firms with New York-traded stock. How the rules are enforced will matter, but China is showing it will defend its shipping dominance even at the risk of disrupting global trade.

Maritime tensions between the world's two largest economies kicked off in March, when President Donald Trump's administration unveiled plans to levy special docking fees at American ports for Chinese-built or Chinese-flagged vessels. The aim was to bolster US shipbuilders, which have a 0.1 percent global market share versus 53 percent from Chinese rivals. But following months of industry pushback, Washington ended up diluting the measures, which went into effect on Tuesday, by significantly easing fees from initial proposals and exempting many US-based operators.

Nevertheless, Beijing has retaliated with reciprocal port levies on US-linked vessels. While the fees are nearly identical to Washington's, the new rules apply

to vessels that are owned or operated by entities that are 25 percent or more owned by American businesses or individuals. It's a clever move: while US-made ships account for just 4 percent of the global fleet, firms owning or

chartering ships that might be impacted include Australia's BHP and Brazil's Vale, both of which have American depository receipts trading in New York. If so, HSBC analysts reckon that will likely lead to a spike in freight rates.



A container ship sails at the port in Qingdao, in China's eastern Shandong province on October 9. China has imposed special port fees to ships owned or operated by US individuals or businesses which hold more than 25 percent of the equity, voting rights or board seats.

PHOTO: AFP

That's potentially far more disruptive than the impact of the US fees. Shipping data firm Alphaliner estimates that the latter could cost up to \$3.2 billion in 2026 for the top 10 carriers including MSC and CMA CGM, with China COSCO Shipping bearing the brunt. Moreover, Maersk and others have already switched China-linked ships out of their US shipping lanes.

Perhaps as a show of power, officials in Beijing also on Tuesday sanctioned five US-linked subsidiaries of South Korea's Hanwha Ocean which it accused of assisting and supporting a US probe into Chinese trade practices. Notably, Hanwha recently pledged to invest \$5 billion to expand its American shipyard in Philadelphia. This puts other foreign shipmakers and global funds that are helping Trump's efforts to reshore shipbuilding on notice.

China's heft in global shipping and trade means it cannot only withstand Washington's salvos but also hit back hard. Against the backdrop of the escalating trade war, expect choppy waters ahead.

Starting October 14, US authorities will charge ships of Chinese owners or operators \$50 per net tonne of goods they bring to American ports.