

Gold holds steady

REUTERS

Gold prices held steady on Monday as growing expectations of a Federal Reserve rate cut next month helped offset pressure from a firm US dollar.

Spot gold was up 0.1 percent at \$4,070.97 per ounce, as of 1011 GMT. US gold futures for December delivery fell 0.3 percent to \$4,067.80 per ounce.

The dollar held near the six-month highs hit on Friday, making greenback-priced gold more expensive for holders of other currencies.

"Gold steadied as investors evaluated the prospect of another Fed rate cut after New York Fed President John Williams signalled there may be room to lower borrowing costs amid a softening labour market, even as other officials struck a more cautious tone," said Ole Hansen, head of commodity strategy at Saxo Bank.

Williams on Friday said that US interest rates could fall without putting the Fed's inflation goal at risk, while helping guard against a slide in the job market.

Gold, a non-yielding asset, tends to do well in low-interest-rate environments

Bets of a rate cut next month had surged to 76 percent from 40 percent on Friday, following dovish comments from Williams, the CME FedWatch tool showed.

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Meanwhile, investors awaited key economic indicators, including US retail sales, jobless claims and producer price figures due later this week.

On the geopolitical front, the US and Ukraine were set to continue work on Monday on a plan to end the war with Russia after agreeing to modify an earlier proposal that was widely seen as too favourable to Moscow.

"Gold struggles to gain traction on Fed cut likely being pushed, China demand concerns, easing trade risks. On downside support, central banks remain net buyers and concerns persist on Supreme Court decision (on Trump's tariffs), Standard Chartered said in a note.

Elsewhere, spot silver was up 0.4 percent at \$50.20 per ounce, platinum rose 0.4 percent to \$1,516.20, while palladium fell 0.4 percent to \$1,369.

Russia's oil and gas revenue may fall by 35% in Nov

REUTERS, Moscow

Russian state oil and gas revenue may fall in November by around 35 percent from the corresponding month in 2024 to 520 billion roubles (\$6.59 billion) due to cheaper oil and a stronger local currency, Reuters calculations showed on Monday.

Oil and gas revenue has been the most important source of cash for the Kremlin, making up a quarter of total federal budget proceeds.

The revenue is also set to decline by 7.4 percent from October, excluding cyclical payments of the profit-based tax.

The decline in proceeds is painful for Russia, which has heavily boosted defence and security spending since launching its military campaign in Ukraine, which it calls a special military operation, in February 2022.

For the first 11 months of the year, the revenue is seen falling by 22 percent to 8 trillion roubles, on track to reach the 2025 target.

According to Reuters calculations, the price of the Russian oil for tax purposes declined in the period from January to November, to stand at \$57.3 per barrel from \$68.3 in the 2024 period.

At the same time, the rouble has strengthened to 81.1 per dollar from 91.7 in the period from January to November 2024. The finance ministry will publish its estimates on December 3.

The ministry had initially planned to earn 10.94 trillion roubles from oil and gas sales this year, but falling oil prices led it to revise down that expectation last month, to 8.65 trillion roubles. Oil and gas revenue reached 11.13 trillion roubles last year.

Sustainable farming key to fisheries, livestock growth: experts

FISHERIES

Fish production hit 4.77m tonnes in 2022-23

Fisheries sector contributes 3.52% to GDP

Sector earned \$533m in export revenue in FY23

Around 20m people depend on fisheries sector for livelihoods

Bangladesh ranks third globally in open-water fish capture and fifth in aquaculture production

LIVESTOCK (FY23)

Output of meat: 8.16m tonnes

Egg production: 21.5b

Milk: 12.54m tonnes

Livestock sector contributes 1.47% to GDP

Bangladesh is fourth globally in goat meat production

PUBLIC HEALTH RISKS

Rampant antibiotic use in fisheries, livestock is fueling antimicrobial resistance (AMR) risks

Antimicrobial-resistant bacteria found in nearly two-thirds of fish and chicken samples

Over 90% of poultry farms use antibiotics indiscriminately

AMR crisis is posing major public-health threats



ENVIRONMENTAL RISKS

Waste from intensive fish farming is damaging aquatic ecosystems

Fisheries generate an estimated 3.68m tonnes of CO2 equivalent emissions, mostly from pond-based aquaculture

Livestock sector releases 6-8m tonnes of greenhouse gases annually

SOURCE: DATA COMPILED BY CSR

STAR BUSINESS REPORT

Bangladesh should adopt better farming practices that prioritise agrochemical-free and sustainable methods to strengthen the fisheries and livestock sectors, experts said yesterday.

They stressed the need to change farmers' social behaviour, as many still rely heavily on chemical fertilisers and pesticides. Advanced technology should be used to detect toxic substances, including antibiotics, and farmers must be made aware of their harmful effects, they added.

The statements were made at an event at the Cirdap auditorium in Dhaka, organised jointly by the Agroecology Coalition Bangladesh, Palli Karma Sahayak Foundation, Welthungerhilfe, and Wave Foundation.

Mamunur Rashid, project head at Welthungerhilfe Bangladesh, said, "According to the Food and Agriculture Organization's (FAO) guidelines, accelerating agrochemical-free farming practices will reduce health risks for farmers and promote agricultural development."

"More efforts are needed to convert fish and livestock waste into useful industrial resources. With proper incentives for small-scale farmers, even greater progress in these sectors is possible," he added.

During his presentation, Ahmed Borhan, research director of the Centre for Social Research, reviewed public health and environmental risks in the fisheries and livestock sector. "There is uncontrolled use of antibiotics in fisheries and livestock. In the poultry sector, more than 90 percent of farms use antibiotics indiscriminately," he said.

He also raised food safety concerns, saying, "Heavy metals, banned chemicals, and growth-promoting steroids are present

in food."

Regarding environmental impact, he said, "Bangladesh's fisheries sector emits approximately 3.68 million tonnes of carbon dioxide equivalent gases annually, 96 percent of which comes from pond-based aquaculture. The livestock sector emits 6-8 million tonnes of greenhouse gases."

On biodiversity, Borhan said, "Of the 253 species of freshwater fish in Bangladesh, 64 have been identified as endangered. Since independence, the number of marine fish species has declined from 475 to 394 over four decades," said Ahmed Borhan, research director of the Centre for Social Research

"Of the 253 species of freshwater fish in Bangladesh, 64 have been identified as endangered. Since independence, the number of marine fish species has declined from 475 to 394 over four decades," said Ahmed Borhan, research director of the Centre for Social Research

Highlighting policy challenges, he added, "Several fundamental fisheries and livestock policies face implementation gaps, which hinder sustainable transformation."

Borhan also pointed out nutritional concerns, saying, "The emphasis on high-value export-oriented fish has caused nutritious small indigenous fish species to be neglected, contradicting national goals for nutritional security."

Furthermore, he warned about the social impacts of shrimp farming. "The expansion of shrimp farming has converted land belonging to small and marginal farmers into enclosed shrimp ponds, rendering many people landless, contrary to the poverty-reduction

objectives stated in current policy," he said.

Fisheries and Livestock Adviser Farida Akhter said most meat still comes from small local farmers. "To prevent the extinction of several native fish species, natural water bodies must be protected," she added.

She stressed that, along with regulating fishing in these areas, attention must also be given to safeguarding the environment. "The government has declared many new water bodies as sanctuaries," she noted.

In the Barind region, fish die and float to the surface of ponds due to heat caused by climate change. "This issue needs to be addressed," she said, adding that pesticides used in agriculture are also contributing to the decline of fisheries and biodiversity.

"For this reason, pesticides should not be treated solely as an agricultural issue but should also be linked to fisheries policy," she added.

She expressed concern that, as a food-producing sector, fisheries and livestock receive less policy importance than agriculture.

Jiaoqin Shi, the FAO representative in Bangladesh, said climate change is affecting fish production. "More research is needed on fish conservation. Relevant institutions need further capacity development and improved accountability," he added.

He stressed that new technologies must be used appropriately. "Cost-effective initiatives should be taken that do not harm the quality of life of stakeholders," he said.

Shakila Faruque, director general of the Bangladesh Livestock Research Institute, said small farmers, who play a key role in the livestock sector, are disappearing.

"Attention must be given to why this is happening. When new varieties are developed in agriculture, new diseases also emerge. Work is being done on this issue," she added.

Merger of financially weak banks

AF NESARUDDIN

After a long period of faulty medical treatment, when a patient is sent to the ICU, doctors then have a limited scope for any aggressive treatment, and the chance of recovery becomes faint. A similar situation has unfolded in the banking sector. Over many years of severe and continuous mismanagement, some banks have been pushed to a position from which recovery is almost impossible. A process has been launched to merge five banks out of the reportedly 14 that are financially weak.

This crisis in the banking sector did not happen in a day, nor did it begin after August 5, 2024. It is the result of longstanding governance failures that include a lack of internal controls, poor accountability and board-level interference that have undermined professionalism. Other factors that have contributed to the decline include the siphoning of funds, weak business conditions linked to the foreign currency crisis, and withdrawals from weak banks to stronger ones due to depositor panic over the last few years. Undue interference by the central bank, the impact of Covid-19 and other pressures have added to the strain. Political pressure has also played a role, with loan approvals and write-offs often influenced by politically connected groups rather than sound credit assessments.

Loan default culture is not new, but it has deteriorated alarmingly over the past two decades. Chronic non-performing loans (NPLs) caused by habitual defaulters and lenient enforcement of recovery laws remain major problems. Regulatory weaknesses, including inconsistent supervision, delayed interventions by the Bangladesh Bank and limited penalties for non-compliance, have compounded the crisis. Corruption and fraud, such as embezzlement, insider lending and falsified collateral, have come to the surface, damaging trust and eroding capital. Over-banking and weak risk management, with too many banks operating in a small market and aggressive lending without proper due diligence, cannot be ignored. Judicial delays and inefficient legal processes have slowed loan recovery, while weak bankruptcy systems have held back effective resolution. More recently, macroeconomic factors such as inflation, dollar shortages, liquidity pressures and declining confidence have contributed further to the problem.

Valuation and restructuring of capital, including fresh capital infusion, are essential elements of the current effort. Full implementation of IFRS 9 may not be feasible at the moment, but relevant BPRD circulars should be applied alongside the valuation of securities and collateral to determine a fair value for the banks. Provisions already made and interest suspense should also be taken into account.

There is an expectation that foreign investors may be approached for new funding. The question is why investors, foreign or local, would be interested when there is little prospect of a good rate of return or capital gain in the foreseeable future.

Conversion of deposits into share capital is one possible measure to ease liquidity pressure, but it requires further discussion. Such a move should be voluntary for depositors and may yield better results if the outlook for the merged entity is strong in the long run.

Penalising sponsors, directors and senior management, especially those who benefited from these episodes, is vital to restore public confidence. Banks have become distressed either through normal business failings or through deliberate and planned siphoning of funds. The creation of false loan accounts for this purpose is a criminal offence, and beneficiaries should face strict penalties.

Fraud examinations generally focus on three key questions: what the process lapses were, who approved and processed them, and who ultimately benefited. Action should be taken under existing laws and, if necessary, new laws should be introduced to protect the public interest.

Temporary government funding for restructured banks may be necessary, but public money must be safeguarded in the long term.

It is now important to see what reform or rehabilitation proposals come from the authorities working in this area.

The writer is a senior partner of Hoda Vasi Chowdhury & Co, and a past president of ICAB

Musk's 2018 pay package could erase years of Tesla profits

REUTERS

Tesla's gaudy \$1 trillion executive compensation package for CEO Elon Musk has obscured a more pressing concern: Musk's 2018 pay package -- still tied up in court -- could eat up years' worth of the electric vehicle maker's future profits.

The Delaware Supreme Court will soon decide whether to reverse a lower-court ruling invalidating Musk's previous record-breaking compensation package. If Tesla's appeal fails, it could trigger a \$26 billion hit to profits over two years to account for the replacement stock-compensation package it has promised Musk -- at today's much higher stock price.

For comparison, \$26 billion would equal more than half of Tesla's total net income since becoming profitable in 2019.

Even if Tesla prevails in court, its profits could be squeezed over the next decade if Musk hits performance goals in his trillion-dollar pay package, with each goal triggering billions in payouts and accounting expenses.

The outsized profit impact highlights the inherent risks of Musk's super-sized compensation. Even the largest public companies typically have little concern

about bottom-line impacts from CEO pay. The richest packages are typically measured in hundreds of millions -- not billions.

Musk's exponentially bigger compensation creates unique profit uncertainties for Tesla at a time when



Elon Musk's exponentially bigger compensation creates unique profit uncertainties for Tesla at a time when earnings are already declining because of various factors, including a drop in car sales.

earnings are already declining because of falling car sales, disappearing electric car subsidies and spiking costs of moonshot bets like humanoid robots.

Stock-compensation expenses will not hurt cash flow, and shareholders may brush it off as "just accounting."

said Brian Dunn, director of the Institute for Compensation Studies at Cornell University's School of Industrial and Labor Relations.

But huge net-income declines caused by CEO-compensation, he said, signal that Tesla's board is not following "reasonable fiduciary practices."

"They're backdooring a massive transfer of wealth from the shareholders to the single largest shareholder," he said.

Tesla's board has argued that Musk's newest pay package gives him nothing unless the automaker achieves "Mars shot milestones" that include lofty profit goals.

If Tesla were to hit those higher profit milestones, then Musk's compensation expenses would consume less of its earnings.

This pile of crushed, non-recyclable plastic waste was destined for the landfill or incineration.

But the easiest goals in Musk's package could still trigger payouts of tens of billions of dollars without transforming Tesla's business or its profits, Reuters has reported. The maximum payout to Musk is \$878 billion because \$1 trillion in stock would be reduced by the value of the shares at the time Tesla's board approved the pay package in September.