

## India central bank cuts rates

AFP, Mumbai

India's central bank cut interest rates on Friday and signalled more could be on the way as low inflation provided room to help cushion the world's fifth-largest economy against US President Donald Trump's tariff blitz.

The decision also comes after the rupee hit a record low against the dollar this week -- having dropped around five percent in 2025 -- owing to ongoing worries about the lack of a trade deal with Washington and impact of the levies on the country's goods.

The Reserve Bank of India (RBI) cut the benchmark repo rate, the level at which it lends to commercial banks, 25 basis points to 5.25 percent after a unanimous vote by its monetary policy committee.

Some analysts had expected officials to stand pat, given that the bank had already cut rates more than 100 basis points this year and economic growth hit a six-quarter high in July-September.

But a majority had argued that easing price pressures and mounting risks to India's economic outlook stemming from Trump's tariffs justified a reduction.

With US tariffs sitting at 50 percent, exporters are warning of cancelled orders and widespread job losses, while analysts say the tolls could knock up to 80 basis points off economic growth this year.

And while Indian officials remain optimistic of finalising the first phase of a trade deal by the end of the year, neither side has announced a breakthrough.

# National SME Product Fair begins today

SME Foundation is organising the 12th edition of the show



An SME entrepreneur is talking with visitors at the SME Fair 2024.

PHOTO: STAR/FILE

## STAR BUSINESS REPORT

The 12th National SME Product Fair is set to begin today, highlighting Bangladesh's growing small and medium enterprise (SME) sector with a focus on expanding market access, fostering innovation, and promoting local entrepreneurship.

Organised by the SME Foundation, the eight-day event will take place at the Bangladesh-China Friendship Conference Centre in Dhaka's Sher-e-Bangla Nagar.

At its core, the fair aims to provide market exposure for locally produced SME goods, facilitate business networking, and connect entrepreneurs directly with consumers, financiers, and policymakers.

Officials say the initiative is designed not only to showcase domestic products but also to equip SMEs with the tools, knowledge, and financing opportunities needed to scale up in a competitive environment—both locally and internationally.

"Many SME entrepreneurs face challenges in marketing their products despite high-quality production. This fair serves as a platform to bridge that gap," said Md

Musfikur Rahman, chairperson of the SME Foundation, according to a press release issued by the Foundation.

More than 350 SMEs are expected to exhibit at this year's fair, with 60 percent being women-led enterprises.

Exhibitors will span a wide range of sectors, including apparel, handicrafts, leather, agro-processing, ICT services, light engineering, and herbal products, the press release said.

It added that the fair also aims to enhance financial inclusion through daily banker-entrepreneur matchmaking events, where nearly 30 participating banks and financial institutions will guide entrepreneurs on accessing SME loans. In some cases, on-site loan applications may be accepted.

To strengthen knowledge sharing, six thematic seminars will be held between December 8 and 10, covering topics such as export diversification, innovation, halal certification, IP rights, blended finance, and skills ecosystem development. These sessions aim to inform entrepreneurs about regulatory, technical, and financing pathways critical for sustainable growth.

A key highlight of the fair will be the

presentation of the National SME Entrepreneur Awards 2025, recognising six outstanding entrepreneurs in the micro, small, medium, and startup categories.

Since its inception in 2012, the SME Foundation has organised 11 national and 93 regional fairs, supporting over 5,000 entrepreneurs. According to the foundation, past fairs have generated Tk 57 crore in direct sales and Tk 93 crore in product orders.

The event's chief patron is The City Bank, with other sponsors including BRAC Bank, Eastern Bank, Bank Asia, IDLC Finance, LankaBangla Finance, United Finance, and IPDC Finance. Only locally produced goods will be allowed for display and sale, with no foreign or imported items permitted.

By combining exhibition, financial support, training, and policy dialogue, the fair continues to position itself as a key national initiative to elevate Bangladesh's SME ecosystem—a sector seen as crucial for job creation, inclusive growth, and industrial diversification.

The fair will remain open to visitors until December 14, from 10 am to 9 pm daily—with no entry fee.

## Mid-range apartments keep struggling property

FROM PAGE B1

Premium flats are generally over 2,000 square feet and cost more than Tk 2.5 crore.

Developers say wealthy buyers are either in hiding or keeping a low profile following the mass uprising that removed the Awami League government in August last year.

They also noted that the interim government's move to remove the option to legalise undeclared income by investing in property has further deteriorated investment.

That provision had previously encouraged part of the wealthy class to purchase large homes.

"People are hesitant to spend under the current economic climate," according to Siddiqua. "Uncertainty is directly affecting apartment sales."

At the lower end of the market — flats measuring 850 to 1,050 square feet and costing less than Tk 1 crore — demand has

weakened due to persisting high inflation and bank interest rates.

Apartment sales boomed in fiscal year 2022-23 (FY23) after the Covid pandemic, when pent-up demand pushed the market to a peak. The momentum faded the following year as the wider economy began to show signs of distress.

## EVEN THE MID-RANGE DIGESTS A HIT

The mid-range segment may now be propping up the sector, but it has not escaped the property slowdown.

Sales have fallen by 40 percent to 50 percent compared with the FY23, said Ahmed of Shanta Holdings.

He described this category as the main source of cash flow for developers and the lifeline of the entire industry. "When this segment suffers, the entire sector faces trouble."

Meanwhile, bti's Siddiqua said demand for

homes has not vanished, but has shifted and become concentrated among mid-range buyers. Low-end customers remain somewhat absent from the market.

She said buyers in the mid segment expect competitive prices, but developers find it difficult to meet that expectation due to the high cost of land and construction materials.

Siddiqua added that discounts are rarely offered publicly. "In real estate, any negotiation on price typically happens one-on-one with the customer."

Despite the fall in sales, especially in the low and high brackets, banks say demand for home loans has stayed stable.

The head of mortgage at a leading private bank said mid-range buyers remain active and group housing initiatives are becoming more common, with professionals joining together to buy land and

build homes.

Current home loan interest rates range from 11 percent to 12 percent. The maximum tenure is 25 years, with a ceiling of Tk 2 crore, the official said.

## NEW PROJECTS DECLINE

Liakat Ali Bhuiyan, senior vice president of the Real Estate and Housing Association of Bangladesh (REHAB), said the industry agrees that sales have fallen sharply.

"The market is likely to remain stagnant until uncertainty over national-level decisions is resolved," he said.

The new Detailed Area Plan (DAP 2022-2035) has also affected the sector, as the Rajdhani Unnayan Karttripakkha (Rajuk) has reduced building height and floor area ratios in many locations.

Bhuiyan said this has slowed new projects and stalled some ongoing developments.

Ahmed of Shanta Holdings said declining sales have put many small and mid-sized developers under financial pressure.

He added that high lending rates and liquidity shortages in banks are making it difficult for companies to raise capital.

According to Anup Kumar Sarker, senior executive director of Concord Group, diversified companies are coping better, while those focused on narrow segments face greater challenges.

Sarker said no one can predict when the sector will recover. Once demand returns, however, prices may rise.

REHAB' Bhuiyan said fewer new projects mean supply is shrinking. "Every year there is a natural demand in the market, but when the supply drops below that threshold, pressure builds up, eventually impacting prices."

## HSBC

FROM PAGE B1

"Recognition motivates exporters to achieve more. We welcome this kind of challenge, where exporters compete to outperform each other globally. Such competition is healthy for the country's economic future."

PRAN-RFL Group received the HSBC Export Excellence Award in 2022.

Chowdhury added that recognition from a global trade bank encourages ambition, diversification, and innovation. The group exports at least 20 categories of products, including food, garments, footwear, and plastics, and shipped \$550 million worth of goods last year.

## Bangladesh's US wheat intake rises to 239,586 tonnes

### STAR BUSINESS REPORT

Bangladesh has received the fourth consignment of wheat from the United States (US) bought under a state-to-state contract.

A ship, MV Lowlands Patrasche, carrying 60,950 tonnes of the grain, arrived on Thursday at Chattogram port.

With this, total shipments of wheat from the US stand at 239,586 tonnes so far.

The first shipment of 56,959 tonnes arrived on October 25, followed by 60,802 tonnes on November 3 and 60,875 tonnes on November 15, according to a press release.

Bangladesh started importing wheat from the US this year on a government-to-government agreement, aiming to protect Bangladesh's exports to America and reduce the trade deficit, which is currently in Bangladesh's favour.

Last week, the Advisers' Council on Government Purchase gave approval to the food ministry to procure another 220,000 tonnes of wheat from the US under a government-to-government arrangement to strengthen public food stocks and ensure a sufficient supply for social safety net programmes.

## Gold gains on Fed rate cut optimism

### REUTERS

Gold prices rose on Friday as mounting expectations of a US Federal Reserve rate cut next week buoyed sentiment, while silver soared to a record high.

Spot gold was up 1 percent to \$4,212.16 per ounce at 1:36 p.m. ET (1836 GMT), but was on track for a 0.4 percent weekly loss.

US gold futures for February delivery settled unchanged at \$4,243 per ounce.

"The market is increasingly confident that the central bank is going to cut (rates) and in response to that, we've seen the US dollar weaken a little bit and that's accretive for gold," said Bart Melek, global head of commodity strategy at TD Securities.

US economic data showed the core Personal Consumption Expenditures (PCE) Price Index rose 0.3 percent in September, with the annual increase slowing to 2.8 percent from 2.9 percent in August.

This followed private payroll data revealing the sharpest decline in over two and a-half years last month. Dovish commentary from several Fed officials has further fueled expectations of monetary easing.

CME's FedWatch tool indicates an 87.2 percent probability of a 25 basis-point rate cut at the Fed's December 9-10 meeting.

Gold is projected to trade between \$4,200 and \$4,500 this year, and between \$4,500 and \$5,000 next year, depending on the Fed's decisions, said Alex Ebkarian, COO at Allegiance Gold.

Meanwhile, physical gold demand in India and China eased this week as buyers wait for a correction in spot prices.

Silver rose 2.6 percent to \$58.59 an ounce, up 4 percent for the week, after touching a record \$59.32 earlier.

"(Silver is) following the pathway of gold and many investors still believe that silver is quite cheap in relative terms," Melek said, citing structural deficits and rising demand for electrification as supportive factors.

The white metal has rallied 98 percent so far this year, fueled by supply deficits and its designation on the US critical minerals list.

## Govt goes heavy on bank borrowing

FROM PAGE B1

as inflation remains elevated.

The Bangladesh Bank (BB) has kept its policy rate at 10 percent since October 2024, aiming to bring inflation down to 6.5 percent by next June. The 12-month inflation rate stood at 8.02 percent in October.

Recently, BB Governor Ahsan H Mansur said the central bank would consider cutting rates once inflation falls below 7 percent.

"Inflation is tied to the overall money supply, not just private sector credit growth," Khan said, which means an aggressive rate cuts could worsen price pressures.

Businesses are facing higher lending costs at a time when sales and investment plans are slowing, he added.

The economist noted that although the government is curtailing project expenses, prolonged delays ultimately raise overall costs and can undermine project viability.

"The government is in a limbo. Unless domestic revenue improves and public spending becomes more efficient, the debt position will continue to deteriorate," he said.

These concerns were also mentioned in the latest monthly economic outlook from the General Economics Division (GED) of the Planning Commission, released last week.

The GED review noted that the state's growing dependence on bank borrowing must be reduced through stronger revenue mobilisation.

It also highlighted

that sluggish private borrowing is influenced by cautious bank lending and heightened political and economic uncertainty.

Monzur Hossain, a member of the GED, said slow private borrowing has broader implications for the economy because private investment is the main driver of job creation, while government borrowing can have a crowding out effect.

He added that investment decisions rarely depend on a single factor, but high lending rates make expansion more difficult. Past credit data had been inflated due to money laundering disguised as loans, a practice that no longer occurs.

Besides, he said several banks currently struggle with insufficient liquidity to support new lending.

Ashikur Rahman,

principal economist at the Policy Research Institute (PRI) of Bangladesh, said private investment appetite remains muted, reflected in import data for capital machinery and industrial raw materials.

Although letters of credit (LCs) for these items rose slightly in July-September, this followed steep declines last year, showing that overall investment plans remain subdued.

According to the central bank, LC openings for capital machinery in July-September grew 23 percent year-on-year to \$472 million, compared with \$384 million in FY24, down 41 percent from \$651 million a year earlier.

LC openings for intermediate goods rose 1.59 percent, up from a 7.22 percent decline in the previous fiscal year, while

industrial raw materials increased 5.73 percent, slightly higher than the 4.66 percent growth previously.

Rahman added that banks have become more selective due to mounting non-performing loans (NPLs), making them hesitant to extend new credit.

He expects this cautious approach to persist for at least another six months.

The economist dismissed the idea that government borrowing is crowding out private lending, arguing that firms themselves are borrowing less.

"Banks are lending to the government because it is safe, and the government needs funds because its revenue is weak. For the moment, this is not creating a major problem," he said.

Advertorial

**Nestlé Bangladesh Successfully Holds HMO Luminary Summit Uniting Leading Global And Local Expts In Bangladesh**

Nestlé Bangladesh recently organized the HMO Luminary Summit, a groundbreaking two-day scientific symposium that brought together leading experts and researchers of health science from across the country. This prestigious event aimed to foster collaboration and share insights on the latest advancements in Human Milk Oligosaccharides (HMO) research and its impact on human health.

The summit featured interactive group sessions, case studies, and knowledge-sharing opportunities, enabling participants to explore practical applications of HMO research. A key highlight was the presentation by renowned pediatrician Dr. Randy Urtula from the Philippines, who shared expert perspectives on the role of HMOs in infant nutrition. His insights sparked engaging discussions, reinforcing the importance of continued education and collaboration in health care.

By creating a platform for scientific exchange and strengthening networks among researchers and experts, the HMO Luminary Summit underscores Nestlé Bangladesh's commitment to advancing health outcomes through education and innovation. The event concluded with a call to action for experts from relevant field to integrate HMO research into practice, ensuring improved health outcomes for infants and children across Bangladesh.