

Fed makes third straight rate cut Signals higher bar ahead

AFP, Washington

A divided US Federal Reserve lowered interest rates Wednesday for a third consecutive time this year, but signaled that it could hold off further reductions in the coming months.

Fed Chair Jerome Powell said the central bank is "well positioned to wait and see how the economy evolves from here."

The Fed's statement on its decision also brought back language used in late-2024 to signal a pause in more rate cuts.

Powell stressed that officials are in a good position to determine the "extent and timing of additional adjustments based on the incoming data, the evolving outlook and the balance of risks."

Wednesday's reduction by a quarter percentage point brings rates to a range between 3.50 percent and 3.75 percent, the lowest in around three years, a move aligned with market expectations.

The Fed penciled in one more rate cut next year, and flagged heightened risks to employment as it announced its latest decision.

But a rift within the central bank deepened with three officials voting against the modest reduction.

Chicago Fed president Austan Goolsbee joined Kansas City Fed president Jeffrey Schmid to support keeping rates unchanged. Fed Governor Stephen Miran again backed a bigger, half-percentage point cut.

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The Fed's rate-setting committee has 12 voting members – including seven members of the board of governors, the New York Fed president and a rotation of reserve bank presidents – who take a majority vote in deciding on rates.

Powell noted that some disagreement was expected, pointing to tensions between inflation risks and a weakening jobs market: "It's a close call."

"Inflation is well above the Fed's target, but the job market appears to be softening," said Mortgage Bankers Association chief economist Mike Fratantoni in a statement.

"Thus, there is ammunition for both sides of the debate" within the Fed, he added. For now, Powell said, the Fed is "in the high end of the range of neutral" rates, with neutral being a level that neither stimulates nor restricts economic activity.

The Fed has previously described interest rates as "modestly restrictive" – "neutral" could suggest less justification to lower levels quickly.

"We expect the Fed will want to pause for a while to allow time for this and prior cuts to feed through the economy," said economist Ryan Sweet of Oxford Economics.

Powell added that the US economy needs several years where wages are higher than inflation for "people to start feeling good about affordability."

On Wednesday, Fed officials also lifted their 2026 growth forecast, while easing inflation expectations and keeping their unemployment rate projection unchanged.

These forecasts could shift as the central bank grapples with a delay in federal economic data releases after a record-long government shutdown.



Female workers sort, wash, and process plastic waste into durable household items at Alpath Group's plastic-recycling unit in Patuakhali. The photo was taken recently.

PHOTO: SOHRAB HOSSAIN

From waste to wealth Patuakhali factory creates green and sustainable products from betel nut leaf sheaths and discarded plastics

SOHRAB HOSSAIN

In a major step towards green and sustainable industry, a new factory in Patuakhali is transforming fallen betel nut leaf sheaths, locally called khol, into durable, biodegradable tableware.

The initiative provides an eco-friendly alternative to single-use plastics

"Our country is being harmed by single-use plastics," Toukir said. "Most industries use chemicals, but betel nut leaf sheaths naturally return to the soil. That inspired me to create eco-friendly products that do no harm."

The factory sources raw materials from Patuakhali, Pirojpur, and Bhola through local agents. It produces sturdy, reusable

tables, mugs, glasses, and bottles.

"We want to make sure discarded plastic doesn't stay in the environment," Toukir said. "Recycling gives plastic a second life and keeps our communities clean."

EMPOWERING THE LOCAL COMMUNITY

The initiative is already boosting the local economy. The factory employs 20 workers, including 13 women, providing much-needed jobs.

For many women, the factory has been life-changing. Sukhi Akhter said, "We never imagined such beautiful products could be made from betel nut leaf sheaths. After training from experts in Chattogram, we now work confidently. This job has brought stability to my family."

Bithi Akhter, once hesitant to use electric machines, now works without fear. "My income has improved our family life and my children's well-being," she said.

Plastic-recycling worker Farida Begum also said that the job has helped ease her financial struggles.

Factory manager M Jalilur Rahman said the company aims to make eco-friendly products widely available while promoting plastic recycling nationwide.

The local administration praised the initiative. Dumki Upazila Nirbahi Officer Abuzar Md Ijazul Haque called the factory "a shining example of green industrialisation" and promised full support for similar projects in the region.

Betel nut palms are widely grown in the coastal districts of the country, producing an abundant supply of fallen sheaths. Traditionally, these sheaths were used as fuel in rural stoves



Biodegradable tableware made from betel nut leaf sheaths at Alpath Group's factory in Patuakhali.

while creating local employment opportunities.

The factory, set up by 28-year-old Toukir Ahmed Sabab, founder of Alpath Group, is built on 35 decimals of his ancestral land in Rajakhal village of Dumki upazila. Full-scale production began on October 24 this year. Factories of this kind already exist across Bangladesh, showing the growing importance of sustainable manufacturing in the country.

Betel nut palms are widely grown in the coastal districts of the country, producing an abundant supply of fallen sheaths. Traditionally, these sheaths were used as fuel in rural stoves. Recognising their natural biodegradability, Toukir saw a bigger opportunity.

items, including plates, bowls, spoons, forks, knives, trays, and salt containers – items typically made from plastic for hotels and restaurants.

"Our products can be reused many times, unlike plastic tableware, which bends after one use," Toukir added.

Demand for these sustainable products is rising, with national retailers, hotels, and restaurants showing interest. Alpath Group's products are now available in Dhaka at Aarong, Baitul Mukarram, New Market, and online.

In addition to biodegradable tableware, Alpath Group also runs a plastic-recycling unit. Collected plastic waste from the Barishal division is sorted by colour, washed, and processed into durable household items such as chairs,

Who is raising our children now?

MAHTAB UDDIN AHMED

If Bangladesh suddenly bans social media for everyone under sixteen, the first shock will not shake the earth. It will shake the nation's emotions. Picture this: teenagers staring at silent phones, much like we all did during last July's internet shutdown, parents finally discovering what their children actually look like, and coaching centres declaring a national emergency because students suddenly have "too much time to study". Even TikTokers will be forced to relearn ancient human skills such as talking to real people, reading books, or the most terrifying activity of all, doing homework. For once, children might even hear real birds singing instead of dramatic TikTok soundtracks where everyone cries, dances, and gives life advice at the same time.

Australia has pioneered the world's first under-16 social media ban. The government claims it is not trying to torture teenagers but trying to save their sanity, safety and sleep. The idea is simple: remove children from platforms that algorithmically serve anxiety, body shaming, cyberbullying and the endless pressure to look perfect at age thirteen. Officials argue that young brains are not designed to handle dopamine factories disguised as apps. Platforms including YouTube, TikTok, Instagram, Snapchat, Facebook, X and Reddit must now prevent underage users from having accounts or risk fines heavy enough to wipe the smile off even Meta.

Authorities insist this is about protecting future generations from a mental health epidemic hidden behind ring lights and filters. Australia believes that if children spend less time scrolling for validation and more time doing ordinary teenage things, such as outdoor sports, friendships, or simply being bored,

the country may end up with healthier adults and fewer therapy bills. Many parents are thrilled. Teenagers, however, have announced a national period of mourning and are already searching for VPNs faster than kangaroos can hop.

Other countries are also considering similar measures. The United States is debating age-verification laws in several states. France requires parental consent for under-15 users. The United Kingdom is tightening online safety rules. Several African nations allow telecom operators and banks to run digital platforms, which creates stricter accountability. The global mood is shifting. Social media is useful, but not when it hijacks childhood.

Countries such as South Korea, China and parts of Europe have already taken bold steps. Some switch off online gaming or restrict internet access at night so teenagers can sleep instead of watching "one last video" until sunrise. Meanwhile, a recent global report shows another trend: social media posting has sharply dropped because AI-generated fake photos and fake "perfect lives" are flooding platforms. Real humans are quietly stepping back because it is hard to compete when even robots look better.

Bangladesh can learn from these developments. We already worry about declining attention spans, rising addiction and a generation that believes editing skills matter more than ethics. A thoughtful age-management policy could help, especially in protecting children from predators, bullying and misinformation. But we must confront a technical reality.

Half our Facebook users appear as Dark Angel, King Slayer or Tui Ke Amar Janish Na, and nearly everyone claims to be "18". If we rely on ID checks, platforms will assume Bangladesh has 20 crore adults and no children. A solution could include AI age checks, parent linked accounts, telecom verification and a child "education mode". Parents, schools and NGOs must also stop pretending nothing is wrong.

A global APA-reported survey shows more than 70 percent of teenagers say social media stress affects relationships and sleep. In Bangladesh, BRAC and Unicef studies report rising anxiety, cyberbullying and academic decline linked to excessive screen time. Many parents admit they feel powerless.

If we do nothing, social media will shape our children more than parents, schools, or the country ever will. If we act now, we can protect a generation before algorithms raise them.

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India capex hole puts world-beating growth at risk

REUTERS, Mumbai

India's blistering growth has a quality problem. GDP is speeding ahead at 8 percent in the world's fifth-largest economy but the government is doing the heavy lifting on investment. Policymakers have spent years trying to coax companies into spending more, with limited success. The result: growth that looks fast but feels flimsy.

Since coming to power in 2014, Prime Minister Narendra Modi has cut corporate taxes, subsidised manufacturing ventures and introduced a bankruptcy law. Some of that effort is paying off. Multinationals including Alphabet's Google and tycoon-backed groups like Adani, Reliance Industries and Tata Consultancy Services are pouring cash into industries of the future from renewable power to artificial intelligence-ready infrastructure.

But India Inc's outlay is not keeping pace with the \$4 trillion economy's expansion.

Private firms' investments contributed 34.4 percent to asset creation in the year to the end of March 2024, the lowest share in over a decade. Their share in real GDP fell to 11.5 percent from a peak of about 13 percent eight years earlier.

These trends force the government to spend heavily to keep GDP humming – a challenge now compounded by a 50 percent US tariff on Indian exports. Globally, tariff uncertainty and a flood of cheap Chinese goods have made companies cautious. But India's muted animal spirits are a stubborn long-term problem.

The result is a paradox: global investors are cheering India's world-beating growth, which hit an annualised 8.2 percent in the September quarter, buoyed by tax cuts ahead of the festive season. Yet behind the headlines, policymakers and company executives are sounding the alarm.

In September, S. Mahendra Dev, chair of the prime minister's economic advisory council, urged the private sector to "invest in India's growth journey." Earlier, in March 2023, Modi himself called on big business to step up after unveiling a record 10 trillion rupees, about \$111 billion at current exchange rates, in government capital expenditure for the coming financial year. Public spending, including by state-owned enterprises, climbed to an at least 12-year high of 8.4 percent of GDP in 2023-24.

Why aren't Indian companies investing? The simple answer is weak demand. Capacity utilisation, a measure of how much firms are using existing production capabilities, is below 75 percent, giving companies little confidence to put up fresh investment.

Real wages are stagnating. After adjusting for inflation, salaried and self-employed Indians earned a lower average monthly income during the year ended March 2024 than they did six years earlier.

That forces Indians to cut back on spending, from everyday items like biscuits to bigger purchases such as motorbikes. Nearly half the workforce still relies on agriculture – one major area where Modi's reform drive has barely penetrated – leaving millions in

informal, low-paying jobs.

A deep-seated shift is also playing out at India's top business groups. The asset quality crisis that followed a period of industrial splurge up to 2011 saw tycoons stripped of some of the country's largest assets.

A new insolvency law helped find buyers for distressed assets – ArcelorMittal's takeover of

the Ruia family's Essar Steel is one example – and strengthened creditors' bargaining power with defaulting tycoons. Yet the way many owners were pushed into bankruptcy, with the Reserve Bank of India rather than creditors driving the process, left deep scars.

It created an aversion to debt that India Inc is yet to fully shake off. Net debt at the

200 top public non-financial companies as of September 30 stood at a six-year low of 1.9 times EBITDA, per Axis Capital analysts. Many companies have gone further and pursued "zero-net debt" strategies, preferring to fund growth through existing cash flows.

The priorities of India's wealthy business families are also shifting. Over the next decade, they are expected to transfer \$1.5 trillion across generations, according to EY and Julius Baer. Many heirs prefer managing money to building factories; the number of family offices in India surged more than six-fold to around 300 in the six years to 2024.

The trend is so pronounced that billionaire banker Uday Kotak has urged young scions of India's richest families to "create businesses rather than becoming financial investors too early." Take Rishabh Mariwala, the 42-year-old son of Harsh Mariwala, founder of \$10 billion consumer goods giant Marico, left the company in 2011 to launch Sharrp Ventures, which has since backed beauty retailer Nykaa and insurance marketplace Policybazaar. Likewise, Gaurav Burman – part of the fifth generation of the family behind Dabur India, one of India's top fast-moving consumer goods firms – runs his family's investment programme, managing a wealth pool of over \$1 billion. Both still serve as directors in units of their family businesses.

The rise of digital infrastructure and strong stock market returns has made investing in new-age services businesses appear more lucrative and less risky than pursuing capital-intensive industrial projects.



A general view of Mundra Port in India. The Indian government is spending heavily to keep GDP humming -- a challenge now compounded by a 50 percent US tariff on Indian exports.

PHOTO: AFP/FILE