Furniture industry shows tentative stabilisation after a prolonged downturn, with recovery still uneven across segments amid economic and market pressures. The photo was taken yesterday at a showroom in Dhaka's Panthapath.

PHOTO: RASHED SHUMON

Furniture industry stabilising after two-year slump

JAGARAN CHAKMA

The country's furniture industry is showing signs of stabilisation after nearly two years of decline, though recovery remains fragile and uneven across segments, according to leading manufacturers.

Industry insiders say the domestic furniture market was worth about $2.5 billion -- roughly Tk 30,000 crore -- in 2023, after expanding at an annual rate of 10 to 12 percent since 2010. However, due to political uncertainty, high inflation and a prolonged slowdown in the real estate sector, the market is believed to have fallen to around Tk 21,000 crore in 2025.

The downturn came after months of economic pressure and uncertainty, which weakened consumer confidence and slowed development activity.

Selim H Rahman, chairman and managing director of HATIL Furniture, said 2024 was one of the toughest years in the company's history.

"For the past one-and-a-half years, the sector has suffered a lot," he said. "Relief has just started. We may feel it gradually, but we are not there yet."

He said the months after August 2024 were especially difficult. "It felt like a war-like situation in the market," he said, pointing to the sharp fall in demand. Conditions have improved over the past five to six months, but the market has not yet recovered to its previous level.

Rahman said HATIL's turnover crossed Tk 400 crore at its peak around 2023, but that level has not returned. The market first dropped by nearly 50 percent and later improved slightly, remaining about 30 percent below its previous highs.

He added that home furniture sales also declined as customers delayed purchases due to uncertainty and rising living costs.

Rahman said the formation of an elected government has boosted confidence somewhat, but real recovery will depend on stable economic conditions and stronger investment in housing and infrastructure.

PREMIUM AND IMPORT SEGMENTS UNDER PRESSURE

Premium manufacturers have faced extra pressure from rising imports. Athena's Furniture and Home Décor, a sister concern of Anwar Group of Industries, saw sales drop by more than 30 percent during the interim government period.

Waeez R Hossain, deputy managing director of Anwar Group, said the high-end market has changed because of shifting customer demand and higher imports.

"We operate in the premium segment, and a lot of imported furniture -- especially from China -- has entered the market," he said. "At the price customers used to pay us, they can now import similar products."

Athena mainly serves affluent buyers, with individual orders ranging from Tk 20 lakh to Tk 1 crore. However, even this customer base has become more cautious.

Hossain said traditional premium buyers in areas such as Lalbagh in Old Dhaka and parts of Rajshahi, Chattogram and Sylhet have been affected by slower income growth and tighter liquidity.

He added that the slowdown in real estate -- estimated by some industry players at 40 to 60 percent in certain segments -- has increased pressure, as housing development and furniture demand are closely linked.

The imported luxury segment, however, saw even bigger fluctuations.

Shohan Akon Sunny, senior brand lead of Ashley Furniture Homestore Bangladesh under Partex Star Group, said import-based businesses were hit hardest during the downturn.

"As an import-based business, we bring products in containers and pay full duties. When sales slow, it becomes very difficult to manage costs," he said.

In some months, sales in the luxury import category dropped to just 10 percent of normal levels. High import duties pushed prices up, limiting customers mainly to affluent buyers, expatriates and foreign residents.

Sunny added that recent Eid sales have improved, giving hope that demand could gradually recover if the overall economy stabilises.

Not all players faced the same level of decline.

Regal Furniture, part of the PRAN-RFL Group, recorded about 25 percent growth in the home furniture segment after a prolonged slowdown from August 2024 to September 2025.

RN Paul, managing director of PRAN-RFL Group, said the sector struggled over the past 15 months but saw a slight recovery in the last quarter of 2025.

"Strong remittance inflows and stable agriculture, without major disasters, helped the furniture sector rebound," he said.

Paul noted a shift in consumer behaviour. "Urban buyers are moving from traditional furniture to factory-made, standardised products," he said.

He added that office furniture was among the worst-hit segments as new public and private projects slowed. Without fresh development activity, demand for corporate and institutional furniture dropped sharply.

He also said inflation and political instability over the past 18 months reduced discretionary spending. "The lack of government procurement pushed office furniture sales close to zero during the slowdown, hurting overall performance," he said.

Working capital crisis ahead

MANWAR HOSSAIN

Bangladesh has not been hit by a single cyclone. It has faced a series of shocks, back-to-back, leaving little time to rebuild. First came Covid-19. Then global commodity spikes, freight disruptions, energy volatility and unpredictable supply chains. Power shortages became routine, the taka weakened, reserves fell and confidence among international lenders wavered.

Taken individually, each shock is a storm. Together, they are converging into a tsunami, one breaking not in headlines but on the most fragile part of any enterprise: working capital. Working capital is not merely an accounting term. It is the lifeblood of a business. It buys raw materials, pays wages, sustains suppliers and protects export credibility. A business can endure low profitability for a time. It cannot endure a prolonged liquidity squeeze. When working capital dries up, even strong factories begin to bleed through delayed wages, missed shipments, lost buyers and eventual defaults. Remittances have sustained consumption and given industry breathing space during liquidity stress.

But breathing space is not recovery. Exports have fallen from their recent peak of nearly $57 billion to around $47 billion. Many factories now operate below capacity. Some have closed. Others survive in reduced form. An economy cannot thrive in survival mode. Encouragingly, a new government has taken office at a moment when economic realism is urgently needed. The prime minister has emphasised reviving closed mills and protecting employment to restore growth momentum. Confidence begins not with statistics but with leadership and clarity of purpose.

Bangladesh does not lack entrepreneurs, workers or demand potential. What it lacks is circulation. Manufacturing and services support millions of livelihoods and underpin modern agriculture through finance, logistics, fertilisers and machinery. Industry and rural prosperity are interdependent. Remittances alone cannot sustain national growth. Industry must operate at scale, and scale requires reliable and realistically priced working capital.

Recent regulatory flexibility, including extended repayment windows, has helped prevent immediate collapse. But extensions without fresh liquidity only postpone stress.

First, risk perception in parts of the banking sector has tightened sharply. Past abuses have made institutions cautious. Prudence is essential. Yet when a single stressed account freezes otherwise viable sister concerns through blanket group CIB classifications, productive capacity is unnecessarily lost. A time-bound approach to group reporting could prevent avoidable domino effects. Second, exchange rate depreciation has distorted credit exposure limits. Businesses that have not expanded in real terms may appear overleveraged simply because nominal values have risen. This forces deleveraging when liquidity is most needed. Temporarily recalibrating single borrower exposure limits in dollar terms could neutralise this distortion. Third, trade finance instruments such as LCs and bank guarantees must flow more smoothly. Working capital is not always cash.

Macroeconomic logic assumes that if one firm exits, another will replace it. But behind every factory are years of savings, risk and sacrifice, and the livelihoods of hundreds or thousands of families. An economy must value each productive unit. Without a structured working capital revival, the next two years may bring avoidable capital erosion, job losses and further banking stress. A targeted Working Capital Stabilisation Window, time-bound and performance-linked, jointly monitored by banks and regulators, could provide that bridge. Combined with faster tax refunds, a predictable energy supply and smoother trade processing, it would restore circulation without undermining prudence.

Bangladesh has repeatedly demonstrated resilience. Entrepreneurs rebuild after crises. Workers adapt. Overseas wage earners support families with dignity. What is needed now is alignment between policy signals and factory floor realities. Money must move through the veins of industry. If working capital circulation is restored, confidence will follow, factories will reopen, and growth will regain credibility. The tsunami we face is not inevitable. With timely liquidity support, it can be redirected.

The writer is the chairman of Anwar Group of Industries

Iran war shakes up global shipping routes

AFP, *Washington*

The US-Israeli military operation against Iran and Tehran's retaliation are disrupting global maritime traffic, including oil tanker transports.

The grounding of ships around the Gulf and the paralysis of the Strait of Hormuz, a critical narrow waterway bordered by Iran and Oman, represent a significant upheaval for a wide range of sectors beyond hydrocarbons.

Here is how shipping could be impacted:

FERTILIZERS AT RISK

About 33 percent of the world's fertilizers, including sulfur and ammonia, transit through the Strait of Hormuz, according to the trade analysis firm Kpler.

Loaded onto cargo ships in Qatar, Saudi Arabia or the United Arab Emirates, these fertilizers have diverse destinations ranging from India and China to Brazil and African countries.

"There are no viable alternatives" to shipping in the Gulf, Kpler said in a June analysis, noting "land routes are limited by pipeline and trucking capacity."

Since a large portion of fertilizers are manufactured using massive amounts of gas or oil, the surge in hydrocarbon prices caused by the conflict with Iran could have a domino effect on fertilizer prices.

PLASTIC PRODUCTION

The conflict in the Middle East also threatens a major polymer export hub in the United Arab Emirates, according to an analysis published Monday by the consulting firm Argus Media.

READ MORE ON B2

Forget Opec+ output hike. Duration of Hormuz disruption is what matters

REUTERS, *Launceston*

The Opec+ decision to lift crude oil output by 206,000 barrels per day (bpd) from April is probably the least consequential decision the group has made in nearly a decade of existence.

Adding about 0.2 percent of global oil demand to supply a month from now is little more than a symbolic gesture in the face of a widening conflict in the Middle East, which is already leading to serious supply disruptions.

But there was little the eight members of the Opec+ group undertaking voluntary production cuts could have done at their meeting on Sunday to assure the market about supply security.

The increase of 206,000 bpd from April was above the 137,000 bpd that had been tipped by analysts ahead of the meeting, and if there is any impact it's the symbolism of the group saying they can add more barrels to the market if needed.

Certainly, the Opec+ output decision wasn't enough to prevent crude prices spiking higher at Monday's open, with benchmark Brent futures jumping as much as 13.6 percent to a 12 month high of $82.37 a barrel, before easing to trade at $79.10 in early Asian trade.

The main issue for crude oil markets is how long will supplies be disrupted from the Middle East, and how will top importers react.

In the fog of war there is always considerable uncertainty, and the current bombing and missile strikes by Israel and the United States against Iran, and the retaliation targeting neighbouring Gulf countries, is no exception.

Iran's decision to strike at civilian targets in the United Arab Emirates (UAE) may be either a strategic blunder or strategic brilliance, with much riding on how long Tehran can keep up the attacks and how long the UAE can successfully defend what are likely to be increasingly worried civilian and expatriate populations.

But for crude oil markets, it's worth focusing on what is known and what the most likely responses are to the current situation.

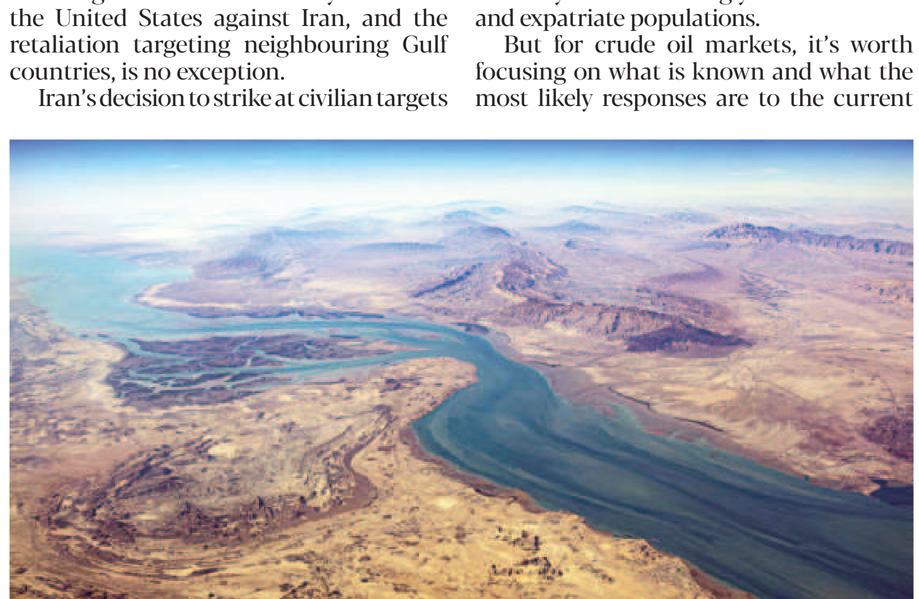

PHOTO: REUTERS/FILE

An aerial view of the Iranian shores and the island of Qeshm in the strait of Hormuz.

The Strait of Hormuz, through which about 20 million bpd of crude and refined products moves, is effectively closed as ship owners and insurers are reluctant to risk vessels while a major conflict is underway.

The good news on this is that so far it appears Iran hasn't actively tried to block the narrow waterway that carries almost 20 percent of global crude and product supply. This means that when the shooting stops tankers will be able to rapidly move through the Strait, easing any supply bottleneck.

There are also other factors at work that will likely ease some of the supply concerns.

The first is that China, the world's biggest crude importer, is likely to trim arrivals in coming months.

China's imports have been strong in recent months, with LSEG Oil research estimating January arrivals at 11.61 million bpd and February's estimated at 13.42 million bpd, which would eclipse the previous record of 13.18 million bpd in December.

With the surge in prices it's likely that China will cut up to 2 million bpd from February's levels by the time cargoes being arranged currently are delivered in May and June.