Govt inherited a fragile economy: Titumir

BSS

The government inherited a fragile economy and Bangladesh is now at a critical stage of economic transition, said Rashed Al Mahmud Titumir, the prime minister's adviser on finance and planning.

"As a result, low- and middle-income people are under considerable pressure," he said at a meeting with journalists at the Rajbari Poura Milonayatan yesterday.

The adviser said the investment situation, particularly the decline in private-sector investment, had worsened the employment crisis.

The crisis in the Middle East and rising energy prices had also created fresh pressure on the country's economy.

Against this backdrop, various organisations have presented different projections regarding Bangladesh's gross domestic product (GDP) growth, he said.

Referring to the International Monetary Fund's (IMF) GDP growth projections, Titumir said a fundamental issue had been overlooked in some discussions circulating on social media.

Without the necessary reforms, economic growth would decline further, he added.



Rashed Al Mahmud Titumir

Highlighting the government's reform initiatives, the adviser said restoring discipline in the banking sector and increasing revenue collection were urgent priorities.

The government had undertaken several social protection programmes to prevent people from falling below the poverty line amid mounting inflationary pressure, he added.

Rajbari Deputy Commissioner Abdus Salam, District Information Officer Rekha Islam and journalists from print and electronic media outlets in the district attended the meeting.

Global diesel prices seen staying high despite Trump's deal with Russia

REUTERS, *New York*

President Donald Trump's deal with Russia to supply diesel to US and global markets is unlikely to meaningfully lower diesel prices, market watchers and analysts said, noting that the promised volumes are too small to ease a global supply squeeze.

Diesel prices have shot to record highs during the US-Israeli war on Iran, creating a political liability for Trump and his Republican Party as they campaign to maintain thin majorities in the US Congress in the November 3 midterm elections.

Critics of Trump's move said lifting sanctions on Russian diesel could help Moscow fund further attacks on Ukraine, undermining years of efforts to curb Russian energy revenues and raising the risk the Kremlin could profit while consumers get little relief from high fuel prices.

Trump said Russia would immediately export 300,000 metric tons, or 2.25 million barrels, followed by 500,000 tons in November and 1 million tons "immediately thereafter".

Analysts have said it may not be possible for Russia to produce enough excess diesel in the near-term to meet those ambitious goals, while a strained global tanker market may also make timely shipments difficult.

Analysts also said the announced volumes are unlikely to meaningfully lower diesel prices. US retail diesel prices topped $6 a gallon in September for the first time ever and have remained above that level since.

Michelle Brouhard, head of policy and geopolitical risk at Kpler, said it would take an additional 400,000 barrels per day of diesel supply to materially ease prices in the current market.

But the initial shipment of roughly 2.2 million barrels would amount to only about 73,000 bpd if distributed over a month. She said that volume on its own would probably not significantly affect global diesel prices.

Caspian Conran, lead economist at consulting firm Baringa, estimated that the market would require an additional 850,000 bpd of supply to produce an immediate softening in prices.

Trump initially said Russia would immediately supply diesel to the US and global markets to help bring down fuel prices, but later said the Russian cargoes would be released to global markets rather than shipped to the US.

This raised questions about whether the deal will deliver the domestic supply relief the president promised.



In an aerial view, oil storage tanks are seen at the rail-fed diesel base, Exxon/Mobil Wink Transloading facility in Wink, Texas. PHOTO: AFP/FILE

The diesel that Putin was going to sell, they were going to make it available to the global market one way or the other, Secretary of State Marco Rubio said over the weekend. The only difference is how much of it the US was going to get.

White House spokeswoman Taylor Rogers said Trump announced that "massive amounts" of Russian diesel will supply the global markets and will lower prices at home and abroad.

President Trump continues to secure good deals, not just for the United States, but for the world, Rogers said. It was unclear whether Russia can substantially increase diesel exports in the near term due to limited Russian export availability and elevated freight costs.

Shipping data on Tuesday showed some Russian diesel cargoes were returning to their traditional destinations after the US suspended sanctions and secured the lifting of an export ban. At least two tankers were signaling trips to Turkey and Brazil.

Data also showed Russia has resumed diesel export loadings from the Baltic port of Primorsk following an agreement between Washington and Moscow to supply fuel to global markets.

Disruptions to diesel exports from Russia, the world's second-largest diesel exporter after the US, and the Middle East reached 1.3 million barrels per day in September, about 4.5 percent of global diesel and gasoil demand.

The International Energy Agency has warned shortages could persist into 2027.

We question whether Russia's refineries could even support an increase in exports with, by some estimates, up to 45 percent of Russia's refining capacity currently offline, said Mary Melton, an analyst with tanker company Braemar.

Delivering the announced volumes in addition to existing exports would require Russia to produce roughly 384,000 to 509,000 barrels per day of diesel, the Energy Policy Research Foundation said in a note.

Russia currently produces about 1.4 million barrels per day and consumes roughly 1.2 million barrels per day domestically, leaving little surplus available for export. Traders noted the country is currently importing distillates and lacks sufficient production and surplus volumes.

While an end to attacks could allow damaged facilities to begin repairs and eventually return to international markets, sources said that is unlikely to happen before the end of the year, a view widely shared across the market.

Gold extends losses to near one-week low on elevated oil prices

REUTERS

Gold steadied after touching its lowest level in nearly a week on Wednesday, as a rally in oil prices reignited inflation concerns while investors braced for next week's Federal Reserve meeting for clues on the interest rate outlook.

Spot gold fell for a fourth straight session, down 0.1 percent at $4,121.27 per ounce by 0910 GMT, hitting its lowest level since October 15 in earlier trade. US gold futures for December delivery fell 0.1 percent to $4,139.50 per ounce.

"Gold has adhered to the downtrend that began 2 months ago on persistent expectations that more Fed rate hikes are in store," said Han Tan, chief market analyst at Bybit. Gold is traditionally seen as an inflation hedge, but loses appeal as a non-yielding asset in a high-interest-rate environment.

The Fed will skip raising interest rates this month and deliver a hike in December, according to nearly all economists polled by Reuters, as policymakers signal patience even as stubborn inflation argues for a tougher response.

"Despite the expected pause at next week's FOMC meeting, Fed funds futures are fully pricing in one more 25-bps hike before the year comes to a close, with two more hikes expected by mid-2027," Tan added.

Markets are also waiting for US Personal Consumption Expenditures data next week, the Fed's preferred gauge to monitor its 2 percent inflation target. Hotter-than-expected consumer and producer inflation data last week showed that US price pressures remained elevated on soaring energy prices.

Oil prices gained more than $1, with Brent futures holding above $110 a barrel, as escalating Middle East tensions fuelled fears of supply disruptions.

EU probes Booking.com over fraud risks

AFP, *Brussels*

The European Union opened an investigation into online travel agent Booking.com on Wednesday over alleged failures to tackle fake listings and phishing scams.

The EU fears Booking.com has underestimated the impact of fraud and unlicensed accommodation, and is not sufficiently protecting users' data from being misused for scams.

The probe is the first into Booking.com under the Digital Services Act (DSA), a mammoth online content law that covers a wide array of platforms including social media and digital marketplaces.

"Europeans should be able to book their holidays without fear of being scammed," EU tech chief Henna Virkkunen said in a statement.

The EU said it was also looking into whether the Netherlands-based firm breached rules "because it did not clearly label as ads those listings whose providers paid for a higher ranking in search results shown to users".

The DSA "sets clear responsibilities" and "we must ensure that the leading booking platform in Europe takes those responsibilities seriously", Virkkunen added.

Booking.com said that it was "cooperating fully" and that "security, trust and the protection of personal information are top priorities".

"We remain committed to working with relevant governments, regulators, law enforcement and industry partners to combat cybercrime and online fraud and protect travellers and partners," it added.

Booking.com is among over 20 very large online platforms that must comply with the DSA's stricter rules or risk fines that could go as high as six percent of their global turnover, or even a ban for serious and repeated breaches.

There is no legal deadline for the completion of the probe but the targeted company can offer commitments to address the European Commission's concerns.

A senior EU official was critical of Booking.com and its risk assessment efforts since 2023.

"We feel that what they have done is absolutely substandard," the official said on condition of anonymity.

The commission -- the EU's digital watchdog -- said it would assess whether the online platform "properly identified" risks linked to the spread of illegal content such as non-existent properties and fraudsters portraying themselves as the owner of a property and putting it up for rent.

In some cases, customers discover on arrival that the property they thought they had booked does not exist, or more often, photographs or property descriptions do not accurately reflect reality.

The EU will also investigate whether Booking.com is doing enough to address the risks that phishing scams pose to European consumers.

Business leaders

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Commerce Minister Khandakar Abdul Muktadir also said representatives of Marubeni and Toyota have visited and discussed investment opportunities.

Tareq expects the visit to focus on implementing the EPA, launching the third terminal at Hazrat Shahjalal International Airport in Dhaka and attracting more Japanese investment.

Mahmud Hasan Khan, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said investment should be a priority too.

Last month, the BGMEA opened a dedicated desk for the Japanese market at its Uttara office to attract more Japanese textile and garment businesses, as part of its strategy to expand into Asian markets.

The association will also hold a roadshow in Hong Kong next month to attract Asian garment retailers and brands. Japanese retailers are expected to attend, as the association has been working closely with them, Mahmud said.

Bangladesh exports more than $1.4 billion worth of garments to Japan annually, benefiting from duty-free access under its Least Developed Country (LDC) status, according to the Export Promotion Bureau (EPB).

Garments account for about 80 percent of its exports to Japan. The BGMEA aims to raise garment exports to Japan to $3 billion in the near future. Japan has committed to continuing LDC-related duty-free access for three years after Bangladesh graduates from the category.

Md Fazlul Hoque, administrator of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), called for swift ratification of the EPA to boost trade and investment between the two countries.

"However, I would like to see a greater focus on investment during the prime minister's visit," Fazlul said.

Kazuaki Kataoka, country representative of the Japan External Trade Organization (JETRO) in Bangladesh and current president of the JBCCI, also expects economic issues to feature in the talks.

He said Japanese investors are showing greater interest in Bangladesh since the country's political situation stabilised after the general election in February this year. Commerce Minister Muktadir said he hopes both countries will soon ratify the EPA in their national parliaments, paving the way for implementation and stronger bilateral trade.

Japan's Ministry of Foreign Affairs said in a statement on Tuesday that Prime Minister Sanae Takaichi would hold a meeting and lunch with Tarique Rahman during his visit.

"The visit of Prime Minister Rahman is expected to further strengthen the 'Strategic Partnership' between Japan and Bangladesh, a key regional partner that shares values and principles such as freedom, democracy and the rule of law, and enhance coordination towards realising the updated 'Free and Open Indo-Pacific (FOIP)'," the statement said.

Foreign Secretary Asad Alam Siam said on Tuesday that the visit would build on the EPA to expand trade and investment.

Bangladesh is also discussing about eight memorandums of understanding (MoUs) with Japan, and three or four are expected to be signed during the visit. The proposed agreements cover agriculture, fisheries, skills development, civil aviation, trade, environmental protection and the modernisation of local government.

Business surveys also support Bangladesh's prospects for attracting Japanese investments.

Bangladesh has ranked among the top 20 promising destinations for overseas business in surveys by the Japan Bank for International Cooperation (JBIC) for the past three years, and a recent JETRO survey found that 71.5 percent of Japanese companies want to expand their businesses in Bangladesh.

To attract more Japanese foreign direct investment, Bangladesh is developing the Japan Economic Zone in Araihazar, Narayanganj.

Govt eases experience rules for state bank CEOs

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ability, service records and experience in key banking departments. Seniority alone will not determine promotions.

The scoring tables for promotions to deputy managing director and general manager positions remain unchanged.

Candidates must hold at least a master's degree from a recognised university and must not have obtained a third division or class at any stage of their education.

The selection committee's recommendations, along with candidates' intelligence reports and reports from the Anti-Corruption Commission, will be reviewed during the selection process.

Fahmida Khatun, distinguished fellow at the Centre for Policy Dialogue (CPD), said skilled and competent personnel were essential for banks, particularly state-owned ones.

She said the banks needed to be kept free from political influence while ensuring that competent professionals were recruited.

"State-owned banks can be turned around only if rules and policies are followed. The boards of banks must be kept free from political influence, and transparent and professional people must be appointed."

"But I do not understand why this policy was amended at this particular moment," she said.

Govt suspends betel leaf exporters' association

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Mohammad Mansur, general secretary of the Bangladesh Fruits, Vegetables and Allied Products Exporters' Association (BFVAPEA), said exporters would now be able to ship betel leaf as they had before.

"The government has taken a positive decision to boost betel leaf exports, even though it took a long time," he told The Daily Star.

He added that betel leaf had been exported under the BFVAPEA for four decades and that there was no need for a separate association for the purpose.

"The licence of the Betel Leaf Exporters' Association was cancelled twice before," he added.

Bangladesh earned $32.5 million from betel leaf exports in fiscal year 2023-24, before earnings fell 34 percent to $21.4 million in FY2024-25. Export earnings subsequently recovered 6 percent to $22.7 million in FY2025-26, according to figures cited in the draft from the Export Promotion Bureau.

Saudi Arabia is a major destination for Bangladeshi betel leaves, according to commercial shipment data.

Rooftops

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On e-waste, he welcomed the inclusion of the issue but said further frameworks will be needed to make the provisions effective.

Mostafa Al Mahmud, president of the Bangladesh Sustainable and Renewable Energy Association (BSREA), said solar panel waste will grow as installations spread, and the country will need proper systems for collecting, recycling and disposing of it.

"If e-waste is generated and there is no proper process for disposing of it, and if it harms the environment, then there is no benefit to the initiative," he told The Daily Star.

He added that recycling could create investment opportunities and employment if managed properly.

CONCERN OVER FINANCING, PROCUREMENT

Mostafa raised two other concerns about the new rules.

He said expensive loans could push up the cost of the electricity produced. He also said that if procurement is not transparent, genuine investors or genuine businesspeople could be pushed out by political favouritism.

Therefore, he called for a broader law covering all renewable technologies and project sizes, which he said would draw more local and foreign investment.

Meanwhile, Shafiqul said the government will need to build further frameworks to make the e-waste rules work.

Under the ordinance, stealing solar electricity or equipment carries up to three years in prison, a fine of Tk 50,000, or both. Buying, selling or holding stolen equipment draws the same punishment.

Damaging panels or equipment can bring up to five years in prison or a fine of up to Tk 5 lakh. Making illegal connections, or obstructing workers who install, inspect or maintain systems, carries up to three years or a Tk 5 lakh fine.

Cases will go to first-class or metropolitan magistrates, and some can be heard in mobile courts.

A National Policy Council headed by the prime minister will guide policy. District and upazila committees will coordinate on the ground, and the Sustainable and Renewable Energy Development Authority (SREDA) will keep records of installed systems and check that they are working.

AI, greener economy help weather energy shock: ECB

REUTERS, *Frankfurt*

The euro zone economy has weathered this year's energy shock better than expected, with lower dependence on fossil fuels, stronger fiscal support and an AI investment boom helping sustain growth, European Central Bank economists said on Wednesday.

The assessment, published in an ECB blog, adds to a growing debate among policymakers about whether structural changes in the global economy are raising growth, investment and interest rates after an era of relative weakness.

The euro area has been hit by a surge in oil and gas prices after the Iran war disrupted energy markets, rekindling inflation concerns and contributing to a global bond selloff. But the currency bloc has continued to grow and business surveys indicate expansion remains intact.