

Nearly 100 established furniture brands compete with more than 40,000 small, medium and cottage workshops across the country. The photo was taken from Khulna city yesterday.
PHOTO: HABIBUR RAHMAN

Economic gloom takes the shine off furniture industry

Manufacturers say sales down by up to 30% as households cut back on non-essentials

JAGARAN CHAKMA

Furniture sales have fallen by up to 30 percent from their pre-Covid peak, according to manufacturers, as years of stubbornly high inflation leave households with little money for non-essentials.

Political turmoil, business uncertainty, a real-estate slump and cheap imports have also dulled demand, they say, while rising costs for raw materials, labour, electricity and other inputs add to the pressure.

"Overall, the market situation is very bad," said Selim H Rahman, chairman and managing director of Hatil Furniture, a popular brand. "The usual business growth is no longer there."

The local furniture market is worth about Tk 30,000 crore, according to Invest Bangladesh. Nearly 100 established brands such as Hatil compete with more than 40,000 small, medium and cottage workshops across the country.

These unbranded makers dominate the local market, accounting for about 65 percent of sales, according to the Bangladesh Furniture Industries Owners Association (BFIOA).

Selim said the industry is now going through one of its toughest periods, with many brands selling only 70 percent to 75 percent of their previous volumes. He said growth was stronger between 2016 and 2018, when local makers were exploring opportunities overseas.

"People now simply do not have enough money in their pockets. That is the main issue," he said.

The current wave of high inflation began sharply in mid-2022. Since FY2022-23, average annual inflation has stayed above 9 percent, while wage growth has remained below it. The International Monetary Fund (IMF) projects average inflation of 10.9 percent in the current fiscal year 2026-27, and real GDP growth of 3.2 percent.



That could blunt the usual winter boost for the domestic market, when many weddings take place and families move into newly bought apartments, buying furniture to fill their homes.

Selim said manufacturers are struggling to cover costs with fewer customers. They cannot easily cut production or shut factories, however, because they still have to pay workers and meet other regular expenses.

"We have to keep the business running, even if profit margins are low. There is no other way," he added.

The recent furniture fair offered some relief, Selim commented. He said it drew a good number of visitors and helped exhibitors secure orders and bookings.

Most unbranded manufacturers, however, were largely unable to share in that boost.

Altaf Hossain, proprietor of Altaf Furniture, one of the largest unbranded showrooms on Begum Rokeya Sarani in Mirpur, Dhaka, said sales have yet to recover because customers remain reluctant to spend.

"Rising living costs have left households with little beyond their basic needs, forcing many to delay buying furniture," he said.

He said furniture prices have risen over the past three years because of higher raw material, manufacturing and transport costs, but weak demand has made it hard to raise them further.

Altaf said he spends about Tk 4 lakh a month on showroom rent, staff salaries, utility bills and other costs. Poor sales over the past three years have put his business under growing strain.

"The current business environment is not favourable at all. People have very little money left after meeting their daily needs, and they are simply not willing to spend on furniture right now," he said.

A Karim Mojumdar, managing director of Nadia Furniture Ltd, another major brand, said the slowdown has pushed furniture down households' list of priorities as they focus on essential spending.

"Furniture is something people buy when they have extra money. But people simply do not have that money now. Buying furniture has almost become a luxury," he said.

Karim, who is also general secretary of the Furniture Industries Owners Association, said businesses that once sold Tk 100 worth of furniture are now selling only about Tk 70.

Even so, manufacturers say they have little choice but to carry on and hope the market recovers.

"Business may not be as good as we expect, but we have to keep going and hope things will improve," he said.

Bangladesh must prepare for EU textile rules

MD MOHIUDDIN RUBEL

The European Union has spent four years building a regulatory architecture for sustainable textiles. It is the shift in market access Bangladesh's RMG industry has faced since the Multi-Fiber Arrangement ended. The foundation is the EU Strategy for Sustainable and Circular Textiles, adopted in 2022: by 2030, every textile on the EU market should be durable, repairable, recyclable, made from recycled fibres, free of hazardous substances, and produced with respect for social rights. The Strategy is not binding law, but binding rules built on and alongside it are already in force.

The Carbon Border Adjustment Mechanism entered its definitive phase on January 1, 2026 and does not cover textiles. The Commission's December 2025 proposal extends CBAM to roughly 180 downstream products from 2028, including fabricated metals, machinery, vehicles and appliances. Council and Parliament lists in trilogue exclude textiles, so the threat is not imminent. The Corporate Sustainability Reporting Directive and Corporate Sustainability Due Diligence Directive were narrowed by the EU Omnibus reform, in force since March 2026. CSRD now applies only to companies above 1,000 employees and €450 million turnover; CSDDD to those above 5,000 employees and €1.5 billion, with substantive duties deferred to July 2029. Far fewer EU buyers must now legally police supply chains. That relieves rather than removes pressure, since buyers in scope, and many who are not, will keep passing emissions data, supplier mapping and labour records downstream.

The Ecodesign for Sustainable Products Regulation is where urgency is greatest, though on a longer timeline than assumed. From July 19, 2026, large EU companies are banned from destroying unsold textiles and footwear; medium-sized firms follow from 2030, and small and micro enterprises are exempt. This would not touch Bangladeshi factories directly



Traceability, chemical compliance and circular design are becoming prerequisites for EU market access. Manufacturers should not wait for buyers to ask

but will tighten buyer forecasting and shrink speculative orders, since overproduction can no longer be landfilled or incinerated. The bigger story is the Digital Product Passport. Its registry went live in July 2026, but the textile-specific delegated act, defining what data a passport must carry, is expected around the end of 2027, with application at least 18 months later. Realistic compliance lands around 2029. Direction matters more than the date: fibre composition, origin and recyclability will need to be recorded in verifiable digital form, accessible via QR code. This is a production systems challenge, not a customs formality. Factories that cannot generate batch-level material data would not meet passport requirements, and buyers will ask for proof well before any legal deadline. A few years sounds comfortable. It is not, for a factory starting from zero.

The revised Waste Framework Directive, in force since October 2025, mandates extended producer responsibility schemes for textiles, rolling out in 2027-2028. Eco-modulated fees will push brands towards recyclable design, making mono-material construction and recycled content real differentiators. The Empowering Consumers for the Green Transition Directive, applying from September 27, 2026, bans unsubstantiated environmental claims, so vague "eco-friendly" language would not survive scrutiny. Existing rules are tightening too: REACH Regulation 2023/2055 restricts synthetic polymer microparticles, with reporting live from May 2026 and wider supplier reporting from 2027, and rules on microfibre shedding from polyester and nylon are in development.

The message is consistent: traceability, chemical compliance and design for circularity are becoming prerequisites for EU market access. Bangladeshi manufacturers should not wait for buyers to ask. Our industry has time to prepare. It does not have time to wait.

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Gold jumps more than 2%

REUTERS

Gold prices rose over 2 percent on Wednesday, bolstered by a weaker US dollar after Democrats seized control of both the Senate and House in US midterm elections, while investors await non-farm payrolls data for clues to the Federal Reserve's policy path.

Spot gold climbed 2.4 percent to $4,021.68 per ounce by 0718 GMT, while US gold futures for December delivery rose 2.3 percent to $4,031.20.

We've seen gold benefit from the fact that yields and the dollar have dropped, and that's because of this opinion that the gridlock that could emerge between the executive and the legislature in the US now could slow the amount of spending in the US, said Kyle Rodda, senior financial market analyst at Capital.com.

Global stocks slumped, and the dollar hit a one-month low on Wednesday as Democrats scored a decisive win in the US midterm elections, fuelling fears the Democratic sweep could disrupt the data-centre buildout that has powered the AI trade and hurt tech spending. A softer dollar makes greenback-priced bullion more affordable for buyers overseas.

Additionally, the demand for protection against a potentially more unpredictable and confrontational Trump administration looks to be providing a compelling backdrop for gold buyers, said Chris Weston, head of research at Pepperstone.

Asia hopes Democrats can provide relief from Trump's Iran war, tariffs

REUTERS, *Launceston*

Asian nations that have borne the brunt of the US-Israeli war on Iran and US President Donald Trump's trade tariffs are hopeful that Democrats will be able to temper his most harmful policies.

Democrats were on track to claim the House of Representatives and the Senate in US midterm elections, with early results from Tuesday's voting showing gains against Republicans.

While Trump will remain in office, his ability to get his way might be constrained by Democrats, who can use congressional powers to control government spending and launch investigations into Trump, his family and his allies.

The Iran conflict is the most pressing issue for Asian countries, especially importers of fossil fuels like crude oil, refined products and liquefied natural gas (LNG). The war launched by the US and Israel on February 28 has seen energy prices surge across Asia, especially for refined fuels, with Singapore gasoil - the building block for diesel - closing at a record high of $199.89 a barrel on March 30.

It has since eased to end at $164.18 a barrel on Tuesday, but this is still 80 percent higher than the $91.42 from the day before the Iran war started. Spot LNG prices for delivery to North Asia have tripled since the start of the conflict to $32.50 per million British thermal units, while Australian thermal coal at Newcastle Port, a grade popular with utilities in Japan and South Korea, has jumped 30 percent to $151.15 a metric ton.

It's not just the price increases that have spooked Asian economies; there have also been issues with securing supply, given the continent was the destination for about 80 percent of crude oil and refined fuels from the Middle East.

Australia, the world's largest importer of diesel and a close US ally, had to scramble to ensure sufficient supplies in the early months of the conflict, effectively leveraging its exports of coal and LNG to ensure buyers of these products were able to supply liquid fuels in return.

Asian energy importers will be hoping that Democrats can limit Trump's ability to continue the war against Iran, while at the same time encouraging a diplomatic end to the conflict. If Asian economies are to lower the risk of recession, then limiting energy-led inflation is seen as vital.

Asian countries, particularly US allies such as Japan, South Korea and India, will also be hoping that Democrats in Congress will be able to moderate the worst impacts of Trump's trade policies, which have seen unilateral tariffs imposed and unrealistic promises made in order to seal deals offering some relief.

There is a Trump policy that many Asian countries will be hoping continues: his administration's efforts to build supply chains outside China for critical minerals. This has seen US investment into mines and processing facilities and an increase in capital available for new projects.

Given that there is bipartisan support for many of these efforts, it's likely that Democrats would be broadly supportive of continuing to invest in minerals like rare earths, tungsten and lithium, with the caveat that they may want to launch investigations into companies with ties to Trump that have benefited from funding.



People queue up to refuel their vehicles at a gas station in Chennai on March 12, 2026. If Asian economies are to lower the risk of recession, then limiting energy-led inflation is seen as vital.
PHOTO: AFP/FILE

Toyota set for first profit rise in six quarters

REUTERS, *Tokyo*

Toyota is forecast to report its first increase in operating income in six quarters on Thursday, as a weaker yen and robust demand for its more profitable hybrid vehicles offset slumping sales in China and the Middle East. The absence of US tariff-related costs that hit earnings a year earlier will also help.

Operating profit for the world's biggest automaker in the July-September quarter is predicted to surge 18 percent to 992 billion yen ($6.3 billion), according to the median estimate of nine analysts surveyed by LSEG.

Revenue was predicted to rise 8 percent to 13.4 trillion yen. Global sales of Toyota and Lexus vehicles fell 4 percent to just over 2.5 million units during the period, hit hard by a 22 percent decline in China and a one-third drop in the Middle East.

But the Japanese automaker saw higher-margin electrified vehicle sales in North America jump more than 30 percent to almost 430,000 vehicles, although overall sales volumes in the US rose less than 1 percent.

With gasoline prices rising, there is demand for more fuel-efficient hybrids, said Yuya Takahashi, an analyst at Marusan Securities. The key is how many of those more profitable hybrids are being sold. Toyota's performance in China, the world's largest auto market, is likely to remain a key concern for investors as fierce competition from domestic brands amid a rapid shift to EVs is challenging its gasoline-powered and hybrid-heavy lineup.

The pain was visible at supplier earnings with Denso last week reporting a more than one-third drop in operating profit in Asia for the six months through September, hit by weaker vehicle sales in China and higher material costs. Investors will also be looking at Toyota's growing investments in factory automation, vehicle software and autonomous driving. Toyota has estimated it could cost 1 trillion yen annually from 2028 to modernise its factories as it steps up automation and robotics deployment.