

## Bangladesh is Back!!



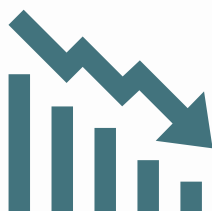
### Bangladesh begins again: The Economist

“

**Bangladesh matters; it must not be allowed to fail**

**The good news is that the economy is resilient and civil society is robust.**

”



#### Inflation eases by 1.17%

- Inflation in Bangladesh dropped to **10.49%** in August from a record **11.66%** in July, marking the largest decline since 2013.
- Food inflation fell from **14.10%** to **11.35%**.
- Wage growth rate in August increased to **7.96%**, up from **7.93%** in July.

#### Bangladesh Ensures 100% Security for Foreign Nationals

- During the meeting with Canadian High Commissioner to Bangladesh, Home Affairs Adviser assures full security for foreign nationals.
- Discussions include mutual relations and foreign national safety.



#### Tariff reduced to stabilize supply of essential commodities



- National Board of Revenue (NBR) has reduced tariff on imports of onions, potatoes, and pesticides to stabilize essential commodity supply.
- Import tax on onions has been reduced by half lowering the combined duties from **10%** to **5%**.
- Overall tax burden for potatoes has been cut from **33%** to **20%**, and for pesticides, the customs duty has been significantly reduced from **25%** to **5%**.

### Export target set at \$57.5b for FY2024-2025

- Interim Government of Bangladesh has set export earnings target at **\$57.50 billion** with **12.59%** growth for the financial year 2024-25.
- An export target of **\$50 billion** has been set for goods, having a **12.44%** growth, and **\$7.5 billion** for the service sector with a **13.64%** growth.



### Reserve increased by \$300 million in one week



- In the last week, country's foreign exchange reserve increased by **\$300 million** and net reserve exceeded **\$20 billion** as per the definition of IMF, according to Bangladesh Bank.
- BB is buying **\$50 million** dollars from the market every day to increase the reserves.

### As unrest and uncertainty eased, money began to flow back into the banks

- A large amount of cash, around **Tk70,000 crore**, was withdrawn in July during mass uprising and **Tk30,000 crore** has returned to the banking channel in a month, according to Bangladesh Bank (BB).
- Deposit insurance scheme has been doubled from **Tk1 lakh** to **Tk2 lakh** to protect depositors' interests and restore their confidence. Through this, **94.6%** of depositors' savings have been fully secured.
- Banking sector task force starts working in next ten days to assess problems of banking sector, review previous policies and make business friendly policies.
- About **Tk 20,000 crore** remaining SME loan under various schemes of BB is promised to be disbursed to strengthen the country's SME sector.



### LC margin withdrawal to stimulate trade, investment



- Bangladesh Bank has lifted letter of credit (LC) margin on all imports, except luxury items and domestically produced goods.
- Businesses can now import capital machinery, consumer goods, and industrial raw materials without needing to provide a cash margin based on their bank relationship.
- This move will increase new investment, re-investment, availability of capital equipment and overall industrial production that would bring a positive result in export growth.

### YiXin to invest \$ 7.45 million in BEPZA EZ

- YiXin Bangladesh Co. Ltd. to invest **US\$ 7.45 million** to produce **10 million pairs** of footwear materials annually, which will create employment opportunities for **1509** Bangladeshi nationals.
- Besides YiXin, **31** other companies have signed investment agreement with BEPZA worth **\$718.46 million**.



### Regime change boosts investor confidence in stock market

- Index of Dhaka Stock Exchange (DSEX) rose **500 points** from **5,229 points** on August 4 to **5,729** on September 5.
- Turnover hit **Tk 207 crore** on August 4 and stood at **Tk 674 crore** on September 5.
- Foreign investor participation in Bangladesh's capital market surged by **501%** in the first half of August, reaching **Tk404.82 crore**.
- Khondoker Rashed Maqsood, New chairmen of Bangladesh Securities and Exchange Commission (BSEC) took a raft of measures including:
  1. raising circuit breaker's lower limit from **3%** to **10%**,
  2. investigating irregularities of past 15 years,
  3. freezing beneficiary owner's accounts of some stock market bigwigs, and
  4. taking action against companies that did not declare dividends for past few years.



### USA positive about restoring Bangladesh's GSP facility

- USA has responded favorably to restoring its Generalised System of Preference (GSP) for Bangladesh.
- GSP facility regaining will help export product diversification as sectors other than RMG like fish, toys, and ceramic products will have duty-free access to USA market



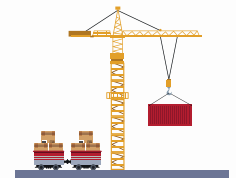
## Port



- ### Chattogram Sea Port
- Export container handling increased by **23.40%** in August compared to the previous month.
  - Export goods' container handling raised to **78,146 TEUs** in August, which was **59,854 TEUs** in July.
  - **1,14,708 lakh TEUs** of import container handled in August which was almost similar to July.

### Bhomra Land Port Opened

- To expedite export-import facilities, Bhomra Land Port in Satkhira has been opened for import of almost all products.
- Traders expect that imports through Bhomra would increase if it is fully operationalized with complete customs facilities.



- ### Benapole Land Port
- Indo-Bangladesh trade resumed by railways through Benapole Land Ports after 47 days.
  - Around **40,000 tonnes** of freight has been traded through this route.

### LFMEAB donated TK 30 lakhs to flood and relief fund

LFMEAB extended support to flood affected people by donating **TK 30 lakhs** to the Flood and Relief Fund of the Honorable Chief Advisor.