

# View from the Factory Floor

3rd Edition

Issue Date: September 25, 2024



## BANGLADESH IS BACK!!

Economy	Remittance inflow led to Forex reserves increase	<ul style="list-style-type: none"> <li>As per BPM-6 system of IMF, Bangladesh bank has about \$20 billion in reserves.</li> <li>Dollar price ranges between Tk 118-120, with less than a 1% difference between banking channel and kerb market.</li> <li>As dollar exchange rate is market-based now, forex market is expected to remain stable due to active interbank transactions.</li> </ul>
	Expatriates sent large amounts of remittances	<ul style="list-style-type: none"> <li>Bangladesh receives \$1.63 billion as remittances in 21 days of September 2024, \$300 million increase from SPLY.</li> <li>Average daily remittance inflow is \$77.8 million.</li> <li>Total remittance in September 2024 expected to surpass \$2.33 Billion.</li> </ul>
	\$800 million due paid in one month	<ul style="list-style-type: none"> <li>Bangladesh Bank has paid \$800 million in import overdue or outstanding foreign liabilities.</li> </ul>
	Bangladesh's PMI indicates improvement in general economy	<ul style="list-style-type: none"> <li>Bangladesh Purchasing Managers' Index (PMI), jointly released by Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka and Policy Exchange Bangladesh (PEB), has indicated that PMI score in August'24 increased to 43.5, which is 6.6 points higher than July'24.</li> <li>Manufacturing sector increased to 47.7, which is 13.6 point higher than July'24, with general improvements in the indexes of new orders, new exports, imports, supplier deliveries, factory output, and order backlogs compared to the previous month.</li> </ul>
International Support	Much needed relief for Bangladesh Economy	<p>Bangladesh receives commitment of support from its development partners:</p> <ul style="list-style-type: none"> <li><b>The Islamic Development Bank (IsDB):</b> \$4-5 billion for Infrastructure, climate change adaptation, and socio-economic development.</li> <li><b>World Bank:</b> \$2 billion to help the reform agenda of the interim government, \$1 billion loan for financial reforms.</li> <li><b>USAID:</b> \$202.25 million for advancing development, strengthening governance, expanding trade, and creating greater opportunities for the Bangladeshis.</li> <li><b>Asian Development Bank (ADB):</b> \$400 million as budget support.</li> <li><b>Germany:</b> €1billion (15 million in 2024) for renewable energy generation, promote knowledge exchange and cooperation with non-state actors like the private sector, research institutes, academia, and civil society.</li> </ul>

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<b>Energy and Power</b>	<b>Massive 2 tcf gas resource found in Bhola</b>	<ul style="list-style-type: none"> <li>• 2.047 tcf [1.432 tcf recoverable] in Shahbazpur and Ilisha, Bhola gas fields.</li> <li>• Initiatives taken to drill 100 gas wells for gas extraction.</li> </ul>
	<b>New 180 BCF gas reserve discovered</b>	<ul style="list-style-type: none"> <li>• 180 billion cubic feet (BCF) gas reserve has been discovered in Begumganj, Noakhali.</li> <li>• This will facilitate extraction of 10-15 MCF of gas extraction daily for next 20-25 years.</li> </ul>
<b>Stocks</b>	<b>Large-cap gains drive market rebound</b>	<ul style="list-style-type: none"> <li>• As of 18 September, Dhaka Stock Exchange's key index, DSEX, rose by 12 points to 5,694.</li> <li>• Blue-chip index DS30 gained 8 points to 2,076.</li> <li>• All-share price index CASPI gained 40 points to 16,117.</li> <li>• General index CSCX ended 25 points higher at 9,714.</li> </ul>
<b>Kitchen Market</b>	<b>Government sets egg and chicken prices</b>	<ul style="list-style-type: none"> <li>• Eggs are priced at Tk 11.87 per piece.</li> <li>• Broiler chicken is priced at Tk 179.59 per kg.</li> <li>• Sonali chicken is priced at Tk 269.64 per kg.</li> </ul>
	<b>Onion prices drop</b>	<ul style="list-style-type: none"> <li>• India removed "minimum export price" restriction at \$550 per tonne and reduced export duty to 20% from 40%.</li> <li>• In wholesale markets, onions are sold for Tk 4-5 less than previous price.</li> </ul>
	<b>Government takes food security measures</b>	<ul style="list-style-type: none"> <li>• Import of 4 lakh tonnes of wheat and 2 lakh tonnes of rice, aiming to prevent potential food shortages.</li> <li>• Government has targeted to procure 3.5 lakh tonnes of rice from international sources, 19.23 lakh tonnes from domestic sources and 7 lakh tonnes of wheat from international sources, 10,000 tonnes from domestic sources for 2024-25 fiscal year.</li> </ul>
<b>Bilateral Trade</b>	<b>100% duty-free access to China</b>	<ul style="list-style-type: none"> <li>• China has granted 100% duty-free access to Bangladeshi products from 1 December, 2024.</li> <li>• China is Bangladesh's largest trading partner, exporting over \$18.6 billion in 2022-23.</li> </ul>

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<b>Bilateral Trade</b>	<p><b>Chinese company to establish Garment Accessories Industry in Cumilla EPZ</b></p>	<ul style="list-style-type: none"> <li>• Tianhui Button will invest US\$4 million annually to produce 700 million buttons.</li> <li>• This is expected to create employment of 139 Bangladeshi personnel.</li> <li>• Chinese Ambassador to Bangladesh H.E. Yao Wen reported that five Chinese companies have invested \$8 million in Bangladesh in August 2024.</li> </ul>
	<p><b>China-Bangladesh direct shipping route launched</b></p>	<ul style="list-style-type: none"> <li>• First ship on new route arrives at Chattogram Port with 552 containers, marking a significant trade relationship milestone.</li> <li>• Expected to return to China with 400-500 export containers.</li> <li>• Reduces shipping time from 20-25 days to 9 days only.</li> </ul>
	<p><b>Deltaport to invest \$36 million in EPZ</b></p>	<ul style="list-style-type: none"> <li>• \$36 million investment in EPZ</li> <li>• Target to produce 20 million protective clothes annually.</li> <li>• Factory to create employment for 5980 Bangladeshi nationals.</li> </ul>
<b>Port</b>	<p><b>Nagarbari port</b></p>	<ul style="list-style-type: none"> <li>• Operation at Nagarbari port on Jamuna River in Bera upazila, Pabna begins which facilitates transport of imported goods from Chattogram seaport to northern, northwestern, and southern districts.</li> <li>• 300 meter RCC jetty moored for offloading fertiliser, coal, clinker, stones, cement, and food grains.</li> <li>• The port will play a crucial role in benefiting the industrial hubs in northern districts like Bogura.</li> </ul>
	<p><b>NBR orders round-clock operation</b></p>	<ul style="list-style-type: none"> <li>• Orders all customs houses to operate 24/7 for supply chain smoothness.</li> <li>• Allows goods consignments to be cleared outside regular hours with NBR approval.</li> <li>• Digital documentation, website updates, and regular meetings with relevant stakeholder are underway to ensure better service.</li> </ul>

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<b>Port</b>	<b>Completed new Cargo Terminal at Benapole Port</b>	<ul style="list-style-type: none"><li>• New cargo terminal at Benapole land port is set to operate in October, costing over Tk300 crore.</li><li>• Terminal will accommodate 1,200 to 1,500 cargo trucks and improve trade efficiency.</li><li>• Have improved amenities like parking, cargo and utility buildings, fire stations, and advanced scanning and surveillance systems.</li></ul>
	<b>New Jetty allocation at Chattogram Port</b>	<ul style="list-style-type: none"><li>• Allocation of additional jetty for handling containerized goods bound for Pangaon.</li><li>• This will double port's capacity for container handling on the Chattogram-Pangaon route.</li><li>• Revokes previous Ministry of Shipping notification reducing higher fare rates for vessels on the Chattogram-Pangaon-Chattogram route.</li></ul>

**Source: Leading national dailies of Bangladesh**

**Prepared by: Knowledge and Resource Center, Leathergoods And Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB)**