

BANGLADESH IS BACK!!

Economy and Remittance	Current account surplus	<ul style="list-style-type: none"> July-August period of FY'25 shows surplus of \$111 million, due to robust remittance inflow. Last surplus was recorded during July-February of FY'21.
	Exports grow 5.04% in first quarter of FY'25	<ul style="list-style-type: none"> In the first quarter of FY'25 (July-September, 2024), exports increased to \$11.37 billion; 5.04% increase over SPLY. Earnings reached \$3.51 billion in September; 6.78% increase over SPLY. Leather, leather goods and leather footwear export reached \$283.39 million, 11.16% increase over same quarter last year.
	In September, PMI improves to 49.7	<ul style="list-style-type: none"> PMI improved for the second consecutive month from 43.5 to 49.7, marking expansion of economic activity. Manufacturing sector PMI increased to 52.6 which was 47.7 in August. Agriculture PMI improved to 47 which was 38.7 in August.
	Remittances inflow surged through formal banking channels	<ul style="list-style-type: none"> Bangladesh received \$2.40 billion of remittance in September; 8.12% increase from August. In July-September quarter of FY'25, Bangladesh Bank received \$6.54 billion in remittance; 33.3% increase from SPLY. In the first 5 days of October 2024, \$425 million remittance has been received. Expats are shifting to formal banking channels, resulting in remittance inflows. Remittances stabilized the dollar market, maintaining the exchange rate of Tk 120.
Inflation control	Policy rate hiked to control inflation	<ul style="list-style-type: none"> In the last week of September, Bangladesh Bank hiked the policy or repo rate to 9.50% to regulate inflation. These policy measures will ensure macroeconomic stability by stabilizing balance of payments, exchange rate and reduction of inflation.
	In September, inflation drops to 9.92%	<ul style="list-style-type: none"> Inflation dropped from 10.49% in August to 9.92% in September. Food inflation decreased from 11.35% to 10.4%. Non-food inflation decreased from 9.74% to 9.5%.

View from the Factory Floor

4th Edition

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Bilateral Trade and Support from International institutions	Bangladesh eliminates 100% physical inspection of Pakistani imported goods	<ul style="list-style-type: none"> • Mandatory physical inspection of goods imported from Pakistan has been removed as part of ease of doing business. • New procedure involves risk assessment-based physical examination of Pakistani goods. • List of goods imported from Pakistan includes raw hides and skins, tanning or dyeing extracts, among others.
	\$3.5B reform support from World Bank	<ul style="list-style-type: none"> • At least \$2 billion would be provided as fresh lending while another \$1.5 billion repurposed from the existing programs. • WB would support reforms in digitization, liquidity, energy, power, and transport sectors.
	Budget Support from AIIB	<ul style="list-style-type: none"> • Asian Infrastructure Investment Bank (AIIB) will provide \$700 million in the current fiscal year to support Bangladesh's budget. • \$300 million for climate change and environment reform programs. • \$400 million for natural disaster management emergency support.
	JICA plans to train 1,000 IT engineers	<ul style="list-style-type: none"> • Japan International Cooperation Agency (JICA) to train 1,000 IT Engineers. • This program is expected to expand job opportunities in ICT sector, increase investment, and reform public administration.
Kitchen Market	Rice production increases	<ul style="list-style-type: none"> • Farmers harvested 4.06 crore tonnes of rice in FY'24; a 4.1% YoY increase, marking the highest growth in six years. • Agricultural economists are expecting 1.55-1.60 crore tonnes output of Aman rice (one of the major varieties) this year. • Local farmers are transitioning to high-yielding and hybrid varieties, ensuring better harvest, which attributed to the growth.
	Government launched Open Market Sale	<ul style="list-style-type: none"> • Government to start selling vegetables under Open Market Sale (OMS) in Dhaka. • Green vegetables sold at least 20-30% less than market price. • At least 20 sales locations are set for the next two weeks. • Success of the pilot project could increase selling points and number of days.
Capital Market	Foreign investors returning to stock market	<ul style="list-style-type: none"> • Foreign investors show renewed interest in buying shares of listed companies in Bangladesh. • Net portfolio investment of foreign investors increased to \$49 million in FY'25, which was \$3 million in SPLY. • UCB Stock Brokerage reported increased buying orders from foreign investors, mainly for well-performing stocks with lucrative prices, since July.

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Capital Market	Stock Market Rebounded	<ul style="list-style-type: none">• As of 10th October, DSEX increased by 98.84 points, and closed at 5,422 points.• DS30 index in blue-chip segment increased by 45.78 points, and closed at 1,984 points.• CASPI, key index of Chittagong Stock Exchange, added 173.61 points, and closed at 15,135 points.• Non-bank financial institutions (NBFIs) sector saw the highest gain of 7.12%.
	Power and Energy	<ul style="list-style-type: none">• Bangladesh, Nepal, and India signed a tripartite agreement for electricity import.• Each unit of electricity from Nepal costs Tk 8.50.
Port	Government to Purchase LNG and Fertilizer	<ul style="list-style-type: none">• Government of Bangladesh plans to purchase 33,000 tonnes of liquified natural gas (LNG) for Tk 657 crore.• Government has already bought two consignments of LNG earlier this month.• Government approved the purchase of 60,000 tonnes of Urea fertiliser and 30,000 tonnes of TSP fertiliser.
	Enhanced transparency in cargo transportation	<ul style="list-style-type: none">• Installed monitors in cargo export section for real-time booking information.• Launched a dedicated cargo call center for prompt assistance from 9:00 am to 5:00 pm, to provide timely information and support to exporters.
	Equipment of Tk 1,000 cr to boost GSE fleet for HSIA	<ul style="list-style-type: none">• Biman Bangladesh Airlines is enhancing its Ground Service Equipment (GSE) fleet at Hazrat Shahjalal International Airport's third terminal.• 6 new belt loaders, imported from France, have been added to the GSE fleet, which is a part of a broader strategy to improve ground-handling capabilities.• Equipped with modern sensors, these loaders will be utilised for loading and unloading cargoes and baggage on small and medium-sized aircraft and are expected to enhance aircraft safety.

Source: Leading national dailies of Bangladesh

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