

View from the Factory Floor

6th Edition

Issue date: November 19, 2024



Macroeconomic Stability	Economic activities grew in October	<ul style="list-style-type: none"> PMI rises to 55.7 in October, making 6-point increase from the previous month, which signals a shift back to expansion in the policy. Manufacturing sector shows accelerated growth across key metrics, including new orders, factory output, and input purchases.
	20.6% export growth in October	<ul style="list-style-type: none"> Export earnings reached \$4.13 billion in October FY'25, 20.6% increase from SPLY. Leather and leather goods exports were \$83.2 million in October, 1% decrease from SPLY. Strong growth in other footwear exports to \$42.91 million in October, 41% increase from \$30.46 million in SPLY.
	Remittance surged in 3 months	<ul style="list-style-type: none"> Bangladesh receives over \$7 billion in expatriate remittances in the last 3 months. Remittance inflows to Bangladesh reached \$2.39 billion in October, 21.32% increase from SPLY. In the first 16 days of November, total remittances reached \$1.26 billion.
	TK 90,000 crore returned to bank	<ul style="list-style-type: none"> Cash outside banking system decreased from Tk 2.92 lakh crore to Tk 2.83 lakh crore. Deposit growth in banks increased by 7.26% to reach Tk 17.41 lakh crore. Renewed trust and regulatory reforms by the central bank have encouraged depositors to return funds.
	Govt plans to significantly boost national revenue in next 2 fiscal years	<ul style="list-style-type: none"> Revenue target has been set to Tk 6,15,500 crore and Tk 6,95,100 in FY'26 and FY'27 respectively. 15.2% increase from NBR, followed by 5.5% increase from other sources, amounted to Tk 6,15,500 crores in FY'26. 14.1% increase from NBR, followed by 5.3% increase from other sources, amounted to Tk 6,31,100 crore in FY'27.
Ease of doing business	5% VAT withdrawn in equipment transfer	<ul style="list-style-type: none"> National Board of Revenue (NBR) has withdrawn 5% VAT for companies with bond licenses to transfer imported equipment. This is expected to reduce costs in equipment transfer and improve business efficiency in future.
	NBR plans automated customs bonded warehouse services	<ul style="list-style-type: none"> NBR plans to implement a fully automated system for customs bonded warehouse services. The system includes automated issuance of Utility Permission (UP) and Utility Declaration (UD) for garment exporters. The initiative is expected to streamline the process to ensure transparency and ease of doing business.
	Bangladesh commits to Labor Law amendment	<ul style="list-style-type: none"> At ILO's 352nd session in Geneva, Bangladesh pledged to align labor law with international standards by March 2025. Tripartite committee working on potential amendments, including easing trade union rules and documentation requirements.

View from the Factory Floor

6th Edition

Issue date: November 19, 2024



Trade Facilitation	Bangladesh and Japan agreed to sign EPA	<ul style="list-style-type: none"> • Bangladesh and Japan to sign Economic Partnership Agreement (EPA) by 2025 or early 2026. • EPA will ensure duty-free market access for Bangladeshi products to Japanese market after LDC graduation. • EPA is expected to enhance trade and investment relations between Bangladesh and Japan.
	First direct cargo vessel from Karachi	<ul style="list-style-type: none"> • Cargo vessel from Karachi arrives at Chattogram Port, carrying diverse goods in 370 TEUs, marks the first-ever direct maritime link between Pakistan and Bangladesh. • Initiative will accelerate existing trade flows and promote new business opportunities. • The vessel arrived at Chattogram Port from Dubai via Karachi on 11 November.
	New Cross-border E-Commerce Policy drafted	<ul style="list-style-type: none"> • Cross-Border Digital Commerce Policy 2024 has been drafted to integrate Bangladesh economy with the global digital marketplace. • Policies will be simplified for cottage, micro, small, and medium enterprises (CMSMEs) to facilitate the export of small parcels through digital commerce. • A central coordination committee will be formed to facilitate cross-border payments for imports and exports. • Digital commerce-based export opportunities will be provided through LC or contracts made between importer and exporter. • Policy support will be provided to establish necessary processing centres and warehouses, and for drop-shipping.
Power and energy	World Bank will aid Bangladesh in Global Energy Security	<ul style="list-style-type: none"> • Support global suppliers and payment assurance to source energy from global suppliers. • Will help managing outstanding payments.
Kitchen Market	Govt approves bulk imports of rice, wheat, sugar	<ul style="list-style-type: none"> • Government has approved 50,000 tonnes of rice and wheat respectively to be imported. • Trading Corporation of Bangladesh (TCB) will procure 5,000 tonnes of sugar.
	TCB plans to sell subsidized food through smart cards	<ul style="list-style-type: none"> • TCB plans to start selling essential food commodities at subsidized rates to one crore families in January 2025 through smart cards. • 57 lakh smart cards have been prepared and provided to the beneficiaries.
Port	Increased container handling in October	<ul style="list-style-type: none"> • At Chattogram port, import cargo container handling increased by 2.34% in October 2024. • 66,932 export TEUs were handled.

View from the Factory Floor

6th Edition

Issue date: November 19, 2024



Port	Vehicle entry in Ctg Port will take only 2 minutes	<ul style="list-style-type: none">• Chattogram Port to implement digital gate fee payment system by late November to reduce traffic congestion and expedite port operations.• Current entry fee is Tk 57.50 and manual process takes 15-20 minutes.• Drivers can pre-pay via mobile banking, allowing entry within 1-2 minutes.• Aims to enhance transparency and fairness for around 8,000 daily cargo vehicles.• Despite operational delays, CPA expects 100% efficiency by end of the month.
	BWTCC is now allocating serials to lighter vessels	<ul style="list-style-type: none">• A single serial system for lighter vessels has been reintroduced by Bangladesh Water Transport Coordination Cell (BWTCC) to transport imported cargo through inland water routes to restore discipline in cargo transport.• The Cell announced a new freight chart reducing it by 4-5% from previous rates for vessels from Chattogram port's outer anchorage to over 37 destinations across the country.• Base freight for transporting cargo from Chattogram port to Dhaka, Narayanganj, and adjoining destinations has been fixed at Tk 550 per tonne.

Source: Leading national dailies of Bangladesh

Prepared by: Knowledge and Resource Center, Leathergoods And Footwear Manufacturers & Exporters

Association of Bangladesh (LFMEAB)