

## Inflation among key challenges: MCCI

**Chamber spotlights low remittance, slow vaccination, any new Covid wave among challenges against economic rebound**

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Unrelenting inflation amid price rises is among some headwinds elite chamber MCCI spotlights as key challenges facing the Bangladesh economy while bouncing back from the pandemic-induced slump.

Apart from the rising inflation, the business body listed a reduction in remittances, slow rollout of the corona vaccination and any new wave of the Covid-19 pandemic as the challenges on the economic front of the nation, which is just certified by the UN as graduated from LDC status.

"Despite recent recovery trend in the economy, there are emerging challenges to be faced due to recent price rise of essential commodities, decreasing remittances, any new covid wave and slow vaccine rollout," reads its latest economic-review report.

The Metropolitan Chamber of Commerce and Industry, Dhaka released Thursday its economic review prepared for the past quarter (FY22, Q1).

To MCCI, some of the economic indicators appear to be less promising than projected earlier when the economy had been showing some signs of recovery since its reopening from corona-created deadlock.

"The fiscal framework continues to be weak in view of poor achievements on some fiscal fronts, more specifically, both in terms of revenue mobilisation and public expenditure," it says in the reappraisal.

Unemployment and investment both remained challenging in view of the premier chamber body.

MCCI suggests that a significant increase in public and private investment is necessary to maintain competitiveness and generate further growth.

The Dhaka-based chamber noted that Bangladesh, like many other countries of the world, was struggling with the number of infections and a fear of new covid-19 wave during the quarter under review.

"Reduction in coronavirus incidence gradually made majority businesses hopeful about the recovery of the economy," it further noted on the upside of the situation.

The stimulus packages comfort the business groups, from large farms to petty micro-enterprises, which eventually helped the economy to get a boost again.

"Exports and imports are two important drivers of the economy, and amid the covid-19 pandemic, both the areas have done well."

The inflow of remittances in the July-September period of FY22 decreased significantly by 19.45 per cent to US\$5.41 billion from US\$6.71 billion in the corresponding months of the previous fiscal year.

MCCI says this decline in remittances is a reflection of the second wave of covid-19 pandemic situation when many Bangladeshi migrants lost their jobs, some migrants were laid off by their companies.

"Many others returned home and couldn't go back due to suspended international flights and unmet vaccination requirements," the chamber organisation commented.

Lauding robust export receipts, it said such earnings contributed to the economic recovery. The country's trade deficit widened over threefold in Q1 of FY22 for higher import-payment pressure, casting its cascading impacts on the economy.

Trade imbalance, that is, difference between the imports and exports with the rest of the world spiked by \$4.46 billion to \$6.50 billion during the July-September period.

Current-account deficit deteriorated further in the period under review following higher import payments and lower inflow of remittances.

But the financial account, another component of the balance of payments (BoP), remained surplus following higher inflows of medium-and long-term loans as well as aid flows, the MCCI said, quoting central bank data.

However, overall BoP posted a negative balance of \$810 million in the first three months of the current fiscal year against a positive balance of \$3.10 billion in the corresponding quarter of the previous fiscal year.

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## MCCI projects \$4.95b export in Dec

**It also predicts \$7.05b import**

FE REPORT | November 26, 2021 00:00:00

The Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka has projected that some economic indicators of the country might see an upward trend next month.

The country's export earnings, which are expected to be US\$ 4.83 billion for this month (November), would stand at \$4.95 billion in December, according to the MCCI.

Besides, the import value would also increase to \$7.04 billion, and it might cross \$7.05 billion in December.

The country's premier trade-body made the projections in its Review of Economic Situation in Bangladesh for July-September period of 2021 (Q1 of FY 22).

Besides, the volume of inward remittance might stand at or even cross \$1.65 billion next month, the MCCI projected.

The trade organization also projected the rate of point-to-point inflation to be 5.50 per cent at the end of this month.

The inflation would come down to 5.40 per cent at the end December, it added.

On the other hand, the country's foreign exchange reserve might reach \$46.58 billion at the end of next month, according to the MCCI.

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## **Price hike of essentials, falling remittance are emerging challenges: MCCI**

Star Business Report

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Brick kiln workers are passing busy times with the advent of winter, when dry weather allows using moulds and coal and wood-fired furnaces out in the open, enabling greater production. Working at a stretch from 7:00am to 2:00pm leads to pay ranging from Tk 800 to Tk 1,000. The photo was taken at Ichladi area of Uzirpur upazila of Barishal last week. Photo: Titu Das

A recent price rise of essential commodities, decreasing remittances, threat of a new coronavirus wave, and slow vaccine rollout are among the emerging challenges facing the economy of Bangladesh, said the Metropolitan Chamber of Commerce and Industry (MCCI) in Dhaka yesterday.

This was highlighted in an MCCI review of the economic situation for the July-September period.

The chamber said Bangladesh, like many other countries, was struggling because of the higher number of infections and a fear of a new Covid-19 wave during the quarter under review.

However, a reduction in coronavirus infections made a majority of businesses hopeful about the recovery of the economy, it said.

The economy showed some signs of recovery in the first quarter of the current fiscal year. The stimulus packages provided comfort to the business groups, from large firms to microenterprises, which eventually gave a boost to the economy.

Both exports and imports, the two important drivers of the economy, have done well, with the steady rise in overseas sales facilitating the economic recovery in recent times, according to the review.

Export earnings in the July-September period rose 11.37 per cent year-on-year to \$11.02 billion, helped by a rebound in garment shipment.

Import payments stood at \$18.72 billion, which was 47.55 per cent higher than in the same period a year ago, thanks to the restoration of business and economic activities in the country's major export destinations due to vaccination drives.

The rate of inflation increased in the quarter, largely due to the global supply chain disruptions and a hike in commodity prices in the international markets.

The inflow of remittances went down by 19.45 per cent to \$5.41 billion in the quarter.

"This decline in remittances is a reflection of the second wave when many Bangladeshi migrant workers lost jobs. Besides, many others returned home and couldn't go back due to the suspended international flights and unmet vaccination requirements," said the MCCI.

The review says the foreign currency reserve is in a satisfactory position, and the exchange rate has remained stable.

On the other side, some of the economic indicators appear to be less promising than projected earlier, said the MCCI.

"The fiscal framework continues to be weak in view of poor achievements, more specifically, both in terms of revenue mobilisation and public expenditure."

The unemployment situation and low investment are also challenges.

"A significant increase in public and private investment is necessary to maintain competitiveness and generate further growth," the chamber added.

**[www.newagebd.net](http://www.newagebd.net) / 26 November 2021**

**COVID RECOVERY**

**Commodity price hike, remittance inflow fall pose challenges: MCCI**

A hike in the prices of essential commodities, a fall in remittance inflow and a slow vaccine rollout have posed challenges to the country's recovery from the Covid economic crisis, according to a quarterly economic review of the Metropolitan Chamber of Commerce and Industry, Dhaka.

Like many other countries of the world, Bangladesh is also struggling with the number of infections of the new COVID wave during the first quarter of the ongoing fiscal year (2021-22) while the majority of businesses have gradually become hopeful about the economic recovery.

According to the quarterly review on the economic situation of the country, the point-to-point inflation over the period rose to 5.59 per cent in September 2021 from 5.54 per cent in September 2020.

The inflow of remittance in July-September of the ongoing fiscal year decreased by 19.45 per cent to \$5.41 billion from \$6.71 billion in the corresponding period of the previous fiscal year.

Both food and non-food inflation rates increased in the period while year-on-year, food inflation was higher at 6.50 per cent and non-food price inflation was lower at 5.12 per cent, according to the quarterly review.

However, the industrial sectors registered a growth of 6.12 per cent in FY21, which was 3.25 per cent in FY20. Besides, the share of the industry sector in GDP increased slightly by 0.21 percentage points to 34.99 per cent in FY21 from 34.78 per cent in FY20.

The manufacturing sub-sector registered a growth of 5.77 per cent in FY21 compared with the previous fiscal year's 1.80 per cent. Within manufacturing, the large- and medium-scale industries sub-sector performed comparatively better than in the previous fiscal, growing at 6.56 per cent in FY21, compared with 1.39 per cent in FY20.

The small-scale manufacturing industries grew at a very lower rate at 1.73 per cent in FY21 against 3.96 per cent in FY20.

The service sector, however, recorded a higher growth of 5.61 per cent in FY21, compared with 4.16 per cent in the previous fiscal year. Also the share of the services sector in GDP increased to 51.53 per cent in FY21 from 51.48 per cent in FY20.

Domestic agricultural production for the first quarter of the current fiscal year witnessed a lower rate of growth of 3.45 per cent compared with 4.59 per cent in FY20.

Export earnings in the period of FY22 increased by 11.37 per cent to \$11.02 billion from \$9.90 billion in the corresponding months of the previous fiscal year.

The import payments in the last three months of the ongoing fiscal increased year-on-year by 21.59 per cent, 72.96 per cent and 50.35 per cent respectively.

The tax revenue collection by the National Board of Revenue year-on-year grew by 16.72 per cent in the period.

The gross inflow of FDI during the period under review also increased year-on-year by 9.01 per cent to \$847 million from \$777 million. FDI inflow in Bangladesh is low compared with that in many countries at similar levels of development.

The power supply situation improved in the quarter under review but the demand for power shot up too.

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## Poor revenue mobilisation, public expenditure weaken economic recovery: MCCI

BI Report || BusinessInsider

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MCCI logo

Despite the recovery trend in Bangladesh's economy following a gradual reduction in coronavirus incidence, its fiscal framework continues to be weak in view of poor achievements in revenue mobilisation and public expenditure, according to a recent report by the Metropolitan Chamber of Commerce and Industry, Dhaka.

The review report, titled 'Review of Economic Situation in Bangladesh', compiled Q1 of the fiscal year 2021-22 (July - September) data of all major economic indicators in Bangladesh.

The review also pointed out emerging challenges for the country and provided recommendations to overcome them.

The country's economy faces emerging challenges due to the recent price rise of essential commodities, decreasing remittances, any new Covid wave, and slow vaccine rollout, the report said.

Nevertheless, the economy has been showing some signs of recovery in Q1 of FY22, which needs a significant increase in public and private investment to maintain competitiveness and generate further growth.

Among the major economic indicators reviewed in the report, industry, service, revenue, public finance, export, foreign aid, foreign direct investment, and foreign exchange reserves grew in this period compared to the corresponding months of the previous year.

On the other hand, growth in agriculture, capital market, remittance and Balance of Payment (BOP) shrank during this period.

Bangladesh, like many other countries of the world, was struggling with the number of infections and a fear of new Covid-19 wave during the quarter under review, the report said.

The stimulus packages comfort the business groups, from large farms to petty micro-enterprises, which eventually helped the economy to boost again.

Exports and imports are two important drivers of the economy, and amid the Covid-19 pandemic, both areas have done well. Robust export earnings have facilitated economic recovery in recent times. The rate of inflation is also increased in the quarter under review.

However, the inward remittances decreased despite a stable exchange rate and satisfactory foreign currency reserve.

Additionally, some of the economic indicators appear to be less promising than projected earlier. The unemployment situation and low investment are also challenges.

[www.tbsnews.net](http://www.tbsnews.net) / 26 November 2021

## Price hike, falling remittance, slow vaccination challenge economic recovery: MCCI



Representational Image.

Photo: Collected.

**A gradual fall in coronavirus cases has made a majority of businesses hopeful about a quick economic recovery, but the recovery trend has to face some fresh challenges in the wake of recent spikes in prices of essential commodities, decreasing remittance inflows, and sluggish vaccination rollout, observes the Metropolitan Chamber of Commerce and Industry (MCCI).**

In its review of Bangladesh's economic situation in the first quarter of FY22 released on Thursday, the trade body mentions that even though Bangladesh, like many other countries, was struggling with the number of infections and a fear of the new Covid-19 wave during the first quarter of the current fiscal year, the economy showed some signs of recovery.

"The stimulus packages gave comfort to business groups, from large farms to petty micro-enterprises, which eventually helped the economy get back some vivacity."

Exports and imports are two important drivers of the economy, and Bangladesh have done well in both the areas amid the pandemic, the MCCI mentions, adding robust export earnings have facilitated economic recovery in recent times.

The reserves of foreign exchanges are in a satisfactory position and the exchange rate has long remained stable, says the MCCI.

The inflation rate also increased in the quarter under review, it adds.

On the other hand, some of the economic indicators appear to be less promising than what was projected earlier, the MCCI quarterly review says, adding the fiscal framework continues to be weak in view of poor achievements, more specifically, both in terms of revenue mobilisation and public expenditure.

Inward remittance inflows have dropped, which has multiplier effects on other economic sectors, even more so small and medium industries.

The unemployment situation and low investment are also challenges. A significant increase in public and private investment is necessary to maintain competitiveness and generate further growth, the MCCI concludes.

[www.businesspostbd.com](http://www.businesspostbd.com) / 26 November 2021

## Rising prices of essentials, raw materials challenge for economic recovery

Staff Correspondent

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**The recent rise of essential commodity prices and industrial raw materials, declining remittance inflows and slow vaccine rollout would be emerging challenges in the way of recovery from the economic fallout of the Covid-19 pandemic, says MCCI.**

However, reducing coronavirus incidence gradually made the majority of businesses hopeful about the recovery of the economy, it said.



“Despite the recovery trend in the economy, there are emerging challenges to be faced due to recent price rise of essential commodities, decreasing remittances, any new wave of Covid, and slow vaccine rollout,” said the Metropolitan Chamber of Commerce and Industry (MCCI) in its Review of Economic Situation in Bangladesh for July-September 2021.

The report said Bangladesh’s economy has been showing some signs of recovery in Q1 of FY22 as stimulus packages from the government comforted the business groups, from large farms to petty micro-enterprises, which eventually helped the economy to boost again.

“Exports and imports are two important drivers of the economy, and amid the Covid-19 pandemic, both the areas have done well. Robust export earnings have facilitated economic recovery in recent time. The rate of inflation is also increased in the quarter under review,” the report found.

The inward remittances however decreased, which has multiplier effects on other economic sectors, especially the small and medium industries.

The inflow of remittance in July-September of FY22 decreased significantly by 19.45 per cent to \$5.41 billion from \$6.71 billion in the corresponding months of the previous fiscal year, as many Bangladeshi migrants lost their jobs, some migrants were laid off by their companies during the second wave of Covid-19 pandemic.

“In the last month of the quarter (September 2021), year-on-year, remittances dropped further by 19.76 per cent to US\$1.73 billion from US\$2.15 billion. Also, September’s remittances decreased month-on-month by 4.42 per cent from US\$1.81 billion (August 2021). According to experts, the higher gap in the exchange rate of the US dollar against the local currency between formal banking channel and kerb market has encouraged illegal ‘hundi’ activities in recent months,” the report mentioned.

It said the country’s foreign currency reserve remains at a satisfactory position and the exchange rate has long remained stable.

On the other hand, the report found that some of the economic indicators appear to be less promising than projected earlier.

“The fiscal framework continues to be weak given poor achievements, more specifically, both in terms of revenue mobilization and public expenditure,” it said.

The report also noted that the surging prices of building materials have been threatening the construction sector, with rod prices hitting a record high, as the economy is crawling back to normalcy amid the coronavirus pandemic.

“People are struggling to continue construction. An analysis showed that rod prices have shot up by around 38 per cent in the last 10 months. The rates of increase in the prices of brick, sand, stone, cement, glass, aluminum, pipe, indoor fittings and other materials during this period are between 10-20 per cent,” it said.

“Despite the tremendous potential of the construction and the real estate sector, factors like land value distortion, and absence of secondary property market, asset securitization and sale of mortgages, and backward linkage industries such as cement, ceramic, brick manufacturing, etc. adversely affected its development,” it added.

The report also mentioned that the unemployment situation and low investment also remain a challenge for Bangladesh. It also suggested a significant increase in public and private investment is necessary to maintain competitiveness and generate further growth.

[www.samakal.com](http://www.samakal.com) / 26 November 2021

## অর্থনৈতিক পুনরুদ্ধারের লক্ষণ থাকলেও আছে নতুন চ্যালেঞ্জ

সমকাল প্রতিবেদক

প্রকাশ: ২৬ নভেম্বর ২১ | ০০:০০

অর্থবছরের প্রথম  
প্রান্তিক নিয়ে  
এমসিসিআইর  
প্রতিবেদন

বিশ্বের অনেক দেশের মতো বাংলাদেশকেও করোনাভাইরাস নিয়ে কঠিন পরিস্থিতির মোকাবিলা করতে হয়েছে। করোনার নতুন ঢেউ নিয়েও শঙ্কা আছে। তবে ভাইরাসের সংক্রমণ কমে আসায় অর্থনীতির পুনরুদ্ধার নিয়ে বেশিরভাগ ব্যবসায়ী আশাবাদী হয়ে উঠেছেন। কিন্তু অর্থনৈতিক পুনরুদ্ধারের প্রবণতা সত্ত্বেও সাম্প্রতিক সময়ে নিত্যপণ্যের দামবৃদ্ধি, রেমিট্যান্স কমে যাওয়া, করোনার নতুন ঢেউয়ের আশঙ্কা এবং টিকাদানের ধীরগতির কারণে নতুন চ্যালেঞ্জ মোকাবিলা করতে হবে। হচলতি ২০২১-২২ অর্থবছরের প্রথম প্রান্তিকের (জুলাই-সেপ্টেম্বর) অর্থনৈতিক অবস্থার ওপর মেট্রোপলিটন চেম্বার অব কমার্স অ্যান্ড ইন্ডাস্ট্রি (এমসিসিআই) ঢাকার এক পর্যালোচনা প্রতিবেদনে এসব কথা বলা হয়েছে। গতকাল বৃহস্পতিবার প্রতিবেদনটি প্রকাশ করেছে এমসিসিআই। প্রতিবেদনে বলা হয়েছে, চলতি অর্থবছরের প্রথম প্রান্তিকে দেশে অর্থনৈতিক পুনরুদ্ধারের বেশকিছু লক্ষণ রয়েছে। পুনরুদ্ধার প্যাকেজ বড় থেকে অতিক্ষুদ্র সব ব্যবসায়ী প্রতিষ্ঠানকেই স্বস্তি দিয়েছে। দেশের অর্থনীতিকে ঘুরে দাঁড়াতেও সাহায্য করেছে এটি। হএতে বলা হয়, রপ্তানি ও আমদানি ভালো অবস্থায় রয়েছে। সাম্প্রতিক সময়ে রপ্তানি আয়ে তেজিভাব অর্থনীতির

পুনরুদ্ধারে সহায়তা করেছে। বৈদেশিক মুদ্রার রিজার্ভ সন্তোষজনক পর্যায়ে আছে এবং অনেকদিন ধরে মুদ্রার বিনিময় হারও স্থিতিশীল ছিল। তবে প্রথম প্রান্তিকে মূল্যস্ফীতি বেড়েছে। রেমিট্যান্স আসা কমেছে। গত জুলাই-সেপ্টেম্বরে রেমিট্যান্স প্রবাহ আগের বছরের একই সময়ের তুলনায় ১৯ শতাংশ কমে গেছে। এটি করোনার দ্বিতীয় ঢেউয়ে প্রবাসী বাংলাদেশিদের চাকরি হারানোর প্রতিফলন। দেশের অর্থনীতিতে রেমিট্যান্স গুরুত্বপূর্ণ। কারণ অর্থনীতির অন্যান্য খাতেও এর প্রভাব থাকে, বিশেষত ক্ষুদ্র ও মাঝারি শিল্পে। অন্যান্যদিকে অর্থনীতির কিছু সূচক যতটা ভালো হবে বলে মনে করা হয়েছিল তেমনটি হয়নি বলে মত দেওয়া হয়েছে প্রতিবেদনে। এতে বলা হয়, রাজস্ব খাতের দুর্বল অবস্থা অব্যাহত আছে। বিশেষ করে, রাজস্ব আদায় ও সরকারি ব্যয়ের ক্ষেত্রে। বেকারত্ব এবং কম বিনিয়োগও অর্থনীতির জন্য চ্যালেঞ্জ। অর্থনীতিতে প্রতিযোগিতা সক্ষমতা ধরে রাখা এবং প্রবৃদ্ধিকে এগিয়ে নিতে সরকারি ও বেসরকারি খাতে বিনিয়োগের হার ব্যাপকভাবে বাড়ানো দরকার বলে মনে করছে এমসিসিআই।

সংগঠনটি বলছে, কভিড-১৯ মহামারীর ধাক্কা কাটিয়ে উঠছে বাংলাদেশের অর্থনীতি। সরকারের সমন্বয়যোগী ও কার্যকরী পদক্ষেপ এবং প্রণোদনা প্যাকেজ বাস্তবায়ন এক্ষেত্রে বড় ভূমিকা পালন করেছে। দেশে করোনা মহামারী শুরুর পর বিভিন্ন পর্যায়ে লকডাউনের কারণে দেশের প্রবৃদ্ধির গতিপথ বাধাগ্রস্ত হয়। এতে যে ক্ষতি হয়েছে তা কাটিয়ে ওঠার সময় অনিশ্চিত। তবে গণটিকাদানের ওপর বিশ্ব অর্থনীতিও নির্ভর করেছে। গণটিকাদানের কার্যক্রম বাধাগ্রস্ত হলে অর্থনৈতিক পুনরুদ্ধার কঠিন হয়ে পড়বে।

পর্যালোচনায় বলা হয়েছে, গত অর্থবছরের চতুর্থ প্রান্তিকে অর্থনৈতিক পুনরুদ্ধারের জন্য বিভিন্ন ব্যবসায়িক গ্রুপ প্রণোদনা প্যাকেজের কারণে উদ্দীপ্ত হয়েছে। ক্ষুদ্র উদ্যোগেরা এতে সহজেই ক্ষতি কাটিয়ে উঠতে পারবেন। রফতানি ও প্রবাসী আয় দেশের অর্থনীতিতে গুরুত্বপূর্ণ প্রভাবক। মহামারীতে এ দুই খাতের আয় কমেছে, যা সমাপ্ত অর্থবছরের অর্থনৈতিক পুনরুদ্ধারে বড় ভূমিকা রেখেছে। গত অর্থবছর শেষে রফতানি প্রবৃদ্ধি হয়েছে ১৫ দশমিক ১ শতাংশ। রেমিট্যান্স প্রবৃদ্ধি ছিল ৩৬ দশমিক ১১ শতাংশ। প্রবাসী আয় গ্রামীণ অর্থনীতিতে একটি ইতিবাচক ভূমিকা রাখছে। একই সঙ্গে অভ্যন্তরীণ চাহিদায় টেকসই অবস্থান তৈরি করেছে। তৃতীয় প্রান্তিকে উল্লেখযোগ্য কয়েকটি খাত সামষ্টিক সূচকে বেশ সন্তোষজনক অবস্থায় পৌঁছেছে। খাতগুলো হলো রেমিট্যান্স, বৈদেশিক মুদ্রার রিজার্ভ, অর্থ সরবরাহ ও মুদ্রাস্ফীতি। দীর্ঘ সময় ধরে মুদ্রা বিনিময় হার স্থিতিশীল ছিল। ব্যালান্স অব পেমেণ্টের ভারসাম্যও ইতিবাচক ছিল।

নীতিনির্ধারকদের করণীয় প্রসঙ্গে এমসিসিআই বলছে, কভিড-পরবর্তী পুনরুদ্ধারে কৌশল গ্রহণ এবং ব্যক্তি খাতের উন্নয়নের মনোনিবেশ করা প্রয়োজন। যার মাধ্যমে রাজস্ব বৃদ্ধির পাশাপাশি বিদ্যমান বিনিয়োগকারীদের থেকে বিনিয়োগ আকর্ষণ করায় সফলতা দেখা যেতে পারে। সম্ভব হতে পারে মহামারীর ক্ষতি পুষিয়ে নেয়াও।