

# Bangladesh's Economy

## During FY2022-23 (FY23)



**METROPOLITAN CHAMBER OF COMMERCE & INDUSTRY, DHAKA**



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# CONTENTS

Introduction	5
Economic Growth	6
Agriculture	8
Industry	12
Services	13
Capital Market	15
Investment and Savings	16
Monetary and Credit Development	17
Exports	20
Imports	22
Remittances	24
Balance of Payments	25
Foreign Aid	27
Foreign Direct Investment (FDI)	29
Exchange Rate	30
Foreign Exchange Reserve	31
Price Situation	33
Public Finance	35
Public Expenditure	36
Overseas Employment Situation	38
Budget for 2023-24 (FY24)	40
Major Economic Indicators	42
Major Trading Partners	46
Export Performance (Goods)	47

## Bangladesh's Economy During FY2022-23 (FY23)

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### Introduction

Bangladesh's robust economic recovery from the COVID-19 pandemic has been interrupted by the war in Russia-Ukraine, resultant supply-chain disruptions, global oil-and food-price spikes, slowdown in external demand, weak remittance inflow, shortfall in revenue collection and slow public expenditure, rise in inflation, widening of current account deficit, depreciation of the Taka and a decline in foreign exchange reserves. Unemployment situation and low investment are other challenges.

To overcome the challenges, the government took quick and decisive measures to address the economic fallout. The government also needs to take more actions to stable foreign exchange reserve, manage inflation, enhance revenue earnings, ensure proper electricity and gas supply for economic activities, and extend social safety net programs.

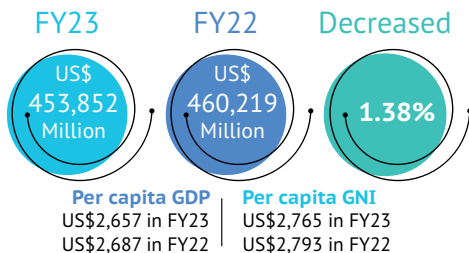
Nevertheless, the economy has been showing some signs of improvement in the review period (FY23). Exports and imports are two important drivers of the economy, and amid the present situation, both the areas have done comparatively well. The export-oriented garment, leather

and domestic market-oriented steel, food-processing and transport sectors are running in full scale. Foreign currency reserve is still somewhat in a satisfactory position but into a weaker trajectory. The exchange rate has long been remained stable but depreciated notably in recent months.

## Economic Growth

In terms of US Dollar, the value of GDP in current market price decreased by 1.38 per cent to US\$453,852 million in FY23 from US\$460,219 million in the previous fiscal year. Per capita GDP stood at US\$2,657 in FY23, compared to US\$2,687 in FY22, showing a decrease of 1.12 per cent. Per capita GNI also decreased to US\$2,765 in FY23 from US\$2,793 in the previous fiscal year.

### GDP in Current Market Prices



Growth rates of different sectors and sub-sectors at constant factor prices (Base: 2015-16) in the three most recent years are shown below: (per cent)

Sector/ Sub-sector	FY21	FY22	FY23 <sup>(P)</sup>
<b>Agriculture:</b>	<b>3.17</b>	<b>3.05</b>	<b>2.61</b>
Crops and Horticulture	2.29	2.61	2.26
Animal Farming	2.94	3.10	3.23
Forest and related Services	4.98	5.08	5.16
Fishing	4.11	2.64	1.14
<b>Industry:</b>	<b>10.29</b>	<b>9.86</b>	<b>8.18</b>
Mining and Quarrying	6.49	-1.12	5.74
Manufacturing	11.59	11.41	9.23
Large Industry	10.61	15.68	8.46
Small, Medium and Micro Industry	13.89	4.84	9.73
Cottage Industry	10.27	11.12	10.69
Electricity, Gas, Steam and Air Conditioning Supply	9.54	6.15	4.54
Water Supply, Sewerage, Waste Management and Remediation Activities	6.65	9.54	10.02
Construction	8.08	8.71	6.41
<b>Services:</b>	<b>5.73</b>	<b>6.26</b>	<b>5.84</b>
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	7.64	8.46	6.65
Accommodation and Food Service Activities	4.53	5.37	5.89
Transportation and Storage	4.04	5.75	5.99
Financial and Insurance Activities	5.82	5.87	5.76
Real-estate Activities	3.42	3.70	3.87
Public Administration and Defence; Compulsory Social Security	6.05	4.91	6.95
Education	5.81	7.87	6.88
Human Health and Social Work Activities	10.60	9.88	8.36
Information and Communication	7.11	4.79	5.42
Administrative and Support Service Activities	6.02	6.01	6.13
<b>GDP growth rate at constant 2015-16 market prices</b>	<b>6.94</b>	<b>7.10</b>	<b>6.03</b>

Note: P denotes provisional

Source: Bangladesh Bureau of Statistics (BBS)

## Agriculture

The agriculture sector, which is the most important sector in the Bangladesh economy, employs about 39 per cent of the country's total labor force. The share of the sector in GDP, according to the provisional estimate of the National Accounts Statistics, was 11.20 per cent in FY23, compared to 11.61 per cent in the previous fiscal year. It includes four sub-sectors namely: i) Crops and horticulture, ii) Animal farming, iii) Forest and related services, and iv) Fishing.



The favorable natural factors and strong government support in terms of timely availability of inputs and finance notwithstanding, the agriculture sector achieved a lower growth rate of 2.61 per cent in FY23, compared to 3.05 per cent in FY22. Among its various components, animal farming and forest & related services sub-sectors

recorded a higher growth of 3.23 per cent and 5.16 per cent in FY23, compared to 3.10 per cent and 5.08 per cent, respectively, in the previous fiscal year. On the other hand, crops & horticulture and fishing sub-sectors grew at lower rate of 2.26 per cent and 1.14 per cent in FY23, compared to 2.61 per cent and 2.64 per cent, respectively, in FY22.

The disbursement of agricultural credit and non-farm rural credit by all scheduled banks in FY23 stood at Tk.32,830 crore, an increase of 13.86 per cent from Tk.28,834 crore in FY22. The disbursement improved as demand for such loan was picking up gradually due to seasonal effects, also providing subsidy, according to experts. On the other hand, the recovery of agricultural credit and non-farm rural credit also increased by 20.20 per cent to Tk.33,010 crore in FY23, compared to Tk.27,463 crore in the previous fiscal year.

Riding on the success of meeting the previous fiscal year's agricultural and non-farm rural credit by all scheduled banks, the central bank has raised the disbursement target by Tk.4,089 crore or 13.23 per cent to Tk.35,000 crore in FY24 from Tk.30,911 crore in FY23. Considering the increased demand of agricultural and non-firm rural credit, disbursement target for the state-owned and specialized commercial banks has been fixed at Tk.12,030 crore, and for the private and foreign commercial banks at Tk.22,970 crore.



## *Domestic Food Production*

The target of domestic food grains (rice and wheat) production for FY23 was set by the Ministry of Agriculture (MoA) at 42.73 million metric tons (mmt), which was 4.96 per cent higher than the FY22 target of 40.71 mmt. This target (FY23) was 8.92 per cent higher than the actual production in FY22 (39.23 mmt). The crop-specific production targets in FY23 for aus, aman, boro and wheat are 3.69 mmt, 16.35 mmt, 21.53 mmt, and 1.16 mmt, respectively.

The estimates of food grains production for FY23 are yet to be available from the Bangladesh Bureau of Statistics (BBS). However, the BBS has already finalized aus and aman production at 2.90 mmt and 15.43 mmt, respectively in FY23 which was about 0.79 mmt and 0.92 mmt less than targeted amount by the MoA. On the other hand, total food grains (rice and wheat) production for FY22 was at 39.23 mmt; of which aus, aman, boro and wheat were 3.00 mmt, 14.96 mmt, 20.18 mmt, and 1.09 mmt, respectively.





### *Food Import*

Total import of food grains (public & private) in FY23 was 4,809 thousand metric tons (tmt), of which rice was 1,056 tmt and wheat was 3,753 tmt. Of those, private sector imported 422 tmt of rice and 3,753 tmt of wheat and public sector imported 634 tmt of rice and 680 tmt of wheat. Over the same period of last year, total import of food grains (public & private) was 4,861 thousand metric tons (tmt), of which rice was 988 tmt and wheat was 3,873 tmt. Of those, private sector imported 304 tmt of rice and 3,341 tmt of wheat and public sector imported 684 tmt of rice and 532 tmt of wheat.



### *Domestic Food Procurement*

During the boro season (2023), the government decided to procure 400 tmt of paddy at Tk.30.0/Kg and 1,250 tmt of parboiled rice at Tk.44.0/Kg, a total of about 1,510 tmt of rice (in terms of rice). Boro procurement started from 7 May 2023 and continued up to 31 August 2023. As on 9 July 2023, 866 tmt of boro rice (in terms of rice) has been procured. On the other hand, aman rice procurement (2023) ended on 28 February 2023. During this time, a total of 433.0 tmt of rice (in terms of rice) was procured.



### *Public Distribution*

Actual distribution was about 2.30 mmt against the budgeted amount of 3.39 mmt for FY22. For FY23, the

distribution plan under the Public Food Distribution System (PFDS) is about 3.28 mmt. During this period, about 3,008 tmt food grains were distributed through the PFDS which is 91.71 per cent of the yearly target. The PFDS distribution was mainly dominated by the Open Market Sale (OMS), the OMS (777 tmt), the Food Friendly Program (FFP) (661 tmt) and the Vulnerable Group Development (VGD) (373 tmt). The OMS drive is continuing up to the Upazila level all over the country where rice is sold at Tk.30/Kg and atta at Tk.24/Kg, each beneficiary being able to purchase up to 5 Kg of foodgrains.



### *Public Stock*

Public food stock is a vital factor for food price stabilization as well as public food distribution system. To maintain a healthy stock as well as food price stabilization, the government is procuring food grains from both internal and external sources. As on 9 July 2023, the public food grains stock was estimated at 1,880 tmt, of which 1,588 tmt is rice (in terms of rice) and 292 tmt is wheat.



### **Industry**

Due to COVID-19 pandemic and the war in Russia-Ukraine, the broad industry sector registered a lower growth of 8.18 per cent in FY23, compared to 9.86 per cent in FY22. Besides, the share of the broad industry

sector in GDP increased by 0.64 percentage points to 37.56 per cent in FY23 from 36.92 per cent in FY22.

Within the broad industry sector, the manufacturing sub-sector registered a lower growth of 9.23 per cent in FY23, compared to 11.41 per cent of the previous fiscal year. Within manufacturing, the large industry sub-sector also grew lower at 8.46 per cent in FY23, compared to 15.68 per cent in FY22. The small, medium and micro industry performed comparatively better than it did in the previous fiscal, growing at 9.73 per cent in FY23 against 4.84 per cent in FY22. The cottage industry grew by 10.69 per cent in FY23 compared to 11.12 per cent in FY22. Besides, the share of the manufacturing sub-sector in GDP increased to 24.95 per cent in FY23 from 24.29 per cent in the previous fiscal year. Within manufacturing, the share of the large industry sub-sector in GDP rose to 13.01 per cent in FY23 from 12.75 per cent in FY22. On the other hand, the share of small, medium and micro industry in GDP increased to 7.57 per cent from 7.33 per cent while that of cottage industry also increased to 4.38 per cent in FY23 from 4.21 per cent in FY22.



## Services

The broad service sector includes the collective output of the sectors, such as: i) wholesale and retail trade, repair of motor vehicles, motor cycles and personal and household goods, ii) hotels and restaurants, iii) transport,

storage and communication, iv) financial intermediations, v) real estate, renting and business activities, vi) public administration and defense, vii) education, viii) health and social work, and ix) community, social and personal services. Full data are not yet available to enable an understanding of how they have done in the quarter under review (Q4 of FY23).



However, due to COVID-19 pandemic and the war in Russia-Ukraine, the services sector registered a lower growth of 5.84 per cent in FY23, compared to 6.26 per cent in FY22. Besides, the share of the sector in GDP also decreased by 0.24 percentage points to 51.24 per cent in FY23 from 51.48 per cent in FY22.

According to the EPB latest data, export earnings of the services sector decreased by 15.65 per cent to US\$7.50 billion in FY23, compared to US\$8.89 billion in the previous fiscal year. Services sector's earnings in FY23 also decreased by 16.69 per cent against the strategic target (US\$9.00 billion).



## Capital Market

Dhaka stocks increased for the second consecutive week in the past truncated week as some investors went for bargain hunting ahead of Eid-ul-Azha, one of the largest religious festivals of the Muslims. The key index of the Dhaka Stock Exchange (DSE), DSEX, gained 0.39 per cent, or 25 points, over the week to close at 6,344.09 points on 26 June 2023 after gaining 39.23 points in the previous couple of weeks. Market operators said that investors went for buying shares before start of Eid-ul-Azha holidays. Eid-ul-Azha was celebrated on 29 June 2023 across the country and the market remained closed from 27 June to 01 July 2023 due to the Eid holidays and the usual weekly holidays. As a result, the market was only open for two sessions during the past week, both of which saw gains. Daily turnover at the DSE also increased to Tk.770.44 crore on 26 June 2023 from that of Tk.515.78 crore in the previous day.



Two other indices of the DSE also increased. The DS30, comprised of 30 large capitalized companies, also added 5.08 points to finish at 2,192.82 points and the DSE Shariah index, DSES, increased by 4.27 points to close at 1,377.00 points on the day.

On the other hand, the Chittagong Stock Exchange (CSE) ended lower with the CSE All Share Price Index - CASPI - losing 12 points to settle at 18,710, while its Selective Categories Index (CSCX) shed 7.0 points to close at 11,184. The port city's bourse traded 0.31 crore shares and mutual fund units with a turnover value worth Tk.10.3 crore.



## Investment and Savings

Historically, Bangladesh has remained a low-saving and low-investment country. The rate of growth of both savings and investment has also been very slow. As proportion of GDP, gross investment recorded at 31.25 per cent in FY23 compared to 32.05 per cent in FY22. The share of private investment in GDP recorded at 23.64 per cent in FY23 against 24.52 per cent in FY22, whereas the share of public investment rose to 7.61 per cent of GDP in FY23 from 7.53 per cent in FY22. The low level of private investment, local and foreign, is largely due to the underdeveloped infrastructure and such other impediments as lack of adequate energy and weak transmission infrastructure, lack of consistency in policy

and regulatory frameworks, scarcity of industrial land, corruption, and non-transparent and uneven application of rules and regulations. The government needs to address these impediments to attract more foreign direct investment (FDI) to the country in order to ensure the country's economic recovery from the war in Russia-Ukraine, and the COVID-19 pandemic.



Domestic saving as proportion of GDP increased by 0.80 percentage points to 26.02 per cent in FY23 from 25.22 per cent in FY22. The national savings ratio also increased to 30.22 per cent in FY23 from 29.35 per cent in FY22.



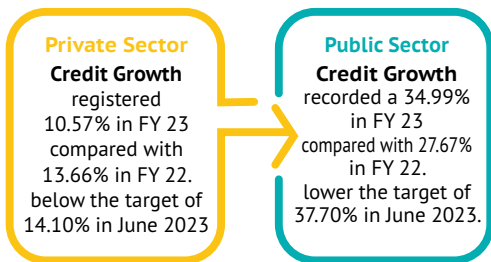
## Monetary and Credit Development

Policy rates are rising to check cheap fund availability and aggregate consumer demand will be reduced alongside

maintaining supply-side interventions as tools to defuse inflation under a new monetary policy Bangladesh now pursues. Bangladesh Bank (BB), the country's central bank, rolled out the 'contractionary' monetary-policy stance for July-December 2023 period in order to contain the inflation which stood at 9.74 per cent in June 2023. The policy rate or repurchase agreement (repo) rate is adjusted upward by 50 basis points from 6.00 per cent to 6.50 per cent. The reverse repo rate is adjusted upwards by 25 basis points from 4.25 per cent to 4.50 per cent effective from 01 July 2023.

However, the BB increased the repo rate and reverse repo rate by 25 basis points to 6.00 per cent and 4.25 per cent, respectively in January 2023 as a measure to curb the ongoing inflationary pressure. Previously the repo rate increased to 5.75 per cent with effect from October 2022 while the reverse repo rate remained unchanged at 4.00 per cent since July 2020. The repo rate was re-fixed at 5.50 per cent and 5.00 per cent with effect from June 2022 and May 2022, respectively while the reverse repo rate remained unchanged at 4.00 per cent. Earlier, the repo rate was re-fixed at 4.75 per cent from 5.25 per cent with effect from July 2020, while the reverse repo rate was re-fixed again at 4.00 per cent from 4.75 per cent with effect from the same time. All these relaxations help keep the domestic demand stable amid the pandemic.

According to BB data, broad money (M2) recorded a growth of 10.48 per cent at the end of June 2023 compared to 9.43 per cent growth achieved at the end of June 2022. The June's growth was below the central bank's revised target of 11.50 per cent set in the Monetary Policy Statement, January – June 2023 (MPS, H2FY23, p.26). Domestic credit, on the other hand, grew by 15.25 per cent at the end of June 2023, while a higher growth rate of 16.10 per cent was recorded at the end of June 2022. Among components of domestic credit, private sector credit registered a lower growth of 10.57 per cent during the period between June 2022 and June 2023, compared with a higher growth of 13.66 per cent during the period between June 2021 and June 2022. Private sector credit growth was also below the central bank's revised target of 14.10 per cent in June 2023 (MPS, H2FY23, p.26). Public sector credit, on the other hand, recorded a higher growth of 34.99 per cent at



the end of June 2023, compared with a lower growth of 27.67 per cent at the end of June 2022. The June's growth was lower compared with the BB's revised target of 37.70 per cent in June 2023 (MPS, H2FY23, p.26). Within public sector credit, credit to government (net) recorded a growth of 36.65 per cent, and credit to other public sector recorded a growth of 22.29 per cent, during the period under review.



## Exports

Export earnings (Goods) in FY23 increased by 6.67 per cent to US\$55.56 billion from US\$52.08 billion in the previous fiscal year riding on a double-digit growth of readymade garments (RMG). Overall export earnings in FY23, however, were lower by 4.21 per cent against the target (US\$58.00 billion) amid lukewarm global demand, economic turmoil, geopolitical crisis, and inflationary pressures.



Of the total US\$55.56 billion, the RMG fetched US\$46.99 billion, posting a growth of 10.27 per cent year-on-year in FY23. The sector's earnings slightly exceeded the target set for FY23 by 0.41 per cent. A breakdown of the clothing sector performance shows that the knitwear sub-sector of RMG earned US\$25.74 billion from exports, registering a 10.87 per cent year-on-year growth. Earnings from woven garment exports amounted to US\$21.25 billion, up by 9.56 per cent. RMG including knit and woven items contributed the lion's share of 84.58 per cent in FY23 and the rest, 15.42 per cent, came from other 31 non-RMG sectors, including home textiles, jute, agro-products, leather and engineering goods.



The country's major export products in FY23 that showed positive growth, year-on-year, included knitwear (+10.87%), woven garments (+9.56%), cotton & cotton products (+67.86%), headgear/cap (+22.71%), other footwear (+6.61%), plastic products (+26.23%), man-made filaments & staple fibers (+42.98%), paper & paper products (+118.33%), ceramic products (+4.91%),

and other manufactured products (+21.15%). However, negative growth was found in agricultural products (-27.47%), frozen & live fish (-20.76%), jute & jute goods (-19.10), leather & leather products (-1.74%), home textile (-32.47%), specialized textiles (-9.58%), handicrafts (-30.54%), carpet (-32.22%), rubber (-21.94%), chemical products (-16.77%), petroleum bi-products (-46.38%), and engineering products (-26.37%).

Export earnings from top twelve countries except United States, Germany, and Poland registered positive growth, year-on-year, in FY23 after facing a setback for some time due to the COVID-19 pandemic and the Ukraine-Russia war. Most of them registered a double-digit growth. On the other side, export earnings from United States, Germany and Poland declined, year-on-year, in FY23 mainly because the global economic distresses hit the consumption of RMG products.



## Imports

According to Bangladesh Bank data, total value of custom based import in FY23 decreased by 15.23 per cent to US\$75.59 billion from US\$89.17 billion in FY22. Besides, custom based import in June of FY23 alone decreased, year-on-year, by 33.51 per cent to US\$5.10 billion from US\$7.67 billion, and month-on-month, by 21.16 per cent from US\$6.47 billion (May 2023). The fall was due to the outcome of a number of initiatives taken by the central



bank as well as the government since April 2022 (i.e., close monitoring of LC opening with price rationalization along with depreciation of local currency), in order to restrain foreign currency expenditure. Also, fall of import of intermediate goods, capital goods, and consumer goods in FY23 helped reduce custom based imports.



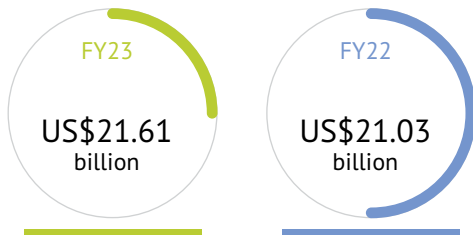
The settlement of import Letters of Credit (LCs) in FY23 decreased year-on-year by 13.72 per cent from US\$83.68 billion to US\$72.20 billion. On the other hand, fresh opening of import LCs in FY23 also decreased year-on-year by 26.67 per cent to US\$67.63 billion from US\$92.23 billion.



## Remittances

According to the BB data, the inflow of remittance in FY23 increased slightly by 2.75 per cent to US\$21.61 billion from US\$21.03 billion in the previous fiscal year. The remittance increases through the banking channel amid various initiatives taken by the government and the BB such as 2.5 per cent cash incentive, easing the rules on the furnishing of documents and depreciation of exchange rate, etc. Recently, the BB allowed mobile financial service (MFS) to bring more flexibility in repatriating remittance, which might have a positive impact on wage earners' remittance inflows in the near future.

### Inflow of Remittances



On the other hand, the inflow of remittance increased, year-on-year, by 19.71 per cent to US\$2.20 billion in June 2023 from US\$1.84 billion and, month-on-month, by 29.96 per cent from US\$1.69 billion (May 2023). The

June's remittance was the highest since July 2020 when migrants sent US\$2.59 billion, according to BB data. The remittance inflow typically rises before Eid as migrants transfer money to their loved ones. Eid was celebrated on 29 June 2023. However, excluding the month of June, the overall remittance inflow remained sluggish in FY23, affecting foreign exchange market.



## Balance of Payments

Higher external spending against lower earnings caused Bangladesh's balance of payments (BoP) situation to deteriorate into a large deficit worth US\$8.22 billion in FY23 from deficit US\$6.66 billion in FY22, thus further denting its forex reserves. The BoP woes have largely been driven by a sharp deficit in financial account and current account in FY23.

### Balance of Payments



According to the BB's latest data, the country's current account balance recorded a lower deficit of US\$3.33 billion during July-June of FY23 compared to US\$18.64

billion deficit during the corresponding period of the previous fiscal year, mostly due to narrowing of trade deficit. Trade deficit with the rest of the world narrowed by 48.41 per cent to US\$17.16 billion in FY23 from US\$33.25 billion in FY22 because import spending dropped by 15.76 per cent while export receipts increased by 6.28 per cent in FY23. Bangladesh had a financial account surplus of more than US\$15.46 billion in FY22 against a deficit amounting to US\$2.14 billion in FY23 in a reversal of the macroeconomic health.



The capital account, another key component of the BoP, was in surplus, at US\$473 million in FY23, up by 161.33 per cent from US\$181 million in FY22.

In FY23, the remittance inflow was US\$21.61 billion, which was 2.75 per cent higher than US\$21.03 billion in FY22. The BB data also showed that the country's gross foreign direct investment (FDI) decreased year-on-year by 2.87 per cent to US\$4.50 billion in FY23 from US\$4.64

billion. Net FDI also fell by 11.82 per cent to US\$1.61 billion from US\$1.83 billion.



## Foreign Aid

According to the Economic Relations Division (ERD) provisional data, the disbursement of foreign aid decreased by US\$0.74 billion or 7.39 per cent to US\$9.27 billion in FY23 compared to a record US\$10.01 billion in FY22 due to the slow implementation of the ongoing development projects. Japan disbursed the highest amount of loans in FY23, about US\$2.04 billion. Besides, the World Bank (WB) disbursed US\$1.93 billion and the Asian Development Bank (ADB) US\$1.56 billion. Meanwhile, the development partners released a total of US\$7.97 billion worth of foreign aid in FY21, US\$7.38 billion in FY20 and US\$6.54 billion in FY19.



On the other hand, development partners' commitments of foreign aid increased by US\$0.60 billion or 7.32 per cent to US\$8.80 billion in FY23 from US\$8.20 billion in FY22. According to the ERD data, the highest amount of loan commitment among development partners in FY23 came from the WB, with a total of US\$3.60 billion for nine projects, including budget support of US\$500 million. Bangladesh has never received so much loan commitment from the WB in any fiscal year before. A commitment of US\$1.88 billion was received from the ADB and US\$1.51 billion from Japan.

### Disbursement and Commitments of Foreign Aid

#### Disbursement

**FY23**

US\$ 9.27  
billion

**FY22**

US\$10.01  
billion

#### Commitments

**FY23**

US\$8.80  
billion

**FY22**

US\$8.20  
billion

Meanwhile, the government made payments worth US\$2.67 billion funds during July-June of FY23 against the total outstanding medium-to-long-term (MLT) loans. Out of the US\$2.67 billion debt servicing, the government repaid interest worth US\$0.94 billion and principal worth US\$1.73 billion. In the previous FY22, Bangladesh repaid US\$2.02 billion worth of funds against outstanding loans, in FY21 US\$1.91 billion, in FY20 US\$1.73 billion, and in FY19 US\$1.59 billion.

Bangladesh takes Official Development Assistance (ODA) mainly from multilateral organizations or countries that provide soft loans or grants. The country's largest development partner is the World Bank (WB). Other development partners include the Asian Development Bank (ADB), Japan, the Islamic Development Bank (IDB), China, the United Nations (UN), the UK's DFID, Russia, Germany, and India.

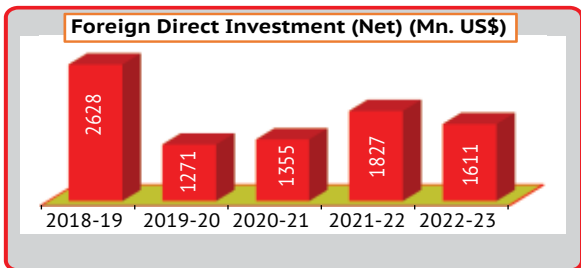


## Foreign Direct Investment (FDI)

The net foreign direct investment (FDI) in FY23 decreased by 11.82 per cent to US\$1,611 million from US\$1,827 million in the previous fiscal year (FY22), according to the BB's balance of payments data. On the other hand, the gross inflow of FDI during July-June of FY23 also decreased year-on-year by 2.82 per cent to US\$4,503 million from US\$4,636 million. FDI inflow in Bangladesh



is low compared to that in many other countries at similar level of development.



Bangladesh's low labor costs are generally believed to be attractive to foreign investors, yet they hesitate to make fresh investments in the country because of the country's underdeveloped infrastructure, and such other impediments as the shortage of energy and weak transmission infrastructure, lack of consistency in policy and regulatory frameworks, scarcity of industrial land, corruption, and non-transparent and uneven application of rules and regulations. The government needs to address these impediments to attract more FDI to the country in order to ensure the country's economic recovery from the war in Russia-Ukraine and the coronavirus pandemic.

### Exchange Rate

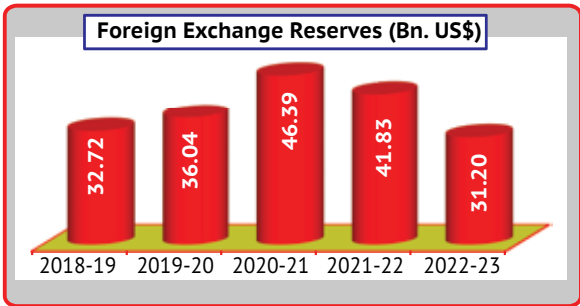
Exchange rate of Bangladesh Taka depreciated since the end of June 2022. Between end-June of FY22 and end-

June of FY23, the interbank (excluding BB selling rate) exchange rate of Bangladesh Taka depreciated by 13.76 per cent in terms of US dollar. On the inter-bank market, the US dollar was quoted at Tk.93.4500 at the end of June 2022 and Tk.108.3578 at the end of June 2023. Since 12 September 2022 onwards, daily rates have been collected from Bangladesh Foreign Exchange Dealers Association (BAFEDA) and monthly average have been calculated from those rates.



### Foreign Exchange Reserve

Bangladesh Bank's gross foreign exchange reserves fell below US\$35 billion, largely for imports far outstripping exports and falling currency exchange rate against the US dollar. Gross foreign exchange reserve came down to US\$31.20 billion at the end of June 2023. A year ago, the reserve was US\$41.83 billion at the end of June 2022.

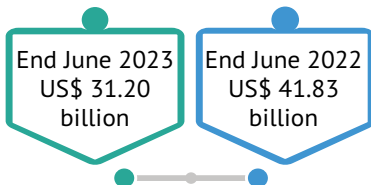


The Gross International Reserve (GIR) of Bangladesh, according to the guideline of the International Monetary Fund (IMF), stood at US\$24.17 billion on 3 July 2023 while the Bangladesh Bank's conventional value of the foreign exchange reserve was US\$31.17 billion on that day. However, the GIR is expected to further go down with an import payment of US\$1.09 billion to the Asian Clearing Union due on 4 July 2023.

The central bank compiled the GIR in line with the IMF's Balance of Payments and International Investment Position Manual, 6th edition – also known as BPM6. The GIR refers to a country's total holding of foreign exchange assets that are readily available for use in international transactions. It primarily includes foreign currencies or other convertible currencies as well as gold, special drawing rights and reserve positions. Conventionally, the Bangladesh Bank has so far calculated the foreign reserve by adding the Export Development Fund (EDF) and other foreign assets to the GIR. But, as per the BPM6 guideline, the EDF and other non-available foreign assets for the immediate use in international transactions must be excluded from the reserve calculation. Besides, the net foreign reserve, excluding one-year liabilities to non-resident Bangladeshis, could be significantly lower than the GIR amount. Bangladesh is under obligation to meet the IMF condition of maintaining the net reserve above US\$24 billion for availing a US\$4.7 billion loan package

over a three-year period. However, the BB governor on 18 June 2023 mentioned that the net foreign reserve would not be disclosed.

### Foreign Exchange Reserve



### Price Situation

According to the Bangladesh Bureau of Statistics (BBS) latest data, the country experienced a marginal decrease in general inflation to 9.74 per cent in June 2023 from 9.94 per cent in the previous month (May 2023), despite a 0.49 percentage points rise in food prices. Experts, however, attributed the slight drop in June's general inflation to a decline in the price of non-food items. Comparatively, a year ago, in June 2022, the inflation rate was much lower at 7.56 per cent.

Besides, the 12-month average inflation rate in FY23 stood at 9.02 per cent, while the previous fiscal year (FY22) recorded an inflation rate of 6.15 per cent.

Food inflation, however, increased further to 9.73 per cent in June 2023 from 9.24 per cent in the previous

month (May 2023). Year-on-year, food inflation was lower at 8.37 per cent in June 2022. The 12-month average food inflation rate in FY23 stood at 8.71 per cent, while the previous fiscal year (FY22)'s food inflation rate was much lower at 6.05 per cent. On the other hand, non-food price inflation decreased by 0.36 percentage points to 9.60 per cent in June 2023 from 9.96 per cent in the previous month. Year-on-year, non-food price inflation was much lower at 6.33 per cent in June 2022. Besides, the 12-month average non-food price inflation rate in FY23 stood at 9.39 per cent, while that rate in FY22 was recorded much lower at 6.31 per cent.

### Average Annual Inflation

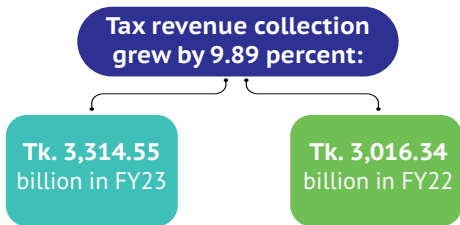


According to the BBS data, the rates of general, food and non-food point-to-point inflation in rural areas in June 2023 were higher than the rates of urban areas. Also, the 12-month average rates of general, food and non-food point-to-point inflation in rural areas in FY23 were higher than the rates of urban areas.



## Public Finance

According to provisional data of the National Board of Revenue (NBR), the tax revenue collection grew by 9.89 per cent to Tk.3,314.55 billion in FY23 compared to Tk.3,016.34 billion in FY22 despite posting a shortfall of Tk.385.45 billion or 10.42 per cent against the target (Tk.3,700.00 billion). Government's austerity measures and restriction on import of products squeezed the overall expenditures resulting in the revenue collection shortfall.



During July-June of FY23, all three wings of the NBR year-on-year achieved moderate growth. In the period under review, the customs wings posted the highest growth of 16.98 per cent and stood at Tk.956.83 billion compared to Tk.817.91 billion. During the periods, income tax stood at Tk.1,117.92 billion, growing by 8.63 per cent from Tk.1,029.08 billion and the value added tax (VAT) grew by 6.02 per cent to Tk.1,239.80 billion from Tk.1,169.35 billion.

However, compared to their respective targets in FY23, all three wings of the NBR lagged behind their respective targets. The customs wing suffered a collection shortfall of Tk.153.17 billion or 13.80 per cent against the target of Tk.1,110.00 billion, followed by the VAT wing with a collection shortfall of Tk.129.20 billion or 9.44 per cent against the target of Tk.1,369.00 billion, and income tax wing that lagged behind by Tk.103.08 billion or 8.44 per cent against the target of Tk.1,221.00 billion.

In June 2023 alone, the NBR managed to collect Tk.490.38 billion revenue, showing a growth of 13.87 per cent from US\$430.64 billion in June 2022; while month-on-month NBR's collection grew by 52.66 per cent from Tk.321.22 billion in the previous month (May 2023).



## Public Expenditure

The implementation rate of the Annual Development Programme (ADP) in FY23 stood at 84.16 per cent, 8.58 percentage points lower than the previous years' 92.74 per cent. According to the Implementation Monitoring and Evaluation Division (IMED), the government ministries and agencies had failed to improve their capacity even after repeated reminders to them for expediting the development works and even after recovery from the COVID-19 impact when the project works were affected severely.

Recent data shows that 58 ministries and divisions could spend Tk.1,990.99 billion of Tk.2,365.61 billion allocated in FY23 compared to Tk.2,036.48 billion in the outlays of Tk.2,196.02 billion in FY22. Out of the spending in FY23, the foreign aid (project aid) spending was Tk.673.44 billion, which was 90.39 per cent of the total foreign aid (Tk.745.00 billion). On the other hand, spending of local funds (including GoB funds) in the period under review was Tk.1,317.55 billion, which was 81.30 per cent of the total local funds of Tk.1,620.61 billion.

The IMED monthly progress report showed that the implementation rate of the ADP in June of FY23 alone was much lower at 22.44 per cent compared to 27.90 per cent in June of FY22.



Primarily, the government framed a Tk.2,560.00 billion ADP. Later, it was revised downward to Tk.2,365.61

billion during the 3rd quarter of the just concluded fiscal year (FY23) due to inability of the government agencies in implementing their target project works.

Largest budget holder of the fifteen ministries and divisions, which together received 81.60 per cent of the total ADP, managed to post 82.73 per cent average ADP performance by spending a total of Tk.1,597.06 billion in FY23. Among these ministries and divisions, project implementation by the Energy and Mineral Resources Division (103.04%) was the highest, followed by the Bridges Division (96.67%), the Power Division (93.06%), the Road Transport and Highways Division (91.14%), the Ministry of Railways (90.46%), the Ministry of Science and Technology (90.03%), the Ministry of Housing and Public Works (89.29%), the Ministry of Civil Aviation and Tourism (86.86%), the Ministry of Agriculture (85.49%), the Ministry of Primary and Mass Education (82.45%), and the Local Government Division (81.99%).

Implementation agencies that spent less than 80.0 per cent of their respective ADP budgets were: the Ministry of Shipping (77.20%), the Ministry of Water Resources (75.88%), the Secondary and Higher Education Division (71.40%), and the Health Services Division (68.20%).



## Overseas Employment Situation

Overseas employment is a vital source of Bangladesh's foreign exchange reserves. A steady outflow of migrant

workers in the period under review (FY23) raises hope for a healthy growth in overseas employment as the sector is now recovering from the shocks of COVID-19 pandemic and Ukraine-Russia war. According to the Bureau of Manpower Employment and Training (BMET), a total of 11,37,931 workers went abroad in FY23, compared to 9,88,910 workers in FY22. The workers went mainly to 20 countries in the last few years. Of them, Kingdom of Saudi Arabia (KSA), Oman, the United Arab Emirates (UAE), Singapore, Qatar, Kuwait, Malaysia, Oman and Jordan employed most of the workers.



Bangladeshi female workers started going abroad on employment in 1991. Some 1,148,148 female workers entered the international markets with jobs till June 2023. Female workers, mostly housemaids and garment workers, are employed mainly in KSA, Jordan, Oman, Qatar, UAE, and Lebanon.

According to the BMET, more than 14.87 million Bangladeshi workers have found jobs abroad since 1976. Most of them went to the Middle Eastern countries.



### Budget for 2023-24 (FY24)

The outlay of the FY24 national budget is Tk.7,617.85 billion, which is 15.33 per cent higher than that of the last year's revised budget (Tk.6,605.07 billion). Within the national budget there is a Tk.2,775.82 billion development budget, which is 14.89 per cent bigger than that in the revised FY23 budget (Tk.2,416.07 billion), and a non-development budget including other expenditure of Tk.4,842.03 billion, which is 15.59 per cent bigger than that in the revised FY23 budget (Tk.4,189.00 billion).



The budget sets a 7.5 per cent GDP growth target and commits to bring down the inflation rate to 6.0 per cent by the end of FY24.

The budget targets a 15.47 per cent revenue growth to Tk.5,000.00 billion over the revised revenue estimate of Tk.4,330.00 billion in the outgoing fiscal. The revenue receipts will comprise of Tk.4,500.00 billion as tax revenue and Tk.500.00 billion as non-tax revenue. In the total tax revenue, Tk.4,300.00 billion will come from NBR and Tk.200.00 billion from non-NBR taxes.

The size of the ADP (Tk.2,630.00 billion) in the FY24 budget is 15.57 per cent larger than the past year's revised ADP (Tk.2,275.66 billion).

In the ADP allocations, the communication infrastructure (roads, railways, bridges, and other related sectors) has been given the highest priority. Some 28.2 per cent of ADP allocation has gone to that sector. The human resources sector (education, health, and other related sectors) comes next, receiving 27.0 per cent of the allocation, followed by some 22.1 per cent for agriculture and rural development (agriculture, local government, rural development, water resources and other related sectors), 13.2 per cent for energy infrastructure (power, energy and mineral resources), and 9.5 per cent for other sectors.

## MAJOR ECONOMIC INDICATORS

Indicators	FY19	FY20	FY21	FY22	FY23 <sup>(P)</sup>
<b>National Accounts</b>					
GDP (million US\$)	351,251	373,959	416,264	460,219	453,852
GNI (million US\$)	365,638	389,438	438,175	478,451	472,178
GDP Growth (%)	7.88	3.45	6.94	7.10	6.03
Population (million number)	165.55	167.43	169.11	171.30	170.79
Per Capita GDP (US\$)	2,122	2,234	2,462	2,687	2,657
Per Capita GNI (US\$)	2,209	2,326	2,591	2,793	2,765
<b>Growth and Share in GDP by Main Sectors:</b>					
<i>Agriculture</i>					
Share in GDP (%)	12.56	12.52	12.07	11.61	11.20
Growth Rate (%)	3.26	3.42	3.17	3.05	2.61
<i>Industry</i>					
Share in GDP (%)	34.99	34.94	36.01	36.92	37.56
Growth Rate (%)	11.63	3.61	10.29	9.86	8.18
<i>Manufacturing</i>					
Share in GDP (%)	22.86	22.40	23.36	24.29	24.95
Growth Rate (%)	12.33	1.68	11.59	11.41	9.23
<i>Construction</i>					
Share in GDP (%)	8.85	9.31	9.40	9.54	9.55
Growth rate (%)	10.47	9.13	8.08	8.71	6.41
<i>Electricity, Gas, Steam &amp; Air Conditioning Supply</i>					
Share in GDP (%)	1.26	1.22	1.25	1.23	1.21
Growth Rate (%)	8.24	0.67	9.54	6.15	4.54
<i>Water Supply, Sewerage, Waste Management and Remediation Activities</i>					
Share in GDP (%)	0.10	0.10	0.10	0.10	0.10
Growth Rate (%)	6.31	2.18	6.65	9.54	10.02
<i>Services</i>					
Share in GDP (%)	52.45	52.54	51.92	51.48	51.24
Growth Rate (%)	6.88	3.93	5.73	6.26	5.84
<i>Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles</i>					
Share in GDP (%)	15.05	14.97	15.06	15.24	15.29
Growth Rate (%)	8.85	3.21	7.64	8.46	6.65

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Indicators	FY19	FY20	FY21	FY22	FY23 <sup>(P)</sup>
<i>Accommodation and Food Service Activities</i>					
Share in GDP (%)	1.14	1.12	1.09	1.08	1.07
Growth Rate (%)	5.64	1.69	4.53	5.37	5.89
<i>Information and Communication</i>					
Share in GDP (%)	1.26	1.29	1.29	1.26	1.25
Growth Rate (%)	7.36	6.57	7.11	4.79	5.42
<i>Transportation and Storage</i>					
Share in GDP (%)	7.80	7.65	7.44	7.34	7.32
Growth Rate (%)	7.01	1.73	4.04	5.75	5.99
<i>Financial and Insurance Activities</i>					
Share in GDP (%)	3.23	3.26	3.22	3.19	3.17
Growth Rate (%)	8.25	4.72	5.82	5.87	5.76
<i>Real estate Activities</i>					
Share in GDP (%)	8.69	8.68	8.39	8.12	7.93
Growth Rate (%)	3.61	3.68	3.42	3.70	3.87
<i>Public Administration and Defence; Compulsory Social Security</i>					
Share in GDP (%)	3.50	3.56	3.52	3.45	3.47
Growth Rate (%)	6.49	5.49	6.05	4.91	6.95
<i>Human Health and Social Work Activities</i>					
Share in GDP (%)	3.01	3.21	3.32	3.39	3.39
Growth Rate (%)	12.20	10.70	10.60	9.88	8.36
<i>Education</i>					
Share in GDP (%)	2.67	2.71	2.68	2.69	2.71
Growth rate (%)	7.06	5.33	5.81	7.87	6.88
<i>Administrative and Support Service Activities</i>					
Share in GDP (%)	0.72	0.74	0.73	0.72	0.72
Growth Rate (%)	8.17	6.33	6.02	6.01	6.13
<b>Money and Credit (billion Tk.)</b>					
Narrow Money (M1)	2,732.93	3,282.64	3,758.29	4,259.05	4,918.88
Percentage Change (%)	(7.22)	(20.11)	(14.49)	(13.32)	(15.49)
Broad Money (M2)	12,196.12	13,737.35	15,608.95	17,081.22	18,871.74
Percentage Change (%)	(9.88)	(12.64)	(13.62)	(9.43)	(10.48)
Foreign Assets (net)	2,724.00	3,014.70	3,823.38	3,642.99	3,167.28
Percentage Change (%)	(2.92)	(10.67)	(26.82)	(-4.72)	(-13.06)

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## Bangladesh's Economy During FY 2022-23 (FY23)

Indicators	FY19	FY20	FY21	FY22	FY23 <sup>(P)</sup>
Domestic Assets (net)	9,472.12	10,722.65	11,785.58	13,438.24	15,704.46
Percentage Change (%)	(12.06)	(13.20)	(9.91)	(14.02)	(16.86)
Domestic Credit	11,468.85	13,026.35	14,398.99	16,717.49	19,267.51
Percentage Change (%)	(12.26)	(13.58)	(10.54)	(16.10)	(15.25)
Govt. Sector Credit (net)	1,132.73	1,761.49	2,210.26	2,833.15	3,871.60
Percentage Change (%)	(19.37)	(55.51)	(25.48)	(28.18)	(36.65)
Other Public Sector Credit	233.56	292.15	300.18	371.99	454.92
Percentage Change (%)	(21.65)	(25.09)	(2.75)	(23.92)	(22.29)
Public Sector Credit	1,366.29	2,053.64	2,510.44	3,205.14	4,326.51
Percentage Change (%)	(19.75)	(50.31)	(22.24)	(27.67)	(34.99)
Private Sector Credit	10,102.56	10,972.71	11,888.55	13,512.36	14,940.99
Percentage Change (%)	(11.32)	(8.61)	(8.35)	(13.66)	(10.57)
Reserve Money	2,461.88	2,844.83	3,480.72	3,471.62	3,835.85
Percentage Change (%)	(5.32)	(15.56)	(22.35)	(-0.26)	(10.49)
Total Liquid Assets	2,718.06	3,357.98	4,490.87	4,416.82	4,212.33
Percentage Change (%)	(2.85)	(23.54)	(33.74)	(-1.65)	(-4.63)
Minimum Required Liquid Assets (CRR+SLR)	1,861.90	1,962.39	2,173.76	2,382.58	2,549.63
Percentage Change (%)	(9.19)	(5.40)	(10.77)	(9.61)	(7.01)
Financial Deepening (M2/GDP*100)	41.32	43.33	44.22	43.01	42.51
<b>Balance of Payments (million US\$)</b>					
Trade Balance	-15,835	-17,858	-23,778	-33,250	-17,155
Exports f.o.b (including EPZ)	39,604	32,832	36,903	49,245	52,340
Imports f.o.b (including EPZ)	55,439	50,690	60,681	82,495	69,495
Services	-3,177	-2,578	-3,020	-3,955	-4,256
Primary Income	-2,993	-3,070	-3,172	-3,152	-4,233
Secondary Income	16,903	18,782	25,395	21,718	22,310
Workers' Remittances (current a/c portion)	16,420	18,205	24,778	21,032	21,611
Current Account Balance	-5,102	-4,724	-4,575	-18,639	-3,334

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## Bangladesh's Economy During FY 2022-23 (FY23)

Indicators	FY19	FY20	FY21	FY22	FY23 <sup>(P)</sup>
Capital Account	239	256	458	181	473
Financial Account	5,907	7,809	14,067	15,458	-2,142
Foreign Direct Investment (net)	2,628	1,271	1,355	1,827	1,611
Errors and Omissions	-865	-172	-676	-3,656	-3,220
Overall Balance	179	3,169	9,274	-6,656	-8,222
<b>Public Finance (billion Tk.)</b>					
NBR Tax Revenue (Revised Target)	2,800.00	3,005.00	3,010.00	3,300.00	3,700.00
NBR Tax Revenue Collection	2,238.92	2,164.52	2,616.89	3,016.34	3,314.55
Tax Revenue Collection (NBR+Non-NBR)	2,299.24	2,223.56	2,648.00	3,086.25	3,390.10
ADP (Revised Target)	1,766.20	2,011.99	2,092.72	2,196.02	2,365.61
ADP Expenditure	1,671.86	1,617.41	1,718.36	2,036.48	1,990.99
<b>Consumption, Investment &amp; Savings as % of GDP</b>					
Consumption	73.12	72.92	74.66	74.78	73.98
Private	66.88	66.95	68.78	69.08	68.23
General Government	6.24	5.97	5.88	5.70	5.75
Investment	32.21	31.31	31.02	32.05	31.25
Private	25.25	24.02	23.70	24.52	23.64
Public	6.96	7.29	7.32	7.53	7.61
Gross National Savings	31.14	31.42	30.79	29.35	30.22
Gross Domestic Savings	26.88	27.08	25.34	25.22	26.02
Foreign Exchange Reserves (million US\$)	32,717	36,037	46,391	41,827	31,203
Rate of Inflation (12-month average)	5.48	5.65	5.56	6.15	9.02
Exchange Rate (Taka/US\$)	84.03	84.78	84.81	86.30	97.81

Note: P = Provisional;

Sources: Ministry of Finance, Bangladesh Bureau of Statistics (BBS), and Bangladesh Bank (BB)

## MAJOR TRADING PARTNERS

(in million US\$)

Country	FY22		FY23 <sup>(P)</sup>	
	Exports	Imports (fob)	Exports	Imports (fob)
Argentina	9.52	798.90	15.44	663.10
Australia	916.24	1,240.00	1,259.15	1,207.50
Belgium	900.03	136.50	944.74	144.50
Brazil	109.20	2,245.80	175.54	2,569.20
Canada	1,522.96	647.50	1,721.71	1,377.10
China P.R	683.43	20,879.60	677.36	17,722.60
Denmark	1,188.86	122.70	1,316.69	128.80
France	2,711.06	185.80	3,291.69	221.40
Germany	7,590.97	978.40	7,079.77	941.70
Hong Kong: SAR of China	139.84	422.70	181.31	353.50
India	1,991.39	13,940.10	2,129.49	9,474.60
Indonesia	78.58	3,165.70	63.70	3,360.60
Italy	1702.29	572.80	2,391.48	567.30
Japan	1,353.85	2,576.30	1,901.58	2,022.20
Korea, Republic of	530.25	1,627.00	623.79	1,590.60
Malaysia	337.81	3,539.40	371.86	3,442.30
Netherlands	1,775.01	261.10	131.91	326.40
New Zealand	117.98	281.30	131.91	326.40
Pakistan	105.79	801.70	83.97	698.50
Poland	2,139.24	96.30	1,851.68	97.50
Qatar	42.30	2,179.90	31.96	2,366.10
Russian Federation	638.31	474.30	460.39	500.10
Saudi Arabia	290.64	1,733.10	297.47	1,791.10
Singapore	127.12	4,140.40	176.26	2,307.50
Spain	3,166.37	215.00	3,683.43	153.60
Sweden	841.42	89.60	965.29	48.90
Switzerland	107.06	250.10	99.28	178.40
New Taiwan: Province of China	73.92	1,330.70	67.91	1,115.90
Thailand	44.05	1,142.30	71.71	941.00
Turkey	458.15	452.70	495.81	422.40
Ukraine	20.30	295.00	22.22	366.80
United Arab Emirates (UAE)	864.24	1,668.40	543.71	1,717.10

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Country	FY22		FY23 <sup>(P)</sup>	
	Exports	Imports (fob)	Exports	Imports (fob)
United Kingdom (UK)	4,828.08	638.40	5,310.09	411.90
United States of America (USA)	10,417.72	2,855.40	9,701.34	2,312.50
Vietnam	92.77	1,127.10	96.22	1,003.70
Others	4,165.91	5,837.60	5,233.15	5,460.90
<b>Total</b>	<b>52,082.66</b>	<b>78,949.60*</b>	<b>55,558.76</b>	<b>68,221.50*</b>

Note: P = Provisional, \* = excluding other unclassified and Export Processing Zones (EPZs) to abroad

Sources: Export Promotion Bureau (EPB) and Bangladesh Bank (BB)

## EXPORT PERFORMANCE (GOODS)

(in million US\$)

Products	Target for FY23	Exports in FY23 (P)	% Change of Exports in FY23 over Target	Exports in FY22	% Change of Exports in FY23 over FY22
<b>A. Primary Commodities (1+2)</b>	<b>2,028.12</b>	<b>1,265.31</b>	<b>-37.61</b>	<b>1,695.19</b>	<b>-25.36</b>
1. Frozen Food & Live Fish	634.00	422.28	-33.39	532.94	-20.76
<i>a. Live Fish</i>	7.00	14.76	110.86	6.43	129.55
<i>b. Frozen Fish</i>	96.80	82.01	-15.28	91.87	-10.73
<i>c. Shrimps</i>	500.00	300.26	-39.95	407.25	-26.27
<i>d. Crabs</i>	12.00	8.73	-27.25	11.82	-26.14
<i>e. Others</i>	18.20	16.52	-9.23	15.57	6.10
2. Agricultural Products	1,394.12	843.03	-39.53	1,162.25	-27.47
<i>a. Tea</i>	2.50	2.34	-6.40	2.14	9.35
<i>b. Vegetables</i>	110.00	61.14	-44.42	99.91	-38.80
<i>c. Tobacco</i>	125.00	162.67	30.14	107.22	51.72
<i>d. Fruits</i>	6.50	1.00	-84.62	5.29	-81.10
<i>e. Spices</i>	40.00	42.38	5.95	39.66	6.86
<i>f. Dry Food</i>	300.00	200.37	-33.21	249.96	-19.84
<i>g. Others</i>	810.12	373.13	-53.94	658.07	-43.30
<b>B. Manufactured Commodities (1+...+21)</b>	<b>55,971.88</b>	<b>54,293.46</b>	<b>-3.00</b>	<b>50,387.47</b>	<b>7.75</b>
1. Petroleum bi Products	45.00	17.98	-60.04	33.53	-46.38
2. Chemical Products	429.55	303.01	-29.46	364.07	-16.77
<i>a. Pharmaceuticals</i>	230.00	175.42	-23.73	188.78	-7.08
<i>b. Others</i>	199.55	127.59	-36.06	175.29	-27.21

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## Bangladesh's Economy During FY 2022-23 (FY23)

Products	Target for FY23	Exports in FY23 (P)	% Change of Exports in FY23 over Target	Exports in FY22	% Change of Exports in FY23 over FY22
3. Plastic Products	200.00	209.86	4.93	166.25	26.23
4. Rubber	60.00	36.55	-39.08	46.82	-21.94
5. Leather & Leather Products	1,440.00	1,223.62	-15.03	1,245.18	-1.74
<i>a. Leather</i>	180.00	123.44	-31.42	151.37	-18.45
<i>b. Leather Products</i>	440.00	396.37	-9.92	337.62	17.40
<i>c. Leather Footwear</i>	820.00	703.81	-14.17	756.18	-6.93
6. Handicrafts	50.00	29.75	-40.50	42.83	-30.54
7. Paper & Paper Products	115.00	229.47	99.54	105.10	118.33
8. Cotton & Cotton Products	260.00	411.12	58.12	244.92	67.86
9. Jute & Jute Goods	1,280.00	912.25	-28.73	1,127.63	-19.10
<i>a. Raw Jute</i>	240.00	204.17	-14.93	216.18	-5.56
<i>b. Jute Yarn &amp; Twine</i>	800.00	497.94	-37.76	697.80	-28.64
<i>c. Jute Sacks &amp; Bags</i>	130.00	109.84	-15.51	119.23	-7.88
<i>d. Others</i>	110.00	100.30	-8.82	94.42	6.23
10. Man Made Filaments & Staple Fibres	260.00	310.03	19.24	216.83	42.98
11. Carpet (Jute & Others)	44.00	24.95	-43.30	36.81	-32.22
12. Specialized Textiles	387.00	284.65	-26.45	314.82	-9.58
13. Readymade Garments (RMG)	46,800.00	46,991.61	0.41	42,613.15	10.27
<i>a. Knitwear</i>	25,600.00	25,738.20	0.54	23,214.32	10.87
<i>b. Woven Garments</i>	21,200.00	21,253.41	0.25	19,398.83	9.56
14. Home Textile	1,980.00	1,095.29	-44.68	1,621.93	-32.47
15. Other Footwear	520.00	478.86	-7.91	449.15	6.61
16. Headgear/Cap	410.10	447.43	9.10	364.63	22.71
17. Ceramic Products	50.00	43.39	-13.22	41.36	4.91
18. Engineering Products	964.38	585.85	-39.25	795.63	-26.37
<i>a. Iron Steel</i>	190.00	69.81	-63.26	154.68	-54.87
<i>b. Engineering Equipment</i>	304.38	145.51	-52.19	241.56	-39.76
<i>c. Electric Products</i>	105.00	128.45	22.33	100.10	28.32
<i>d. Bicycle</i>	200.00	142.24	-28.88	167.95	-15.31
<i>e. Others</i>	165.00	99.84	-39.49	131.34	-23.98
19. Ships, Boats & Floating Structures	0.30	5.33	1,676.67	0.24	2,120.83
20. Other Manufacturing Products	429.00	442.95	3.25	365.61	21.15
21. Others	247.55	209.51	-15.37	190.98	9.70
<b>Total (A+B)</b>	<b>58,000.00</b>	<b>55,558.76</b>	<b>-4.21</b>	<b>52,082.66</b>	<b>6.67</b>

Note: P = Provisional

Source: Export Promotion Bureau (EPB)



Chamber Building

## A Brief Profile of MCCI, Dhaka

Founded in 1904, the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) is the oldest and the pre-eminent trade organization of Bangladesh. Its membership roll encompasses leading commercial and large industrial organizations of the country, including public sector corporations and local as well as multinational companies. Presently, almost all major enterprises of the manufacturing and service sector are among its members. The Chamber provides a wide range of professional services to its members.

The Chamber's services, developed over a long period, are comprehensive and cover specialized areas such as taxation, import-export, tariff and non-tariff measures, investment, WTO matters and other national and international economic and commercial concerns. The Chamber maintains a secretariat manned by professional staff. It offers secretarial services to the Bangladesh Employers' Federation (BEF), the lone national level organization of employers in the country dealing with industrial relations, occupational safety and health, workplace cooperation, skills development, labor law and other labor-related issues.

The Chamber's policy recommendations and inputs related to ongoing reforms have gained wide acceptance amongst government and policy makers. MCCI has earned recognition at home and abroad by offering services such as issuing certificates of origin, and, through conducting economic research and sector surveys, offering trade and investment facilitation services, legal services, information management and dissemination, and publications related to trade and commerce.

The Chamber is represented in many Advisory Councils as well as Committees formed by various ministries of the government of Bangladesh. MCCI also maintains effective working relations with development partners, e.g., the World Bank Group, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the Asian Development Bank (ADB), Japan External Trade Organization (JETRO), Japan International Cooperation Agency (JICA), the Asia Foundation, etc. MCCI has a long history of joint collaboration. It interacts regularly with major international trade bodies and many private sector organizations located all over the world.