

# Economy facing major challenges, yet Q2 shows signs of improvement

## MCCI observes in its quarterly economic review

FE REPORT | March 05, 2024 00:00:00

Country's economy is facing significant challenges as reflected in the majority of key indicators mainly due to the prevailing global and internal adversities, according to a leading local business chamber.

"As many as six out of nine key economic indicators, prepared by the Bangladesh Bank, signal significant challenges facing the new government, which economists attribute to persisting global and local adversities," the Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka has said.

The six 'weaker parameters' are Foreign exchange reserves, import volume, domestic debt, export receipts, food stock, and CPI inflation.

The elite trade body made the observation in its review of "Economic Situation in Bangladesh for October-December quarter of 2023 (Q2 of FY '24), suggesting steps to stabilize forex reserves, manage inflation, enhance revenue earnings, ensure proper electricity and gas supply, and improve the food supply situation.

"...The government took quick and decisive measures to address the economic fallouts," said the trade body, pointing out that the economy showed signs of improvement in the quarter under review.

Mentioning that exports and imports are two important drivers of the economy, the MCCI said both areas have done better amid the present situation.

It also pointed out adversities like a slowdown in external demand, weak remittance inflow, shortfall in revenue collection and slow public expenditure, rise in inflation, depreciation of the Taka, a decline in forex reserves, unemployment situation, and low investment in recent months.

The trade body said that the economy is gradually overcoming the difficulty caused by the Russia-Ukraine war.

In an outlook, it said the export earnings this month (March) might reach US\$5.89 billion while the import payments are expected to be \$4.46 billion in the same month.

The Point-to-point inflation is expected to see a slight fall at 9.85 percent in February and 9.75 percent in March this year, according to the MCCI.

On the other hand, the country's inward remittances are likely to stand at \$2.22 billion this month (March), it predicted.

[www.businessinsiderbd.com/ 05 March 2024](http://www.businessinsiderbd.com/05-March-2024)

## **MCCI for more actions to make foreign exchange reserves stable**

BI Desk || *BusinessInsider*  
Published: 00:18, 5 March 2024

Metropolitan Chamber of Commerce and Industry (MCCI) urged the government to take more actions to make foreign exchange reserves stable, manage inflation, enhance revenue earnings, ensure proper electricity and gas supply for economic activities and improve the food situation.

As many as six out of nine key economic indicators, prepared by the Bangladesh Bank, signal significant challenges facing the new government that economists attribute to persisting global and local adversities, said MCCI in its review of the economic situation for October-December of the current financial year of 2023-24.

The six weaker parameters are foreign exchange reserves, import volume, domestic debt, export receipts, food stock, and CPI inflation, reports BSS.

To overcome the situation, the government took quick and decisive measures to address the economic fallout, the MCCI opined in its review.

Nevertheless, the economy has been showing some signs of improvement in the quarter under review (Q2 of FY24). Exports and imports are two important drivers of the economy, and amid the present situation, both areas have done better.

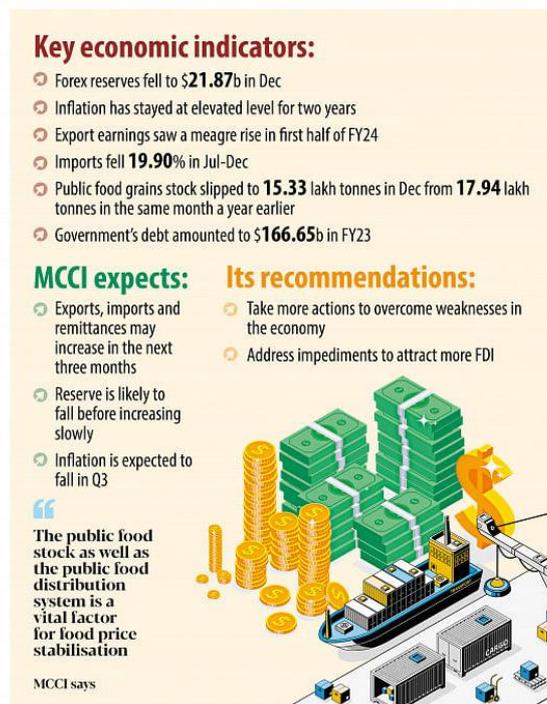
However, there was a slowdown in external demand, weak remittance inflow, shortfall in revenue collection and slow public expenditure, rise in inflation, depreciation of the Taka, a decline in foreign exchange reserves, an unemployment situation and low investment in recent months.

[www.thedailystar.net/](http://www.thedailystar.net/) 05 March 2024

## Six Indicators signal significant challenges for govt: MCCI

Star Business Report

Tue Mar 5, 2024 06:34 AM



The government is facing significant challenges in as many as six out of nine key economic indicators, said a top chamber yesterday, calling for further actions to improve the scenario.

The parameters are foreign exchange reserves, import volume, domestic debt, export receipts, food stock, and inflation, according to the Metropolitan Chamber of Commerce & Industry, Dhaka (MCCI).

Local economists have attributed persisting global and local adversities to the weaker situation in the areas. In order to overcome the situation, the government has taken quick and decisive measures to address the economic fallout.

"The government also needs to take more actions to stabilise foreign exchange reserves, manage inflation, enhance revenue earnings, ensure proper electricity and gas supply, and improve the food situation," the MCCI said in its review of the economic situation for October-December of the current financial year of 2023-24.

Amid higher outflows against lower inflows, gross foreign exchange reserves fell to \$21.87 billion at the end of December. It was \$24.75 billion at the end of the last financial year and \$40.7 billion in August 2021.

Inflation has stayed at an elevated level for the past two years and surged to a 12-year high in 2022-23.

The rate of inflation decreased to 9.41 percent in December from 9.49 percent in November. Still, it was high because of the supply bottlenecks brought on by the Russia-Ukraine war and the rise in domestic demand, the oldest chamber of the country said.

Merchandise export earnings increased a meagre 0.83 percent to \$27.54 billion in July-December of FY24, due mainly to the falling demand for apparel products in the global market for an economic slowdown and Bangladesh's limited product basket.

Customs-based imports decreased by 19.90 percent to \$33 billion.

The review said the public food stock is a vital factor for food price stabilisation as well as the public food distribution system. So, the government is procuring food grains from both internal and external sources.

In December, the government's food grains stock was estimated at 15.33 lakh tonnes, which was 17.94 lakh tonnes in the identical month in 2022.

The government's total debt amounted to \$166.65 billion in FY23. Of the volume, external debt stood at \$74 billion, which is predominantly owed to multilateral and bilateral creditors.

Although the risk of external debt distress and the overall risk of debt distress has remained low for Bangladesh, the persistently low revenue receipts have not only limited the government's ability to spend but are also posing a threat to the country's debt sustainability.

The National Board of Revenue's tax collections grew 13.89 percent year-on-year to Tk 165,629 crore in July-December of FY24 riding on value-added tax receipts. However, the achievement fell short of the government's strategic target by 12.30 percent.

Nevertheless, the MCCI said, the economy showed some signs of improvement in the quarter under review.

"Exports and imports are two important drivers of the economy, and amid the present situation, both areas have done better."

The review said the economy is gradually overcoming the difficulty caused by the Russia-Ukraine crisis. "Therefore, the performances of the selected economic indicators are mixed."

The chamber thinks exports, imports and remittances may increase in the next three months. The foreign exchange reserve is likely to fall due to the repayments of loans before increasing slowly.

Inflation is expected to go down slowly in the third quarter.

The chamber said Bangladesh's low labour costs are generally believed to be attractive to foreign investors, yet they hesitate to make fresh investments in the country.

The factors include underdeveloped infrastructure, 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 and ensure the economic development," the MCCI said.

[www.newagebd.net/](http://www.newagebd.net/) 04 March 2024

## Six out of nine key economic indicators signal challenges

**Says MCCI in its economic review**

[Staff Correspondent](#) | Published: 23:14, Mar 04, 2024



A file photo shows a man counting dollar notes in the capital Dhaka. Six out of nine key economic indicators, including foreign exchange reserves, imports, domestic debts, export receipts, food stock and inflation, have signalled significant challenges for the government, according to the Metropolitan Chamber of Commerce and Industry, Dhaka. — New Age photo

Six out of nine key economic indicators, including foreign exchange reserves, imports, domestic debts, export receipts, food stock and inflation, have signaled significant challenges for the government, according to the Metropolitan Chamber of Commerce and Industry, Dhaka.

The trade body on Monday made the observation in its Review of Economic Situation in Bangladesh October-December 2023.

The economic indicators were prepared by the Bangladesh Bank.

There has been a slowdown in external demand, weak remittance inflow, a shortfall in revenue collection, slow public expenditure, a rise in inflation, a depreciation of the taka, a decline in foreign exchange reserves and low investments in recent months, the MCCI observed.

The review said that the exchange rate of the taka had depreciated since the end of June 2022.

Between end-June of financial year 2022-23 and end-December of FY24, the value of the taka depreciated by 1.49 per cent in terms of the US dollar, it said.

One of the key indicators, gross foreign exchange reserves of the country, declined by a significant amount, to \$21.87 billion at the end of December of FY24 compared with \$24.75 billion at the end of June of FY23.

Another key indicator, import volume, also decreased significantly in the period.

According to the review, the total value of customs-based imports decreased by 19.90 per cent to \$33 billion against \$41.20 billion in July-December of FY23.

Customs-based imports in December alone of FY24 also decreased by 13.40 percent to \$5.23 billion compared with those of \$6.04 billion in the same month of the previous financial year.

The MCCI review stated that the overall export earnings decreased by 8.55 percent against the strategic target (\$30.11 billion), while merchandise export earnings increased by a marginal 0.83 percent to \$27.54 billion compared with \$27.31 billion in the corresponding six months of the previous financial year.

The review said that the export receipts rose marginally, by 0.64 percent, while imports declined by 19.80 percent.

The gross inflows of foreign direct investment in July-December of FY24 decreased year-on-year by 27.53 percent to \$1,827 million compared with of \$2,521 million in the same period of FY23.

The target of domestic food grain production for the current financial year was set by the agriculture ministry at 44.53 million tonnes, which is 4.21 percent higher than the FY23 target of 42.73 tonnes.

This target was 10.72 per cent higher than the total amount of production in FY23 which was 40.22 million tonnes, the MCCI said.

The rate of inflation decreased to 9.41 per cent in December 2023 from 9.49 per cent in November 2023, according to the review.

'Though the rate eased to some extent in December, still it was high because of supply bottleneck due to the Russia-Ukraine war and a rise in domestic demand. A year ago, in December 2022, the inflation rate was lower at 8.71 percent,' it said.

The domestic credit grew by 11.89 percent at the end of December 2023.

The private sector credit growth was below the central bank's target of 10.90 percent in December 2023, while the public sector credit also recorded a lower growth of 19.34 percent at the end of December 2023.

[https://www.daily-sun.com/04 March 2024](https://www.daily-sun.com/04_March_2024)

## **Six economic indicators signal significant challenges for govt: MCCI**

Daily Sun Report, Dhaka  
Monday, 04 March, 2024, 07:18PM

As many as six out of nine main economic indicators, prepared by the Bangladesh Bank, signal significant challenges the new government is facing now, while economists attribute to persisting global and local adversities, the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) has said.

The six weaker parameters are foreign exchange reserves, import volume, domestic debt, export receipts, food stock, and Consumer Price Index (CPI) inflation, according to the MCCI in its review of the economic situation for October-December of FY2023-24.

Nevertheless, the economy has shown some signs of improvement in the second quarter of the FY, it said, adding that exports and imports are two important drivers of the economy, and amid the present situation, both areas have done better.

However, there was a slowdown in external demand, weak remittance inflow, shortfall in revenue collection and slow public expenditure, rise in inflation, depreciation of

Taka, a decline in foreign exchange reserves, unemployment situation, and low investment in recent months, the chamber said.

The MCCI urged the government to take more actions to make the foreign exchange reserves stable, manage inflation, enhance revenue earnings, ensure proper electricity and gas supply for economic activities, and improve the food situation.

[www.bssnews.net/ 04 March 2024](http://www.bssnews.net/04-March-2024)

## **MCCI for more actions to make foreign exchange reserve stable**

DHAKA, March 04, 2024 (BSS)

Metropolitan Chamber of Commerce and Industry (MCCI) urged the government to take more actions to make foreign exchange reserve stable, manage inflation, enhance revenue earnings, ensure proper electricity and gas supply for economic activities and improve the food situation.

As many as six out of nine key economic indicators, prepared by the Bangladesh Bank, signal significant challenges facing the new government that economists attribute to persisting global and local adversities, said MCCI in its review of the economic situation for October-December of the current financial year of 2023-24.

The six weaker parameters are foreign exchange reserves, import volume, domestic debt, export receipts, food stock, and CPI inflation.

To overcome the situation, the government took quick and decisive measures to address the economic fallout, the MCCI opined in its review.

Nevertheless, the economy has been showing some signs of improvement in the quarter under review (Q2 of FY24). Exports and imports are two important drivers of the economy, and amid the present situation, both the areas have done better.

However, there was slowdown in external demand, weak remittance inflow, shortfall in revenue collection and slow public expenditure, rise in inflation, depreciation of the Taka, a decline in foreign exchange reserves, unemployment situation and low investment in recent months.

[https://www.tbsnews.net/04 March 2024](https://www.tbsnews.net/04_March_2024)

## **Two-thirds indicators signal post-election economic challenges: MCCI**

**BSS**

04 March, 2024, 08:00 pm

**The weaker parameters are forex reserves, import volume, domestic debt, export receipts, food stock and inflation, it says**

Six out of nine key economic indicators, prepared by the Bangladesh Bank, signal the new government is facing significant economic challenges, said the Metropolitan Chamber of Commerce and Industry (MCCI).

The top-tier Dhaka-based trade body in its quarterly "Review of Economic Situation in Bangladesh for October-December 2023," said the weaker parameters are foreign exchange reserves, import volume, domestic debt, export receipts, food stock, and CPI inflation.

Economists attribute the issues to persisting global and local adversities, the MCCI said, adding the government, to overcome the situation, took quick and decisive measures to address the economic fallout.

"The government also needs to take more actions to stabilize foreign exchange reserves, manage inflation, enhance revenue earnings, ensure proper electricity and gas supply for economic activities, and improve the food situation."

Nevertheless, the economy has been showing some signs of improvement in the quarter under review (the second quarter of fiscal year 2023-24), it added.

Exports and imports are two important drivers of the economy, and amid the present situation, both the areas have done better, said the trade body in its quarterly review published today.

However, there was a slowdown in external demand, weak remittance inflow, shortfall in revenue collection and slow public expenditure, rise in inflation, depreciation of the

taka, a decline in foreign exchange reserves, unemployment situation and low investment in recent months, the MCCI raised its red flag.

[www.observerbd.com/ 05 March 2024](http://www.observerbd.com/05-March-2024)

## **MCCI for more actions to make forex reserve stable**

Published: Tuesday, 5 March, 2024 at 12:00

Metropolitan Chamber of Commerce and Industry (MCCI) urged the government to take more actions to make foreign exchange reserve stable, manage inflation, enhance revenue earnings, ensure proper electricity and gas supply for economic activities and improve the food situation.

As many as six out of nine key economic indicators, prepared by the Bangladesh Bank, signal significant challenges facing the new government that economists attribute to persisting global and local adversities, said MCCI in its review of the economic situation for October-December of the current financial year of 2023-24.

The six weaker parameters are foreign exchange reserves, import volume, domestic debt, export receipts, food stock, and CPI inflation.

To overcome the situation, the government took quick and decisive measures to address the economic fallout, the MCCI opined in its review.

Nevertheless, the economy has been showing some signs of improvement in the quarter under review (Q2 of FY24). Exports and imports are two important drivers of the economy, and amid the present situation, both the areas have done better. —

BSS

ত্রৈমাসিক পর্যালোচনা

## অর্থনীতির চ্যালেঞ্জ ও সূচকে: এমসিসিআই

নিজস্ব প্রতিবেদক ঢাকা

প্রকাশ: ০৫ মার্চ ২০২৪, ১১: ২০

দেশীয় অর্থনীতির নয়টি প্রধান সূচকের মধ্যে ছয়টি নিয়ে নতুন সরকার বড় ধরনের চ্যালেঞ্জের মুখে রয়েছে। সূচক ছয়টি হচ্ছে বৈদেশিক মুদ্রার রিজার্ভ বা মজুত, আমদানির পরিমাণ, দেশীয় ঋণ, রপ্তানি প্রত্যাবাসন, খাদ্য মজুত ও মূল্যস্ফীতি। মূলত বৈশ্বিক ও স্থানীয় প্রতিকূলতাই এ পরিস্থিতির জন্য দায়ী।

ব্যবসায়ীদের শীর্ষস্থানীয় সংগঠন মেট্রোপলিটন চেম্বার অব কমার্স অ্যান্ড ইন্ডাস্ট্রি (এমসিসিআই) তাদের ত্রৈমাসিক পর্যালোচনায় এমন অভিমত দিয়েছে। এমসিসিআই বলেছে, সরকার অর্থনৈতিক পতন মোকাবিলায় এরই মধ্যে দ্রুত ও দৃঢ় পদক্ষেপ নিয়েছে। তবে পরিস্থিতির উন্নয়নে আরও পদক্ষেপ নেওয়া জরুরি।

২০২৩-২৪ অর্থবছরের দ্বিতীয় প্রান্তিক অক্টোবর-ডিসেম্বর সময়ের অর্থনীতির বিভিন্ন সূচক নিয়ে গতকাল সোমবার এ পর্যালোচনা প্রকাশ করে এমসিসিআই। প্রতি তিন মাস পরপর এমন পর্যালোচনা প্রকাশ করে সংগঠনটি।

ত্রৈমাসিক পর্যালোচনায় এমসিসিআই বলেছে, প্রবাসী আয়ের দুর্বল প্রবাহ, রাজস্ব সংগ্রহে ঘাটতি, টাকার অবমূল্যায়ন, মূল্যস্ফীতি বৃদ্ধি, সরকারি ব্যয় ও বৈদেশিক মুদ্রার রিজার্ভ কমা, বিনিয়োগ কমা ও বেকারত্ব বৃদ্ধির মতো চ্যালেঞ্জের মধ্য দিয়ে দেশকে যেতে হয়েছে। তবে সরকারের পদক্ষেপের কারণে রপ্তানি ও আমদানির মতো কিছু জায়গায় তুলনামূলক ভালো ফল এসেছে।

এমসিসিআই বলেছে, বৈদেশিক মুদ্রার রিজার্ভ স্থিতিশীল করা, মূল্যস্ফীতি নিয়ন্ত্রণ, রাজস্ব আয় বৃদ্ধি, অর্থনৈতিক কর্মকাণ্ড সচল রাখতে বিদ্যুৎ ও গ্যাসের যথাযথ সরবরাহ নিশ্চিত করা এবং খাদ্য পরিস্থিতির উন্নতির জন্য সরকারকে আরও পদক্ষেপ নিতে হবে।

নতুন প্রতিবেদনে অক্টোবর-ডিসেম্বর সময়ের জন্য কৃষি, শিল্প, সেবা, বিদ্যুৎ, মূল্যস্ফীতি, আমদানি-রপ্তানি, বিনিময় হার, প্রবাসী আয়, বৈদেশিক বিনিয়োগ ও সাহায্য, রাজস্ব আয়-ব্যয়,

লেনদেনের ভারসাম্য, শেয়ারবাজার, বৈদেশিক কর্মসংস্থান প্রভৃতি বিষয়ে পর্যালোচনা করা হয়েছে।

এমসিসিআই বলেছে, ২০২৩-২৪ অর্থবছরের জুলাই-ডিসেম্বরে সময়ে দেশে রপ্তানি আয় আগের অর্থবছরের একই সময়ের তুলনায় শূন্য দশমিক ৮৩ শতাংশ বেড়েছে। যদিও এই সময়ে লক্ষ্যমাত্রার বিপরীতে সামগ্রিক রপ্তানি আয় ৮ দশমিক ৫৫ শতাংশ কম ছিল। সর্বশেষ ত্রৈমাসিকে দেশে প্রত্যক্ষ বিদেশি বিনিয়োগের (এফডিআই) প্রবাহ ২৭ দশমিক ৫৩ শতাংশ কমেছে। বাংলাদেশ ব্যাংকের বৈদেশিক মুদ্রার রিজার্ভ কমে ডিসেম্বরে ২৭ দশমিক ১৩ বিলিয়ন হয়েছে।

সংগঠনটি বলেছে, রাশিয়া-ইউক্রেন যুদ্ধের কারণে বৈশ্বিক সরবরাহ ব্যবস্থায় সংকট ও অভ্যন্তরীণ চাহিদা বৃদ্ধির কারণে মূল্যস্ফীতি বেড়েছে, যা এখনো কমানো সম্ভব হয়নি।