

BANGLADESH PURCHASING MANAGERS' INDEX (PMI)

7 February 2024

Bangladesh January PMI recorded a faster expansion at 62.1 All sectors except Construction posted faster expansion rates

The JANUARY reading of the Bangladesh Purchasing Managers' Index (PMI) increased by 7.0 points from the previous month to record a faster expansion at 62.1. This latest PMI reading was attributed to a faster expansion rate in the key sectors of manufacturing and services. The agriculture sector reverted to an expansion from a contraction in the previous month. The construction sector posted a slower rate of expansion from the previous month.

The agriculture sector posted a first-time expansion reading for both new business and business activity. The employment index posted a faster expansion rate whereas the input costs posted a slower expansion rate. The order backlog posted a slower contraction.

The manufacturing sector posted a faster expansion rate for the indexes of new orders, new exports, factory output, input purchases, imports, input prices, and supplier deliveries. However, both the indexes of finished goods and employment reverted to a contraction.

The construction sector posted a faster expansion rate for the new business index but was dragged lower by slower expansion rates in the indexes of construction activity and input costs. The employment index reverted to a contraction and the order backlog posted a faster contraction.

The services sector posted a faster expansion rate for the indexes of business activity and employment. The new business index reverted to an expansion whereas the order backlog index reverted to a contraction. The input cost index posted a slower expansion rate.

In terms of the future business index, both the manufacturing and services sectors posted faster expansion rates whereas both the agriculture and construction sectors posted slower expansion rates.

“Despite the ongoing geopolitical risks and macroeconomic uncertainties, the new year augurs well for the Bangladesh economy as all key sectors of the economy posted growth. In particular, the agriculture sector index edged up to an expansion from a contraction in the previous month. The future business index is also indicative of a continuing growth for the local businesses.”

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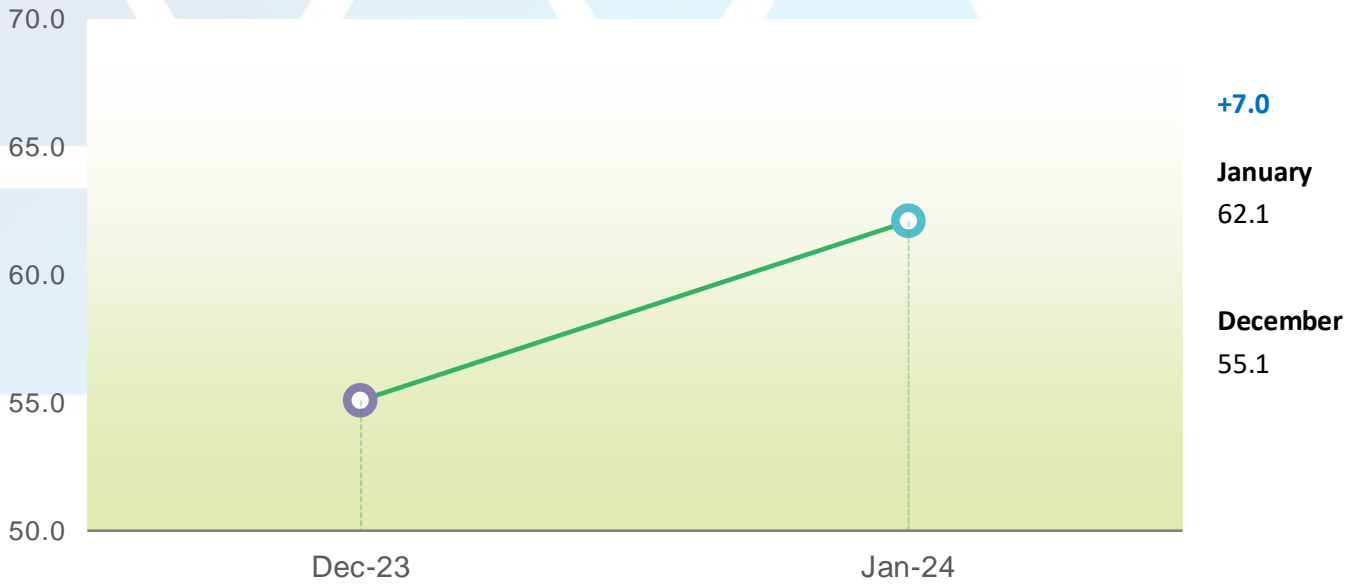
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Page 1 of 4

Bangladesh PMI

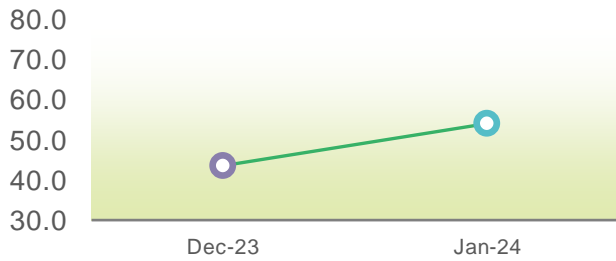
Purchasing Managers' Index (PMI)



Agriculture Sectors

January 54.1 December 43.6

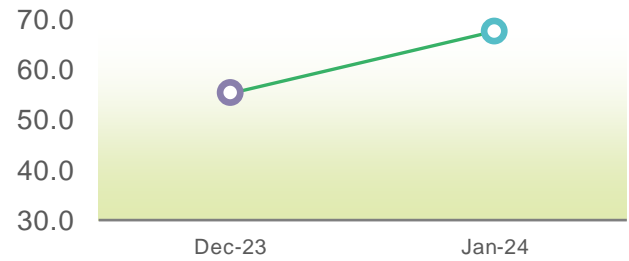
Agriculture Sector Index



Manufacturing Sectors

January 67.7 December 55.3

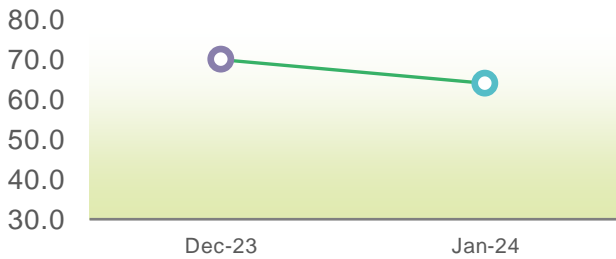
Manufacturing Sector Index



Construction Sectors

January 63.9 December 69.8

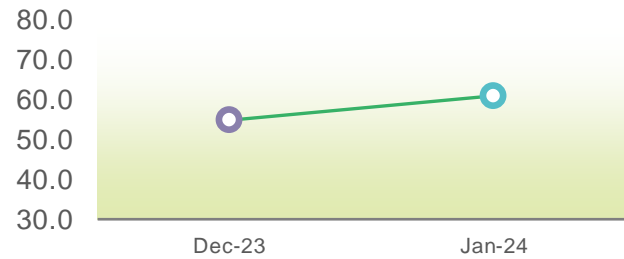
Construction Sector Index



Services Sectors

January 60.8 December 54.7

Services Sector Index



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ABOUT BANGLADESH PMI

The Bangladesh PMI was developed in 2024 by Metropolitan Chamber of Commerce and Industry (MCCI) and Policy Exchange Bangladesh, in cooperation with the Singapore Institute of Purchasing & Materials Management (SIPMM) and supported by UK International Development.



The Purchasing Managers' Index (PMI) is a forward looking (or "leading") economic indicator which helps understand the direction in which the economy is headed. First developed in the United States in 1948, it has since then been utilized in over 50 countries for its accuracy and reliability in capturing the pulse of key sectors and the economy. It is widely used by investors, businesses and policymakers for making key decisions.

The Bangladesh PMI was initiated by the UK Government. Covering the key economic sectors, the Bangladesh PMI is based on data compiled from monthly surveys of over 500 private sector enterprises. Survey responses reflect the change in business activity, if any, in the current month compared to the previous month. The headline numbers are derived using 'diffusion index' methodology, aggregating inputs from these companies on various indicators, weighted. The methodology was developed by Singapore Institute of Purchasing & Materials Management (SIPMM), with technical inputs from Policy Exchange.

A PMI reading above 50 indicates that the sector/ economy is generally 'expanding'. A reading of 50 indicates 'no change' compared to last month, while a reading below 50 indicates a 'contraction'.

For more information, please visit: www.bangladeshpmi.com

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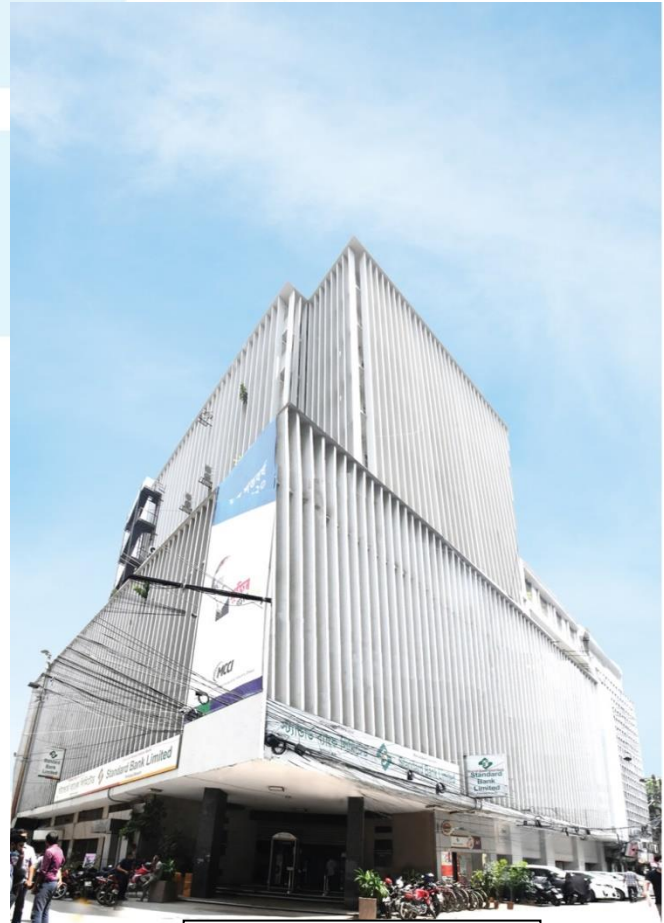


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ABOUT MCCI

The Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), founded in 1904, is the oldest and most prominent trade organization in Bangladesh. Its membership includes leading commercial and large industrial organizations from both the public and private sectors, as well as local and multinational companies. Currently, almost all major enterprises in the manufacturing and service sectors are members of the Chamber. The Chamber offers a wide range of professional services to its members. Over the years, the Chamber has developed comprehensive services covering specialized areas such as taxation, import-export, tariffs, non-tariff measures, investment, WTO matters, and other national and international economic and commercial issues. The Chamber maintains a secretariat staffed by professionals and provides secretarial services to the Bangladesh Employers' Federation (BEF), the country's sole national-level organization of employers dealing with industrial relations, occupational safety and health, workplace cooperation, skills development, labor law, and other labor-related issues.



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