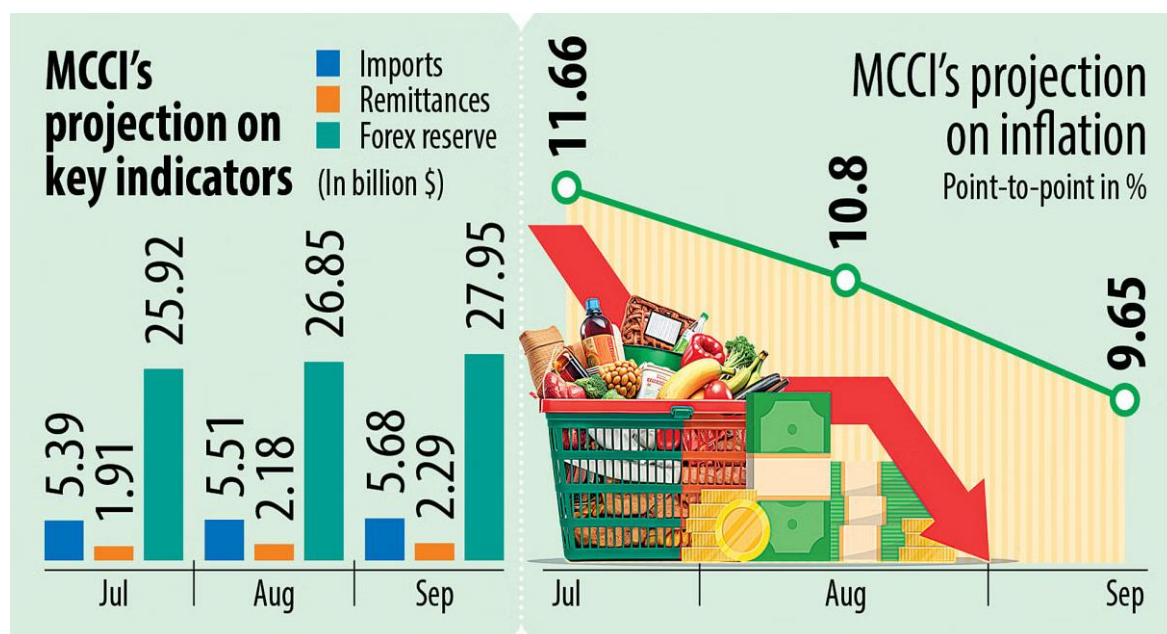


## MCCI projects higher imports, remittances and slowing inflation



Three major indicators of the economy -- imports, remittances and foreign exchange reserves -- are likely to increase in the first quarter of the current fiscal year, a positive development for the external accounts, according to the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI).

The country's monthly imports may hit \$5.68 billion in September, up from August's projection of \$5.51 billion and July's estimated import bill of \$5.39 billion, the chamber said yesterday in its quarterly economic review.

Similarly, remittances may grow to \$2.29 billion next month from \$2.18 billion in August.

The leading trade body also said that inflation, which hit 11.66 percent in July, the highest in 13 years, is expected to ease this month and next month.

"The economy is trying to overcome the difficulty due to the present conflicting world scenario. Therefore, the performances of the selected economic indicators are mixed," the chamber said.

Bangladesh's overall forex reserves may rise to \$27.95 billion at the end of September, it added.

The MCCI did not project exports as the Export Promotion Bureau refrained from publishing export statistics for three months since June after correcting a massive data mismatch.

Imports and remittances may decrease in July due to the present slowed-down economy and then may increase in the next two months, the chamber said, adding that the foreign exchange reserve may decrease in July due to the payment of \$1.42 billion for the May-June period through the Asian Clearing Union (ACU).

"Inflation increased in July, but it is expected to fall in August and September of 2024," it added.

The MCCI said the economy showed some signs of improvement with the increase of foreign exchange reserves and remittances in June of the current year.

But the country witnessed massive mayhem as students protested the quotas system for government jobs since the start of July, which dealt a big blow to business activities.

"After the fall of the Awami League government [on August 5], the interim government has just taken power and it will take time to normalise business activities," it added.

The MCCI said issues such as smooth logistics, banking services and security in industries needed to be addressed to ensure the revival of economic activities.

It stressed the need to overcome rising inflation, slowdown in external demand, weak remittance inflow, shortfall in revenue collection, slow public expenditure, depreciation of the taka and a decline in foreign exchange reserves.

"The unemployment situation and low investment are other challenges."

The authorities also need to protect small businesses and ensure proper electricity and gas supply, it added.

The oldest business chamber in the country said agricultural production was good because of favourable natural factors and strong government support.

The manufacturing sector also registered the start of a slow rebound.

The gradual easing of import restrictions, clearance of a backlog of letters of credit, and the introduction of the crawling peg system to manage the exchange rate have spurred economic activity, the MCCI said.

However, the real estate business remains sluggish, mainly because of higher costs of property and lower purchasing power of people.

"Besides, the higher prices of building materials have slowed overall construction work," it said citing industry people.

"The devaluation of the taka against the US greenback is one of the major reasons for the increase in construction costs. Amid inflationary pressures, labour and transportation costs have also risen."

The MCCI added that Bangladesh was yet to see tangible economic pickup.

The leading chamber cited that the gross inflows of foreign direct investment (FDI) decreased by 6.5 percent year-on-year to \$3.8 billion in the July-May period of FY25.

It noted that FDI inflow to Bangladesh was low compared to many other countries with similar levels of development.

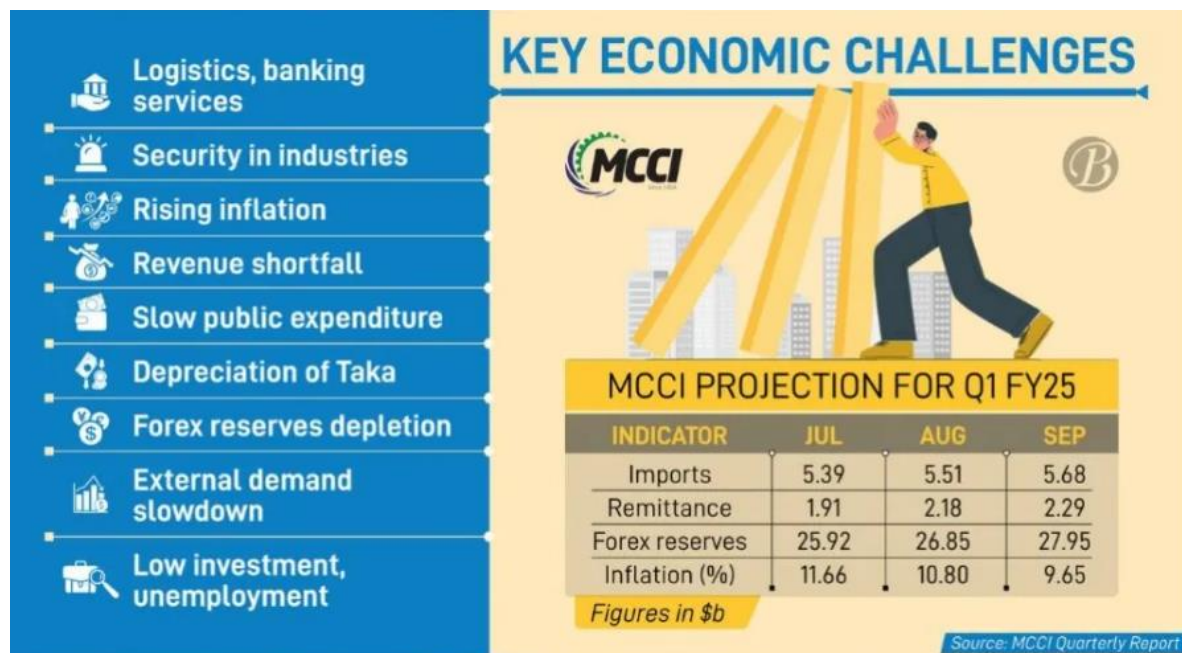
"Bangladesh's low labour costs are generally believed to be attractive to foreign investors, yet they hesitate to make fresh investments because of the country's underdeveloped infrastructure," it added.

The MCCI said other impediments are shortages of energy and weak transmission infrastructure, a 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 to ensure the country's economic development."

# MCCI predicts macro-economic recovery by Q1 FY25

Staff Correspondent



Bangladesh's macro-economic situation will show recovery at the end of first quarter [July-September] of FY25. Indicators such as import, remittance, forex reserves and inflation will show improvement during that time.

The Metropolitan Chamber of Commerce and Industry (MCCI) made the projection in its latest report titled "Review of Economic Situation in Bangladesh Q4 of FY24."

However, some issues such as smooth logistics, banking services and security in industries must be addressed to ensure revival of economic activities, read the report while highlighting several challenges for the interim government.

Some of the challenges are the rise in inflation, slowdown in external demand, weak remittance inflow, shortfall in revenue collection and slow public expenditure, depreciation of the Taka and a decline in foreign exchange reserves.

Low investment and unemployment are also challenges, mentions the report. But industry insiders believe this is one of the key challenges for the interim and upcoming government.

Speaking with The Business Post, former president of Dhaka Chamber of Commerce and Industry (DCCI) Abul Kasem Khan said, "Emphasis should be placed on creating entrepreneurship for employment generation.

"One entrepreneur can create at least ten employment opportunities. Barriers to creating new entrepreneurships should be removed. Besides, if ease of doing business can be ensured, the existing industries will move forward, which will contribute to the creation of new jobs."

According to the Labour Force Survey of Bangladesh Bureau of Statistics (BBS), the estimated number of unemployed people in the country was 2.47 million at the end of 2023, and the unemployment rate was 3.36 per cent.

The number of unemployed people was 2.58 million at the end of 2022 and the unemployment rate was 3.53 per cent.

The most alarming issue is the number of people outside of work standing at 47.18 million. Experts believe that they are not involved in any work and it may cause social unrest.

To overcome these economic challenges, the government took some decisive measures to address the economic fallout, read the MCCI report.

But it suggested that the government also needs to take more actions to stabilise foreign exchange reserves, manage inflation, enhance revenue earnings, ensure proper electricity and gas supply for economic activities, and protect small businesses.

DCCI ex-president Abul Kasem Khan said, "Amid a changing situation, the people who are holding key positions in regulatory institutions relevant to the financial sector are generating confidence in the business community.

"We believe that this confidence will bring positive changes in the economy in the coming days. However, the current government should give more importance to ensure the safety of industrial factories."

The MCCI report stated that during the quarter under review (April-June of FY24), the economy had shown some signs of improvement with increase of foreign exchange reserves and remittances in June 2024.

Later on, Bangladesh witnessed massive mayhem in the backdrop of protests by students against the quotas in government jobs over a few weeks, which dealt a blow to people's normal life and business.

After the Awami League government fell, the interim government had just taken over power, and it would take time to normalise the business activities.

On August 25, Chief Adviser of the interim government Dr Muhammad Yunus in his speech to the nation said, "We have taken initiatives to ensure good governance in the banking sector, which has become an arena of looting and corruption.

"Skilled manpower is being recruited in this sector. We have taken initiatives to establish order in the banking sector, create conducive business environment and bring the prices of daily necessities and inflation to people's lives easier."

The chief advisor then mentioned, "The banking commission is essential for long term reforms in the sector. A white paper will be prepared about the overall situation and reforms in the financial sector and will be made public soon.

"Where there is extreme chaos in the stock market and transportation sector, quick steps are being taken to resolve these issues."

<https://thefinancialexpress.com.bd/> Aug 28, 2024

Report on review of economy for April-June quarter of FY24

## Business activities to get normal with time

MCCI expects as the interim govt just assumed office



Business activities in the country would take time to become normal as the interim government has just assumed office, following a student-led mass upsurge that toppled the previous Awami League government.

Bangladesh witnessed massive mayhem over the last few weeks amid students' anti-discrimination movement that dealt a blow to people's normal life and business, observes a prominent trade body, foreseeing that it would take time to get normal.

The Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI, Dhaka) on Tuesday made the observation in its latest report on review of the economy for the last quarter (April-June) of FY 2023-24, and pointed out the challenges ahead.

It said the unrest started getting a pace at a time when the economy has been showing signs of improvement with the increase in foreign exchange reserves and remittances in June 2024.

The economic revival hinges on addressing critical challenges of logistics, banking services, and industrial security.

It also said that less than expected volume of foreign exchange reserves, poor collection of revenue, depreciation of local currency Taka against US dollar, and stubbornly higher inflation are matters of concern.

The MCCI emphasised the need for further government actions, particularly in ensuring uninterrupted electricity and gas supply to maintain economic activities.

The chamber has also made projections on some selected economic indicators for the first quarter (July-September) of the current fiscal year (FY 2024-25).

It said the imports would increase in the next couple of months - August imports may rise to US\$5.5 billion and September to \$5.8 billion. The remittance may also boost - it may stand at \$2.18 billion in August and at \$2.29 billion in September.

Foreign exchange reserves (gross) may rise to \$26.85 billion at the end of August and to \$27.95 billion in September.

The MCCI said the rate of inflation may start declining from the next month (August) when it may drop to 10.8 per cent and to 9.65 per cent in September.

Export figures are not projected in the review because the Export Promotion Bureau (EPB) has suspended publishing data from June last due to data mismatch.



<https://www.tbsnews.net/> Aug 27, 2024

# Smooth logistics, banking and security major issues now: MCCI

## Unemployment and low investment are other challenges, MCCI said in a report

Smooth logistics, banking services and security in industries are the major issues that need to be addressed for revival of economic activities, said the Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka.

In its review of the economic situation for the April-June quarter, the trade body also stressed the need for overcoming the other economic challenges that include rising inflation, a slowdown in external demand, weak remittance inflows, shortfalls in revenue collection, slow public expenditure, depreciation of taka, and a decline in foreign exchange reserves.

Additionally, issues of unemployment and low investment are other significant challenges, the MCCI said in the report published today.

The report further said the interim government has already taken some decisive measures to address the economic fallout.

But more actions are needed to stabilise foreign exchange reserves, manage inflation, enhance revenue earnings, ensure proper electricity and gas supply for economic activities, and protect small businesses, the MCCI added.

The trade body further said that as the interim government has just taken charge after the recent protests by the Anti-discrimination Student Movement which led to the ouster of the Awami League government earlier this month, it would take time to normalise business activities.

<https://www.businessinsiderbd.com/> Aug 28, 2024

## **MCCI for smooth logistics, banking and industries' security**

The Metropolitan Chamber of Commerce and Industry (MCCI) has observed that smooth logistics, banking services and security in industries are the major issues needed to be addressed for revival of economic activities.

In its review of economic situation in Bangladesh report for the April-June quarter, MCCI mentioned that the trade body also stressed the need for overcoming the other economic challenges that include inflation, slowdown in external demand, weak remittance inflow, shortfall in revenue collection and the slow public expenditure, depreciation of taka and also a decline in foreign exchange reserves.

Unemployment and low investment are other challenges, the chamber added, reports BSS.

To overcome the challenges, the government took some decisive measures to address the economic fallout, it added.

The government also needs to take more actions to stabilise foreign exchange reserves, manage inflation, enhance revenue earnings, ensure proper electricity and gas supply for economic activities, and protect small businesses, said the MCCI.

During the April-June quarter, the Bangladesh economy has been showing some signs of improvement with increase of foreign exchange reserves and remittances in June 2024.

After the recent protests by the Anti-discrimination Student Movement led to the ouster of the Awami League government earlier this month, and the interim government just taking over, it would take time to normalise business activities, said the MCCI.

<https://www.newagebd.net/> Aug 27, 2024

## **Economy remained strained in Apr-June of FY24: MCCI**

Bangladesh's economy faced significant challenges in the fourth quarter of the 2023-24 financial year, with issues such as inflation, shortfall in revenue collection, slow public expenditure, depreciation of the taka and declining foreign exchange reserves continuing to exert pressure, according to the Metropolitan Chamber of Commerce and Industry, Dhaka's economic review.

The overall economic environment remained strained due to several factors, including political instability and social unrest.

The MCCI article titled 'Review of Economic Situation in Bangladesh April-June 2024' said that one of the most pressing concerns was persistent high inflation.

The general inflation rate, although slightly reduced from 9.89 per cent in May to 9.72 per cent in June, remains alarmingly high. The 12-month average inflation rate for FY24 stood at 9.73 per cent, compared with that of 9.02 per cent in FY23.

Food inflation slightly decreased to 10.42 per cent in June from 10.76 per cent in May. Meanwhile, non-food inflation marginally dropped to 9.15 per cent from 9.19 per cent.

Rural areas experienced higher inflation rates compared with urban ones, with general inflation in rural regions reaching 9.81 per cent and non-food inflation 9.26 per cent in June.

The economic review also said that between the end of FY23 and FY24, the taka depreciated by 8.17 per cent against the US dollar.

Foreign exchange reserves also saw a decline. The Bangladesh Bank's gross foreign exchange reserves fell to \$26.82 billion at the end of June 2024 from \$31.20 billion in June 2023.

When adjusted to the Balance of Payments and International Investment Position Manual, 6th edition, reserves stood at \$21.79 billion, down from \$24.75 billion a year earlier.

<https://unb.com.bd/> Aug 27, 2024

# **MCCI emphasises stability and secure supply chains for boosting economy**

The Metropolitan Chamber of Commerce and Industry (MCCI) in a review of the country's economic situation stated that the economy has been showing some signs of improvement with an increase of foreign exchange reserves and remittances since June 2024.

The country has witnessed massive mayhem in the backdrop of protests by students against the quotas in government jobs over the last few weeks which dealt a blow to people's normal life and business, according to MCCI's review.

The MCCI highlighted issues such as smooth logistics, banking services, and security in industries needed to ensure a full revival of economic activities.

The government also needs to take more actions to stabilise foreign exchange reserves, manage inflation, enhance revenue earnings, ensure proper electricity and gas supply for economic activities, and protect small businesses, said the MCCI.

The unemployment situation and low investment are other challenges in the economy of Bangladesh, according to the MCCI review.

During the April-June quarter, the Bangladesh economy showed some signs of improvement with an increase in foreign exchange reserves and remittances in June 2024.

# এপ্রিল-জুন প্রান্তিকে দেশের অর্থনীতিতে উন্নতির লক্ষণ দেখা গেছে: এমসিসিআই

প্রতিবেদনে বলা হয়েছে, মূলত আমদানিতে সীমাবদ্ধতা থাকায় বাংলাদেশের বাণিজ্যঘাটতি কমেছে। আমদানি কমানোর সঙ্গে রপ্তানিও কমেছে।

## বাণিজ্য ডেফ

চলতি বছরের দ্বিতীয় প্রান্তিকে, অর্থাৎ ২০২৩-২৪ অর্থবছরের শেষ তিন মাস এপ্রিল-জুনে বাংলাদেশের অর্থনীতিতে উন্নতির লক্ষণ দেখা গেছে। এ সময়ে, বিশেষ করে জুনে দেশে বৈদেশিক মুদ্রার রিজার্ভ বা মজুত ও প্রবাসী আয়ের প্রবাহ বেড়েছে।

২০২৩-২৪ অর্থবছরের প্রথম ১১ মাসে (জুলাই-মে) বাংলাদেশের বাণিজ্যঘাটতি ২২ দশমিক ৮২ শতাংশ কমেছে। এই ঘাটতির পরিমাণ এর আগের ২০২২-২৩ অর্থবছরের একই সময়ে ছিল ২৬ দশমিক ২ বিলিয়ন বা ২ হাজার ৬২০ কোটি ডলার, যা আলোচ্য অর্থবছরে ২০ দশমিক ২২ বিলিয়ন বা ২ হাজার ২২ কোটি ডলারে নেমে এসেছে। মূলত এই সময় বাংলাদেশের আমদানি কমে যাওয়ায় ঘাটতি কমেছে। এ সময় আমদানি বাবদ ব্যয় হয়েছে ৫৭ দশমিক ৫৭ বিলিয়ন বা ৫ হাজার ৭৫৭ কোটি ডলার; আগের বছরের একই সময় ব্যয় হয়েছিল ৬৫ দশমিক ৮৯ বিলিয়ন বা ৬ হাজার ৫৮৯ কোটি ডলার।

গতকাল মঙ্গলবার প্রভাবশালী ব্যবসায়ী সংগঠন মেট্রোপলিটন চেম্বার অব কমার্স অ্যান্ড ইন্ডাস্ট্রির (এমসিসিআই) ত্রৈমাসিক পর্যালোচনা প্রতিবেদনে দেশের অর্থনীতি সম্পর্কে কথাগুলো বলা হয়েছে। এতে দেশের এপ্রিল-জুন প্রান্তিকের অর্থনৈতিক পরিস্থিতি মূল্যায়ন করা হয়।

প্রতিবেদনে বলা হয়, মূলত আমদানিতে সীমাবদ্ধতা থাকায় দেশের বাণিজ্যঘাটতি কমেছে। আমদানি কমানোর সঙ্গে রপ্তানিও কমেছে। আলোচ্য ২০২৩-২৪ অর্থবছরের জুলাই-মে ১১ মাসে দেশের রপ্তানি আয় ৫ দশমিক ৯০ শতাংশ কমে ৩৭ দশমিক ৩৫ বিলিয়ন ৩ হাজার ৭৩৫ কোটি ডলারে নেমে এসেছে। আগের অর্থবছরের একই সময়ে রপ্তানি আয় ছিল ৩৯ দশমিক ৬৯ বিলিয়ন বা ৩ হাজার ৯৬৯ কোটি ডলার।

সেই সঙ্গে চলতি হিসাবের ঘাটতিও কমেছে। ২০২৩-২৪ অর্থবছরের জুলাই-মে ১১ মাসে চলতি হিসাবে ঘাটতি হয়েছে ৫ দশমিক ৯৮ বিলিয়ন বা ৫৯৮ কোটি ডলারে নেমেছে। আগের অর্থবছরের একই সময়ে ঘাটতি হয়েছিল ১২ দশমিক শূন্য ২ বিলিয়ন বা ১ হাজার ২০২ কোটি ডলার।

এমসিসিআই বলছে, ২০২৩-২৪ অর্থবছরের প্রথম ১১ মাসে দেশের ক্যাপিটাল অ্যাকাউন্ট বা মূলধনি হিসাবের স্থিতি বেড়েছে। আগের অর্থবছরের একই সময়ে যা ছিল ৩২০ মিলিয়ন বা ৩২ কোটি ডলার; ২০২৩-২৪ অর্থবছরে তা ছিল ৩৫৯ মিলিয়ন বা ৩৫ কোটি ৯০ লাখ ডলার।

তবে আর্থিক হিসাবের স্থিতি কমেছে। ২০২৩-২৪ অর্থবছরের জুলাই-মে সময়ে এই হিসাবের স্থিতি ছিল ২ দশমিক শূন্য ৮ বিলিয়ন বা ২০৮ কোটি ডলার; আগের অর্থবছরের একই সময়ে তা ছিল ৫ দশমিক ৫২ বিলিয়ন বা ৫৫২ কোটি ডলার।

আর্থিক হিসাবের স্থিতি কমে যাওয়ার কারণ হলো, আলোচ্য সময়ে দেশে প্রত্যক্ষ বিদেশি বিনিয়োগ (এফডিআই) কমে যাওয়া। ২০২৩-২৪ অর্থবছরের জুলাই-মে সময়ে দেশে মোট এফডিআই ৬ দশমিক ৫০ শতাংশ কমে ৩ দশমিক ৮১ বিলিয়ন বা ৩৮১ কোটি ডলারে নেমেছে, যা আগের অর্থবছরের একই সময়ে ছিল ৪ দশমিক শূন্য ৮ বিলিয়ন বা ৪০৮ কোটি ডলার।

এমসিসিআইয়ের প্রতিবেদনে বলা হয়, নিট হিসাবে আলোচ্য সময়ে দেশে এফডিআই বেড়েছে। এই হিসাবে দেশে এফডিআই বেড়েছে ৩ দশমিক ৬০ শতাংশ। এই সময়ে নিট এফডিআই এসেছে ১ দশমিক ৫৬ বিলিয়ন বা ১৫৬ কোটি ডলার, যা আগের অর্থবছরের একই সময়ে ছিল ১ দশমিক ৫০ বিলিয়ন বা ১৫০ কোটি ডলার।

২০২৩-২৪ অর্থবছরের জুলাই-মে সময়ে ফরেন পোর্টফোলিও ইনভেস্টমেন্ট বা স্টক ও বন্ডে যত বিনিয়োগ হয়েছে, তার চেয়ে বেশি পরিমাণ অর্থ বিনিয়োগকারীরা তুলে নিয়েছেন। এই অর্থবছরের জুলাই-মে সময়ে ফরেন পোর্টফোলিও ইনভেস্টমেন্ট ছিল মাইনাস ১১ কোটি ১০ লাখ ডলার; আগের বছরের একই সময়ে যা ছিল মাইনাস ৩ কোটি ৮০ লাখ ডলার।

প্রতিবেদনে বলা হয়েছে, সামগ্রিকভাবে দেশের বিভিন্ন হিসাবের ঘাটতি অনেকটা কমেছে। ২০২৩ সালের মে মাসে এই ঘাটতির পরিমাণ ছিল ৮ দশমিক ৮০ বিলিয়ন বা ৮৮০ কোটি ডলার, যা ২০২৪ সালের মে মাসে কমে ৫ দশমিক ৮৮ বিলিয়ন বা ৫৮৮ কোটি ডলারে নেমেছে। এর অর্থ হলো, দেশের আমদানি ব্যয় কমেছে এবং প্রবাসী আয় ও বিদেশি সহায়তা বেড়েছে। সেই সঙ্গে বিদেশি মুদ্রার ব্যবস্থাপনাও উন্নত হয়েছে। কিন্তু এই ঘাটতি থাকার অর্থ হলো, একটি দেশ যে পরিমাণে বিদেশি মুদ্রা আয় করছে, তার চেয়ে বেশি ব্যয় করছে।

এদিকে ৫ আগস্ট দেশে রাজনৈতিক পটপরিবর্তন হয়েছে। এক মাসের বেশি সময়ের আন্দোলনের জেরে ওই দিন প্রধানমন্ত্রীর পদ থেকে শেখ হাসিনা পদত্যাগ করেন। জুলাইজুড়ে আন্দোলনের কারণে অর্থনীতি ক্ষতিগ্রস্ত হয়েছে। অন্তর্বর্তী সরকার গঠিত হওয়ার পর এখনো অর্থনীতিতে পুরোপুরি স্থিতিশীলতা আসেনি।

এই বাস্তবতায় এমসিসিআই মনে করছে, এখন অর্থনৈতিক কার্যক্রম স্বাভাবিক ধারায় ফিরিয়ে আনতে লজিস্টিক ও ব্যাংকিং সেবা জোরদার ও শিল্পের নিরাপত্তা নিশ্চিত করা দরকার। এ ছাড়া এই সরকারকে উচ্চ মূল্যস্ফীতি, রপ্তানি চাহিদা কমে যাওয়া, রাজস্বঘাটতি ও সরকারি

বয়স হ্রাসের মতো বিষয়গুলো আমলে নিতে হবে। বেকারত্ব ও বিনিয়োগ কমে যাওয়ার মতো চ্যালেঞ্জও মোকাবিলা করতে হবে।