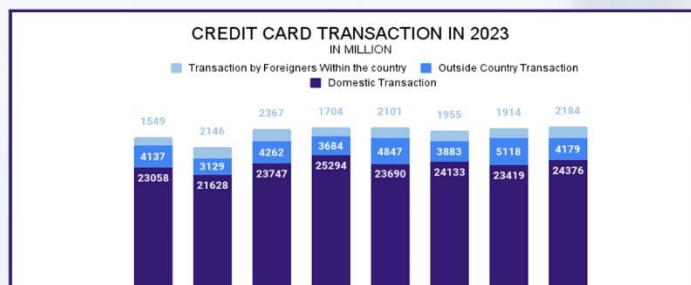
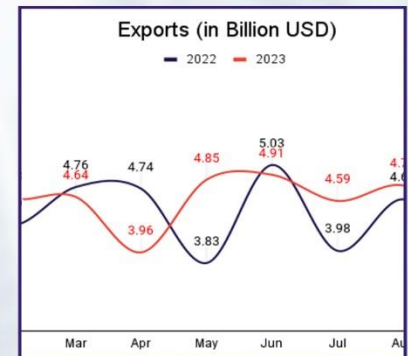
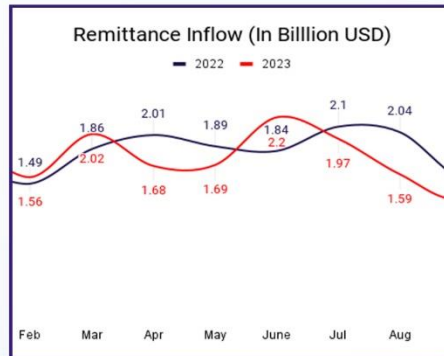
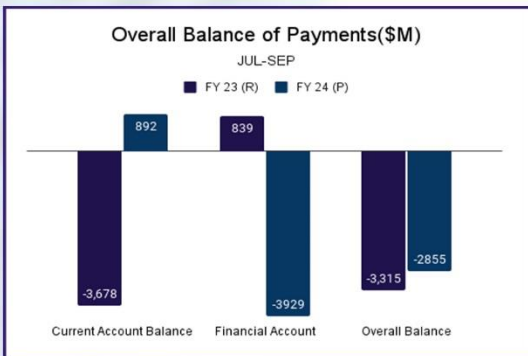
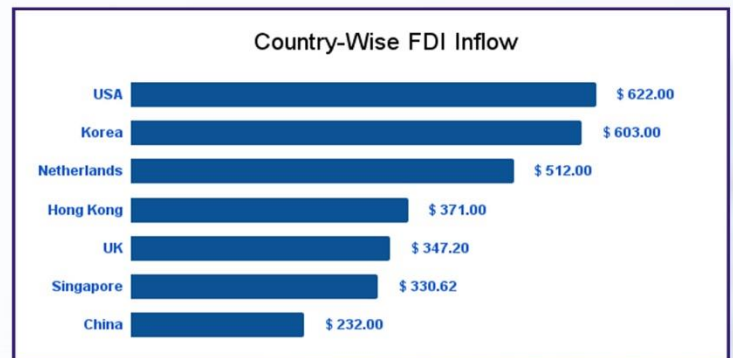
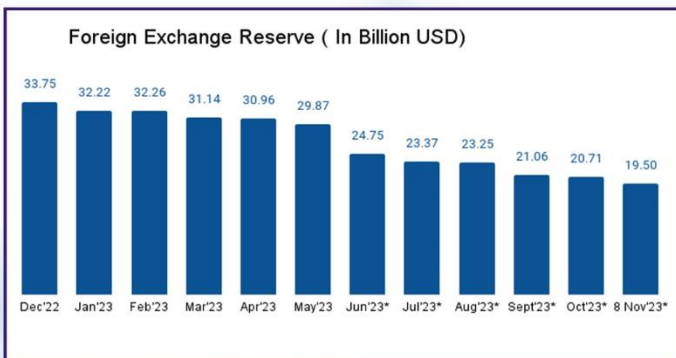


## BANGLADESH BUSINESS & ECONOMY REVIEW (BBER)

### November 2023



## About Bangladesh Business & Economy Review (BBER) Report

“Bangladesh Business and Economy Review (BBER)” is a monthly insight report of **BIZDATA INSIGHTS** where we provide summarized updates on key business & economic insights, trends & events that shaped the business and economic environment in the country over the month.

This report is derived from industry -specific information, news, and events which are curated from different published and inside intelligence sources – newspapers, magazines, articles, papers, events, company’s website, regulatory body’s website, social media, etc. Overall, this report provides valuable insights into the economic and business landscape of Bangladesh, helping readers to stay informed and make informed decisions.

In this current version of the BBER report, we covered the key business & economic insights, trends & events in the month of October, 2023.

We will welcome any feedback or suggestion on further developing the report!

Hence, pls. feel free to provide your feedback or suggestion at: [insight@bizdatainsights.com](mailto:insight@bizdatainsights.com)

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**BIZDATA INSIGHTS** is a Market Intelligence, Data & Business Advisory platform in Bangladesh driving the Trade, Business & Investment opportunities in Bangladesh.

We provide Bangladesh Economic & Market Intelligence, Economic, Market & Financial Data of 40+ business sectors of Bangladesh, and offer Business Advisory services for Investors & Business professionals so that they can make intelligent decisions on Investment & Business with confidence.

We offer industry -specific news, insight, and data of 70+ business sectors of Bangladesh through curating, filtering, validating, and analyzing the market, business & economic news, information, and data from 500+ different national and international sources – news agencies, newspapers, and online news sites, social media, company web sites, govt. websites, partner agencies, etc.

Hence, we enable data & insight-driven intelligent business decisions to Investors, Business professionals, and Corporations offering the most comprehensive perspective on Bangladesh's business and economy.

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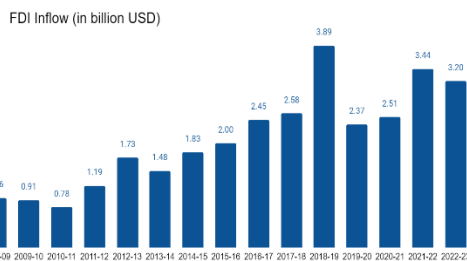
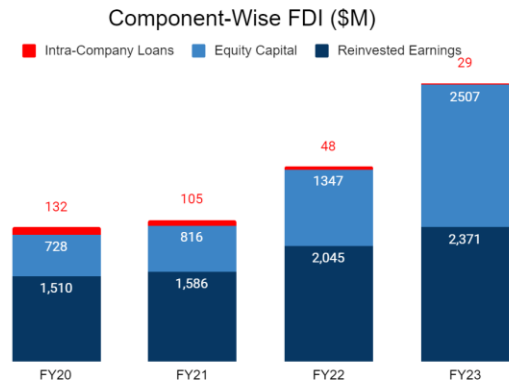


# ECONOMY INSIGHTS

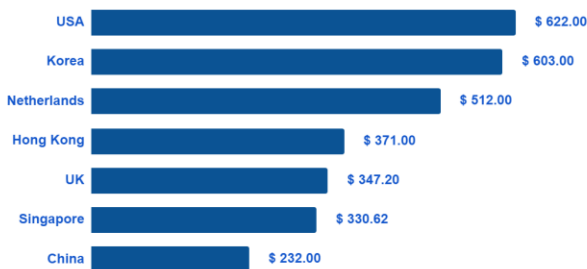


### FDI SHRINKS 7% TO \$3.2 BILLION IN FY23

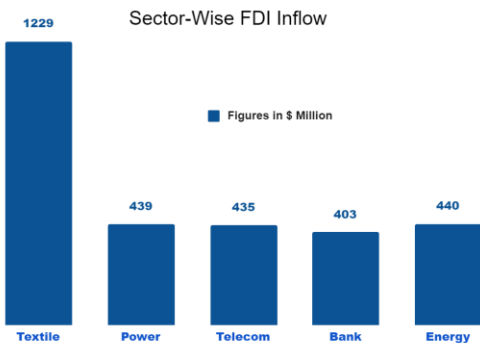
Foreign direct investment (FDI) in Bangladesh faced a setback, contracting by over 7.0 % to \$3.2 billion in fiscal year 2023. The contraction in FDI was primarily driven by a substantial drop in equity investment, which plummeted by 40.91 %. Intra-company loans also decreased by 40.14 %. On a positive note, reinvestment by existing foreign-owned companies surged by nearly 16 % during fiscal year 2023.



Country-Wise FDI Inflow



Figures in \$ Million



Figures in \$ Million

### Key Contributors to FDI

The United Kingdom emerged as the highest contributor to FDI, with a gross inflow of \$622 million, closely followed by the Republic of Korea at \$603 million. Other notable contributors included the Netherlands (\$512 million), Hong Kong (\$371 million), the United States of America (\$347.2 million), Singapore (\$330.62 million), and China People's Republic (\$232 million).

### FDI Allocation by Zones

In fiscal year 2023, FDI allocation focused on three primary areas: economic zones (EZ), export processing zones (EPZ), and non-export processing zones (non-EPZ). Notably, non-EPZ areas attracted the highest net FDI inflows, totaling around \$2.8 billion. EPZs received \$406 million, while the EZ areas garnered nearly \$4.2 million.

### FDI Allocation by Sectors:

**Textile Sector Dominates FDI Inflows:** The textile sector stands out as the top recipient of FDI, attracting an impressive \$1,229 million in fiscal year 2023. This sector's global appeal is evident in the diverse origins of these investments. Notable contributors include:



- Republic of Korea: \$435 million
- Hong Kong: \$174 million
- China: \$112 million
- India: \$54 million

**Power Sector Shows Promise:** The power sector secured \$439 million in FDI during the same fiscal year, indicating growing interest from international investors. Key contributors to the power sector include:

- Hong Kong: \$116 million
- China: \$74 million
- Singapore: \$50 million
- Netherlands: \$49 million

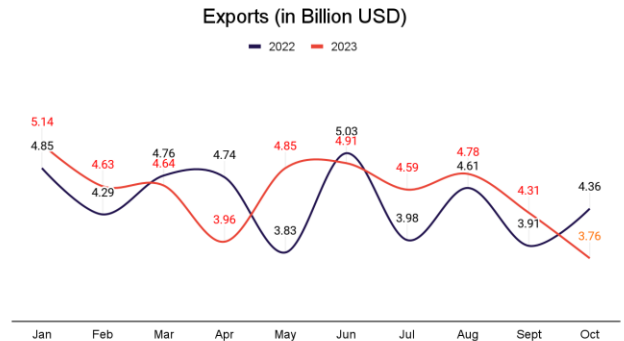
**Banking Sector Sees Significant Investments:** Foreign investors committed approximately \$403 million to the banking sector, reflecting their confidence in the financial industry's prospects. The United Kingdom emerged as a significant contributor, investing \$239.62 million.

**Other Sectors:** The telecommunications sector received \$435 million in FDI. This sector witnessed significant contributions from Norway and Malta. The energy sector received \$340 million in FDI, with notable contributions from the Netherlands and the USA.

### EXPORTS HIT A 26-MONTH LOW IN OCTOBER AT \$3.76 BILLION

In October, Bangladesh's merchandise exports plummeted to a 26-month low, experiencing a sharp decline of 13.64% to \$3.76 billion. This significant drop, compared to the \$4.36 billion recorded in the same month the previous year, has raised concerns about the country's export performance. The decline

spanned across all major export categories, impacting key sectors like ready-made garments, jute, leather, home textiles, and agricultural products.



### Specific Export Sectors

- Garments: Exports in this sector accounted for \$3.16 billion in October, with a 13.9% decline year-on-year.
- Knitwear: Experienced a 7.8% drop to \$1.91 billion.
- Woven items: Fell by 21.9% to \$1.25 billion.
- Agricultural products: Saw a 1.3% year-on-year drop.
- Jute and jute goods: Experienced a 16.1% year-on-year decline.
- Leather products: Declined by 42.2%.
- Home textiles: Fell by 38.9%.
- Cotton and cotton products: Showed growth of 36.4%.
- Engineering products: Experienced a 15.5% growth.

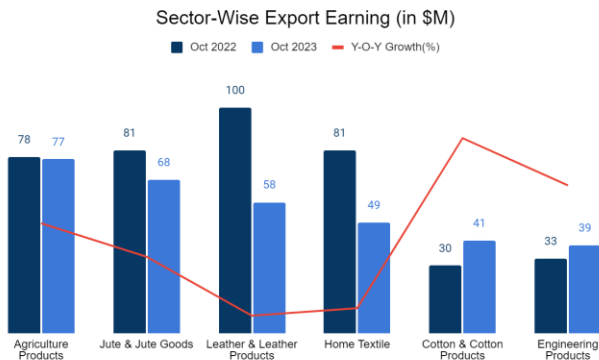
### Apparel Sector's Struggles

The apparel sector, a cornerstone of Bangladesh's exports, faced adverse trends in October. It experienced negative growth both year-on-year and month-on-month. Apparel shipments in October

declined by a significant 12.5% compared to September, with a nearly 14% year-on-year drop.

The primary factors contributing to this situation are diminishing global demand and supply chain disruptions caused by ongoing labor unrest, which led to over 500 factories stopping production.

Despite the October decline, the overall export performance for the July -October period of the current fiscal year remained positive, with a growth of 3.52% compared to the same period in the previous year. However, this growth fell short of the government's target by 9.31%.



## SHIPMENTS TO NON-TRADITIONAL REGIONS GROW IN Q1 FY 2023-24

Bangladesh's efforts to diversify its export markets have shown promising signs, as exports to non-traditional regions and blocs have experienced higher growth in the first quarter of the fiscal year 2023-24.

This shift in export dynamics comes as traditional markets like the European Union, the Eurozone, North and South America, BIMSTEC, the Middle East, North American, and SAARC countries have faced a downtrend.

**Export Growth in Non-Traditional Markets:** Exports of Bangladeshi products to non-traditional regions and blocs have recorded higher growth rates in the range of 2.5% to 44% during the first quarter of FY23-24, compared to the corresponding period in the previous year. This shift signifies the potential for diversifying markets for "made-in-Bangladesh" products on a global scale.

### Export Highlights by Region

- **Oceania:** Bangladesh's exports to Oceania saw the highest growth in Q1 of FY24 compared to FY23. Shipments to Australia, Fiji, American Samoa, Solomon Islands, and Vanuatu increased by 43.91% to reach \$420.32 million.
- **Africa:** Exports to African nations, including Egypt, Kenya, Morocco, Mauritius, Sudan, Somalia, and Tanzania, grew by 20% to \$119.25 million.
- **D-8 Countries:** Imports from D-8 countries, including Turkey, Iran, Malaysia, and Indonesia, increased by 14.36% to \$271.61 million.
- **CIS Countries:** Bangladesh's exports to CIS countries, such as Russia, Georgia, Kazakhstan, and Azerbaijan, surged by an impressive 32.4% to \$1.18 million.
- **ASEAN Countries:** Exports to ASEAN countries, including Singapore, Malaysia, Vietnam, Thailand, Myanmar, and Indonesia, also experienced growth of 2.56% to reach \$219.04 million.

### Challenges in Traditional Markets

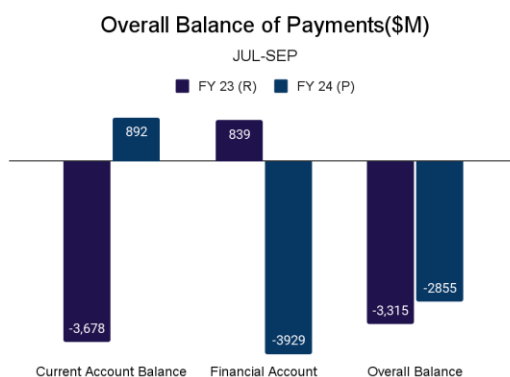
While exports to non-traditional markets have shown promise, traditional markets like North America, the Middle East, and SAARC countries have witnessed declines. Exports to North America

fell by 1.27% to \$2.79 billion, the Middle-Eastern markets faced the steepest decline of 7.44% to \$289.38 million, and shipments to SAARC countries declined by 11.22% to \$593.76 million.

### FINANCIAL ACCOUNT BALANCE WIDENS FURTHER TO \$4 BILLION

Recent data from the Central Bank of Bangladesh reveals a concerning trend in the country's financial account balance. The financial account balance, which encompasses foreign loans, trade credits, foreign direct investment, and more, has shifted into negative territory, reaching nearly \$4 billion by the end of September. This marks a significant contrast to a positive balance of \$839 million a year ago and a negative balance of \$3.25 billion in August of the current year.

**Trade Deficit and Current Account Balance:** On a positive note, the trade deficit, representing the gap between exports and imports, has narrowed significantly. It stood at \$1.82 billion at the end of the July-September period of FY24, compared to a more significant deficit of \$7.58 billion at the same time in the previous financial year.



Bangladesh's current account balance has also improved significantly, recording a surplus of \$892 million in July-September of FY24, compared to a

deficit of \$3.68 billion during the same period the previous year.

### Overall Balance of Payments

The balance of payments deficit has narrowed to \$2.85 billion by the end of September. While the current account surplus has contributed positively, the widening financial account deficit remains a concern.



### BANGLADESH ON TRACK TO RECEIVE \$650 MILLION FROM IMF IN SECOND TRANCHE

Bangladesh is poised to receive a second tranche of \$650 million from the \$4.7 billion IMF loan package by December, as negotiations with the International Monetary Fund (IMF) have shown positive signals.

### Revised Reserve Targets

The IMF has agreed to revise Bangladesh's foreign exchange reserves target under its \$4.7 billion loan package. The IMF has revised the net forex reserve target to \$20.19 billion by June 2024, down from the previous target of \$26.81 billion.

### Revenue Collection Target

The IMF initially set a revenue collection target of Tk4,10,400 crore for the current fiscal year in its loan terms. However, the National Board of Revenue (NBR) officials argued that achieving this target would be difficult in an election year. The IMF then decided to lower the revenue target to Tk3,94,500 crore. The IMF has set the target for the deficit in the primary balance at Tk1,38,000 crore, instead of the previously set Tk1,62,600 crore, narrowing the fiscal space.

## RCEP MEMBERSHIP DELAYED UNTIL GENERAL ELECTIONS



Bangladesh's potential membership in the Regional Comprehensive Economic Partnership (RCEP), the world's largest regional free-trade bloc led by China, has garnered significant attention. While an inter-ministerial meeting recommended Bangladesh's inclusion in the trade bloc, the government has decided to postpone this decision until after the forthcoming general election.

### Assessment and Impact

An assessment by the Bangladesh Trade and Tariff Commission estimated that Bangladesh's exports could increase by 17%, and GDP could rise by 0.26% through a free-trade agreement with RCEP members. Joining RCEP may lead to a negative impact on revenue generation from customs duties, particularly from major import sources like China, Japan, Thailand, South Korea, Indonesia, Malaysia, and Australia.

## WORLD BANK'S 'BANGLADESH DEVELOPMENT UPDATE'

The government has taken austerity measures to insulate the local economy from global economic headwinds. While these measures aim to secure the nation's financial stability, they may hold back revenue collection in fiscal year 2024 (FY24). The World Bank's "Bangladesh Development Update"

for October 2023 provides valuable insights into this.

### Short-Term Revenue Challenges

In the near term, Bangladesh's overall revenue growth is expected to remain modest due to muted imports. The fiscal deficit is projected to stay within the government's target of 5.5 % of GDP, with only a moderate increase in revenues. The government's austerity measures, including a pause in purchasing new vehicles, restrictions on foreign travel by government officials, and stricter rules for land acquisition expenditures, may lead to subdued current expenditure growth.

One of the key issues facing revenue collection is the decline in trade-related taxes, accounting for nearly one-third of total taxes, due to a sharp fall in imports. **This decline has caused the revenue-to-GDP ratio to decrease to an estimated 7.9 % in FY23, down from 8.5 % in FY22.** Income tax collection has also slowed due to muted profits by firms, and a decline in consumer goods imports has contributed to weak domestic VAT collection.

Inflation has led to a decrease in consumer purchasing power, resulting in a deceleration of private consumption. Private consumption is estimated to have dropped from 7.5 % to 3.5 % in FY23.

### Medium and Long-Term Revenue Prospects

Over the medium term, revenue growth is expected to improve with increasing trade, domestic economic activity, higher incomes, and efforts to enhance tax administration. The government's exit from austerity measures and containment of subsidy expenditures through pricing reforms will contribute to this

improvement. Capital expenditure on infrastructure megaprojects are also expected to remain robust.

ADB's \$400 Million Budget Support Under 'Promoting Climate-resilient Development Programme'

Additionally, ADB has stepped forward to offer

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is set to be approved.

**Flexible Funding Approach:** ADB's indicative plan allows for additional financing if the government can efficiently utilize the allocated funds. The commitment to support Bangladesh's development is evident in the \$800 million in budget support approved as policy-based loans this year. Furthermore, another \$400 million in budget support is likely to be approved in November, with ongoing discussions regarding this allocation.

Net External financing	1.1	1.3	1.3	1.6	1.9
Net Domestic financing	3.6	3.4	2.3	2.9	3.4
Govt debt stock	28.5	31.7	32.4	33.7	35.3

Finance Division, which is currently working on the lending proposal. Following this, negotiations are



expected to take place, with the aim of signing the loan deal by December of the current fiscal year (FY2024).

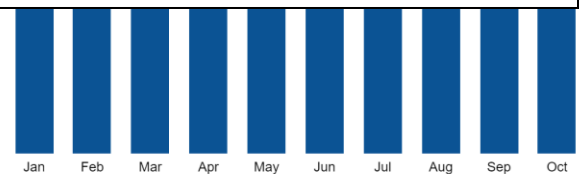
### Expensive Capital Machinery Imports

Another significant contributor to the surge in LC openings is the import of expensive capital

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### IN LC OPENING

In October 2023, Bangladesh experienced a notable increase in the opening of letters of credit (LCs) for imports, reflecting a 14.34% growth compared to the same month the previous year.

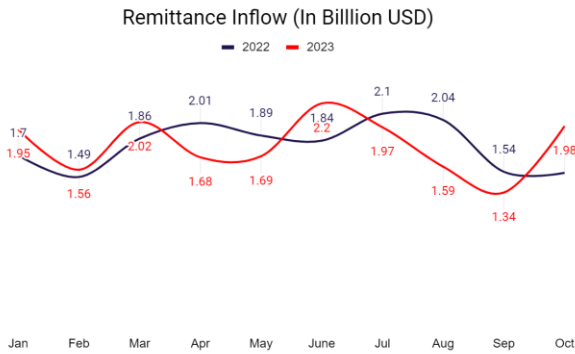


### Rising Trend in LC Openings

The data reveals a consistent rise in LC openings over the past months. In October 2023, LCs worth \$5.42 billion were opened, compared to \$4.74 billion in October 2022. This followed a pattern of growth, with \$5.59 billion in August and \$5.23 billion in September of the same year.

### REMITTANCES SOAR TO FOUR-MONTH HIGH AT \$1.98 BILLION

Bangladesh has witnessed a significant surge in inward remittances, reaching the highest level in four months. In October, Bangladesh received \$1.98 billion in remittances, marking a remarkable 48.2% increase compared to September.



Although this amount reflects a decrease of 4.36% compared to the same period in the previous fiscal year, the recent surge in October indicates potential for recovery.

**BANKS MANDATED TO OFFLOAD 10% OF USD EARNINGS FROM REMITTANCES IN INTERBANK MARKET**

The Association of Bankers, Bangladesh (ABB), and the Bangladesh Foreign Exchange Dealers Association (BAFEDA) have made key decisions regarding the exchange rates for remittances, export

This boost comes after remittance inflow hit a 41-month low in September, standing at \$1.33 billion. Comparatively, the remittances received in October

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that banks could offer for remittance income. This policy change, implemented on October 22, grants banks the autonomy to determine their own incentive rates for

remittances. Some banks have set their incentive rates at the maximum 5%, comprising a 2.5% government incentive and a 2.5% incentive funded by banks themselves. As a result, banks now have to spend Tk130 per dollar on remittances, causing financial strain.

- **Import Bills:** Banks will charge Tk 111 for import bills, which is also a noteworthy change in the exchange rate structure.
- **Cash Rate for Student Files:** Banks may charge a cash rate for student files, allowing for flexibility in certain financial transactions.

exports. This includes clearing and forwarding (C&F) agents, freight forwarders, shipping agents, and the EGM department of the NBR's customs wing. The NBR order explicitly mentions that any violation of these rules will result in legal action in accordance with existing customs laws, which may lead to a maximum penalty of Tk50,000.

#### Strict Timelines

The NBR has also established a three-day timeline for closing the EGM in the customs software after the shipment. Failure to file the EGM within the stipulated time may result in legal actions taken as per the law.

#### ASYCUDA WORLD IMPLEMENTED TO CURB FICTITIOUS EXPORTS

#### OCTOBER INFLATION STANDS AT 9.93% WITH FOOD INFLATION REACHING DECADE-HIGH AT 12.56%

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In October, non-food inflation also experienced a significant increase, rising from 7.82% in

**CENTRAL BANK HIKED POLICY RATE TO 7.25%**

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substantial jump to 8.01% from 7.42% in the previous month.

In urban areas, inflation reached 9.72% in October, up from 9.24% in September. Urban food price inflation stood at 12.58% in October, compared to 12.01% in the previous month, while non-food inflation increased to 8.50% from 8.12%.

#### Wage Rate and Inflation

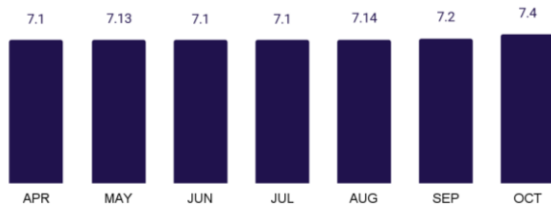
BBS data also indicate that the wage rate in Bangladesh rose to 7.69% in October, a slight increase from 7.64% in the previous month.

loan/investment interest margin by 50 basis points to 3.5 %, focusing on alleviating the inflationary impact that has been burdening low-income individuals in recent months.

- A 50 basis point increase to 2.5 % has been applied to pre-shipment credits and rural as well as agricultural loans. Previously, banks could charge a maximum of 3.0 % above the SMART rate, a benchmark linked to treasury yields, from July FY2023.
- Consequently, banks can now charge a maximum of 3.5 % over the SMART rate, resulting in higher borrowing costs for customers.

- If the SMART rate for the current month is 7.2 %, the lending rate can reach a maximum of 10.7 % by adding an additional 3.5 %.

Reference Lending Rate (%) - SMART



Imp act of Policy Rate Changes on Inflation

Similarly , the rate for 182-day treasury bills escalated from 7.39% to 9.47% . During the period from 1 July to 18 October, the government borrowed Tk29,048 crore through these treasury bills, using the entire amount to repay loans from the central bank.

### Shrinking Excess Liquidity

Excess liquidity in banks has decreased due to the government's treasury bills and bond rates. Banks had excess liquidity amounting to Tk1.74 lakh crore at the end of August, down from Tk1.80 lakh crore at the end of July . As of 15 October, the cash reserve ratio (CRR) was in the negative at Tk2,165 crore. Moreover, the amount of cash held outside of banks has decreased, impacting the ability to control inflation. Banks are turning to the central bank for

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30 October. Banks that receive credit facilities from the central bank through repo are compelled to operate at higher rates in the call money market. The central bank has directed that the maximum rate in the call money market should be 9.25%.

**BANGLADESH BANK RESTRUCTURES MONETARY POLICY COMMITTEE**

comprised eight internal members of the central bank, led by the governor. This formal restructuring represents a departure from the informal structure of the past. The central bank aims to strengthen its institutional approach to monetary policy formulation, which is essential in its quest to bring down inflation to 8% by December. This restructured committee will be responsible for formulating the monetary policy for the January -

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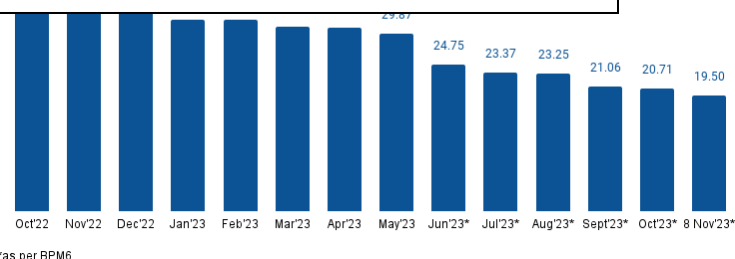
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process. These experts include the chairperson of the Economics Department at Dhaka University, the director general of the Bangladesh Institute of Development Studies (BIDS), and a distinguished economist from Bangladesh.

**Formalizing the Monetary Policy Committee:**  
Previously, the Monetary Policy Committee



### YUAN AND RUPEE BILATERAL TRADE FALLS SHORT IN EASING RESERVE PRESSURE

Over a year ago, Bangladesh introduced the use of the Chinese yuan for cross-border transactions, and in July this year, it initiated trading in Indian Rupees (INR) with India. Despite these efforts, only two Bangladeshi companies have opened Letters of

### PRIVATE SECTOR CREDIT GROWTH FELL TO 9.75% IN AUGUST

According to Bangladesh Bank's most recent data, In August 2023, private-sector credit growth decelerated to 9.75%, dropping from 10.57% in July 2023 and 11.56% in 2022.

PRIVATE SECTOR CREDIT GROWTH (YEAR ON YEAR)

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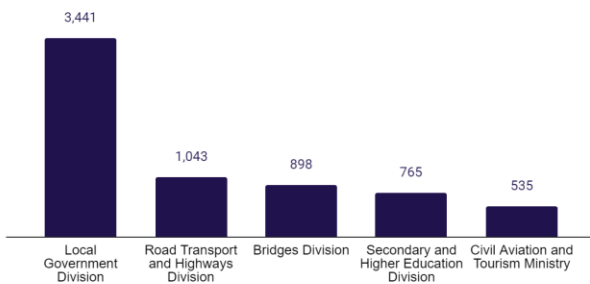
annually, it imports \$14 billion worth in return.

A similar trade imbalance exists with China, where Bangladesh exports approximately \$700 million in goods while importing over \$15 billion, revealing the significant trade disparities. These imbalances mean that Bangladesh does not have sufficient yuan and rupee reserves to enable seamless transactions.

As the nation anticipates an upcoming national election, the government has launched an ambitious Annual Development Programme (ADP) in the initial three months of the current fiscal year. In a bid to ensure public safety and garner public satisfaction, significant allocations have been disbursed to various divisions. However, a notable observation in this year's ADP implementation

report by the Implementation, Monitoring, and Evaluation Division (IMED) is the comparatively low expenditure in the health sector during the same period of FY24.

ADP Implementation (Jul-Sep FY24)  
In Crore Taka



### Infrastructure-Related Spending

Infrastructure-related divisions have also demonstrated substantial spending in the July - September period of FY24. Notable divisions include:

- **Road Transport and Highways Division:** Spending Tk 1,043 crore, this division utilized 4.44% of the allocated Tk 23,493 crore during the first quarter.
- **Bridges Division:** Spending Tk 898 crore, equivalent to 14.68% of the total allocation for FY24, which is Tk 6,119 crore.

### Health Sector Allocation and Criticism

Bangladesh has historically faced criticism for

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- Internal Resources Division
- Ministry of Foreign Affairs

- Bangladesh Public Service Commission
- Cabinet Division
- Parliament Secretariat

the overall revenue growth. The customs wing also performed well, closely following VAT in terms of growth. Income tax and travel tax expanded by 17.47% during this period.

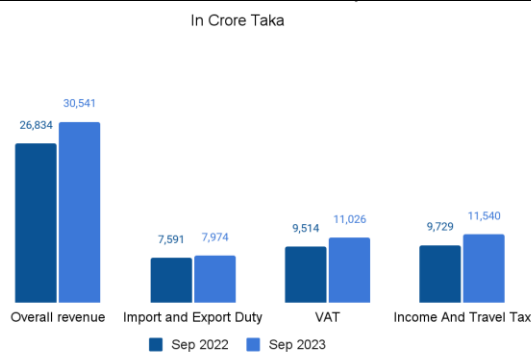
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### Contributors to Growth

In Q1, VAT receipts experienced an 18.07% increase, marking it as a significant contributor to

Government expenses on interest payments soared by 22.14 % year-on-year, reaching Tk 92,538 crore in the last fiscal year. This substantial increase from Tk 75,759 crore in 2021-22 is primarily attributed to a higher cost of borrowing.

**Interest Payments Breakdown:** Of the total interest expenses, Tk 83,086 crore was directed towards servicing domestic debts, while the remaining Tk 9,452 crore went to service loans secured from the external sector. When looking at domestic sources, interest repayment involved Tk 30,290 crore related

to debts with the banking sector, Tk 44,800 crore against national saving certificates (NSCs), and Tk 7,996 crore against borrowing from provident funds.

ties to market-based or floating interest rates. The impact of this shift is already evident in the country's interest payment projections which are expected to surpass \$1 billion for the first time in the nation's history this fiscal year.

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sources accounted for Tk 70,572 crore. However, borrowing from the sales of NSCs contracted, with a negative net borrowing of Tk 3,296 crore.

when it acquired only \$650 million from the lender as budgetary support to bolster reserves. The budgetary support has come on the basis of a higher interest SOFR rate.

### **DEBT LOAD INCREASES AS LONG-TERM LOANS DOUBLE IN THREE YEARS**

Foreign loans, the key source of financing development projects, is rapidly becoming costlier for Bangladesh with an increasing reliance on higher-cost borrowing, also known as hard loans,

Now Bangladesh is gearing up to take loans from the New Development Bank (NDB). The country will get \$1-1.5 billion every year from the Shanghai-based lender, 100% of which will be market-based.

**Projections of fixed-rate and market-based loans:**



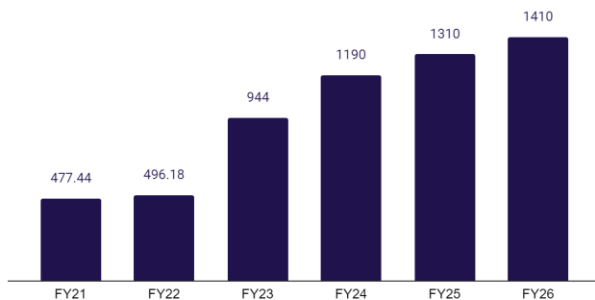
The share of foreign loans at floating rates in Bangladesh's total external debt will climb to over 82% in 2041 from 23.6% in 2021-22, the ERD and the General Economic Division (GED) forecast.

### PRIVATE SECTOR REPAYS \$24B SHORT-TERM FOREIGN LOAN IN JAN-SEP

In the first nine months of 2023 (January - September), Bangladesh's private sector faced a significant foreign debt challenge. The country

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Interest Payments Against Foreign Loans(\$M)



received than repayments in 2022. However, the trend has reversed this year.

### Shifts in Short-Term Foreign Debt Sources

The private sector received significant short-term loans, with \$2.44 billion from the United Arab Emirates in September, followed by \$2.09 billion from Singapore. Notably, \$1 billion each was sourced from the United Kingdom and Hong Kong, \$784 million from China, and \$719 million from the US.

### FOREIGN AID COMMITMENTS INCREASED BY 610%

Bangladesh has witnessed an astounding 610 % surge in foreign aid commitments from global lenders during the first quarter (July -September) of the current fiscal year. However, disbursement figures tell a different story, raising concerns about

### PRODUCTION IN MAJOR INDUSTRIES HAS SLOWED DOWN

According to data generated using the IMF-prescribed methodology by the Bangladesh Bureau of Statistics (BBS), several large-scale manufacturing (LSM) sectors in Bangladesh faced a year-on-year decline in June.

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million, while Japan committed \$1 billion, and other lenders pledged \$287.15 million.

During the same period, the ADB disbursed \$225.60 million, the World Bank released \$218.89 million, Japan provided \$427.80 million, and other lenders contributed \$85.56 million.

recorded nearly 55 % growth.

- **Basic Metals:** Experienced a robust 19.7 % increase.

### ECNEC GREENLIGHTS 37 DEVELOPMENT PROJECTS WORTH TK52,612 CRORE

The Executive Committee of the National Economic Council (EcneC) in Bangladesh recently

approved a record-breaking 37 development projects with a total worth of Tk52,612 crore.

Sirajganj EZ and the Australia Bangladesh Business Forum (ABBF). The collaboration spans various sectors, including textiles, pharmaceuticals, agro-based products, shipbuilding, and IT services.

Unprecedented Project Approvals

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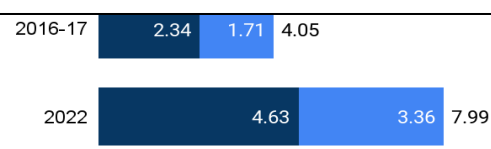
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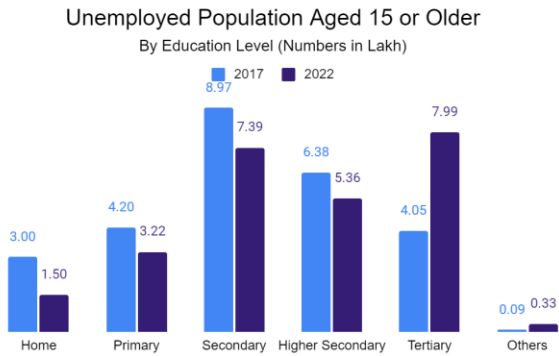
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Other noteworthy projects include the expansion of the Karnaphuli Tunnel Link Road, modernization of the Amin Bazar Landfill, the Jamuna River Sustainable Management Project-1, bridge constructions on the Meghna-Dhanagoda River, the Bogura-Rangpur-Syedpur gas transmission pipeline, and offsite water supply facilities at the Rooppur Nuclear Power Plant.

**Sirajganj's Economic Zone Partnership with Australia Bangladesh Business Forum (ABBF)**  
An essential step in this journey is the recent Memorandum of Understanding (MoU) between the



Comparing data from 2017 and 2022, a shift is observed. In 2017, the highest unemployment rate was among individuals with higher secondary education, but by 2022, the rate is highest among those with tertiary-equivalent education.



compared to local conglomerates and multinational companies (scoring 6.31).

While Bangladesh's private sector is facing structural shifts, it maintains a positive outlook, as reflected in the overall confidence index score of 6.69.

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The survey collected the perspectives of 167 industry leaders representing various sectors, including multinational corporations, local conglomerates, startups, and small and medium-sized enterprises (SMEs). Interestingly, SMEs (with a score of 14.91) fared better in the survey

# FINANCIAL & BANKING INSIGHTS





## BANGLADESH BANK LAUNCHES NATIONAL DEBIT CARD TAKA PAY



Bangladesh Bank launched the national debit card Taka Pay, marking a significant move towards reducing reliance on international card networks. Prime Minister Sheikh Hasina inaugurated the payment network, with Sonali Bank and BRAC Bank collaborating to issue the Taka Pay debit card.

### National Payment Switch Bangladesh

Taka Pay will leverage the National Payment Switch Bangladesh, an electronic payment platform operated by Bangladesh Bank, ensuring secure and controlled transactions within the country.

### Impact

Currently, Bangladeshi banks rely on international institutions like Visa and Mastercard, incurring substantial foreign currency fees for essential customer services related to debit card transactions. The national debit card will cut costs for payment services, benefiting the country's economy by minimizing the outflow of foreign currency from banks.

### Involved Banks

- BRAC Bank, City Bank, Sonali Bank

### Taka-Rup ee Debit Card for Cross-Border

**Transactions:** The card will enable individuals to conduct local transactions and settle payments in

Indian rupees when traveling to India, contributing to seamless cross-border financial transactions.

## EIGHT DIGITAL BANKS APPROVED DIGITAL BANKS

Bangladesh Bank grants initial approval to eight digital banks. They are: Nagad, Kori, Smart Digital Bank, North East Digital Bank PLC, Japan-Bangladesh Digital Bank, BRAC Bank with bKash, DG-10, and Digital Bank PLC led by Bank Asia.

### Key Players and Approvals

- **Letter of Intent (LoI):** Nagad Digital Bank PLC and 'Kori' Digital Bank PLC receive LoI, undergoing monitoring by the Bangladesh Bank for the next six months.
- **Upcoming Approvals:** Smart Digital Bank PLC, North East Digital Bank PLC, and Japan-Bangladesh Digital Bank PLC are set to receive LoI after the six-month evaluation of the first two.
- **Existing Banks for Digital Banking:** BRAC Bank with bKash, DG-10 (a group of 10 private commercial banks), and Digital Bank PLC led by Bank Asia receive approval for digital banking.

### Application Landscape

- A total of 52 applications were submitted from diverse sectors, including commercial banks, mobile financial service providers, food delivery, ride-sharing platforms, IT service providers, and pharmaceutical companies.

## DEFAULTED LOANS REACHED TK 1.56 TRILLION

Defaulted loans surged by Tk 244.19 billion, reaching a total of Tk 1.56 trillion (156,039 crores) by June 2023. This represents 10.11% of disbursed loans in the banking sector. The spike from Tk 1.31

- Financial stability report reveals rescheduled loans at Tk 2.12 trillion (14.40% of total loans).
- Approximately one trillion taka withheld due to lawsuits.
- Actual defaulted loans estimated to exceed Tk 4 trillion, accounting for around 20% of

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to 25.01% of the total outstanding loans.

### Performance of Private Banks and Foreign Banks:

- Private banks experienced an 11.76% rise in default loans.
- Foreign banks saw a 5.26% increase.
- The provision shortfall for private banks amounted to Tk 11,270 crore.

### Actual Defaulted Loans vs. Reported Figures:

- Highest non-performing loans (NPLs) in the April-June quarter of this year are Agrani, BASIC, Janata, Rupali, AB, IFIC, Mercantile, National, NCC, One, and Southeast Bank.
- Data from the central bank reveals that default loans at these banks increased by Tk400 crore to Tk1,800 crore in just three months.
- Janata Bank experienced the largest increase in default loans, with Tk13,655 crore added

to its NPLs, amounting to 32.64% of its total loan disbursed.

- AB Bank and National Bank reported the highest NPLs among private banks.
- State-owned banks account for 25% of their total loans disbursed as defaulted loans, while private banks have a 6.46% NPL ratio, and foreign banks in Bangladesh have a 4.80% NPL ratio.

#### 25 BANKS MAINTAIN NPL RATES BELOW 5%

long-term financing facility (BB-LTFF) designed to support export-oriented manufacturing companies.

#### Banks Name

The following banks are among the signatories to this pivotal deal:

- Mutual Trust Bank
- City Bank
- Bank Asia
- Jamuna Bank
- UCB
- Southeast Bank
- Trust Bank

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#### LTFF FOR EXPORT ORIENTED MANUFACTURERS

Eighteen private commercial banks in Bangladesh have inked a crucial deal with the Bangladesh Bank (BB) to access funds through the central bank's

- Under the FSSP project, local banks provided \$273.76 million to 56 companies in the industrial sector, and \$115 million of these disbursed funds have already been successfully recovered.

- The Bangladesh Bank initiated the refinance fund with the retrieved \$115 million from the FSSP.
- The scheme allows borrowers to request BB-LTFF for amounts not exceeding \$5 million through a single Primary Financial Institution (PFI) or up to a maximum of \$10 million under syndicated financing with two or more PFIs involved.
- Loan maturity under the BB-LTFF ranges from three to ten years, including a grace period of up to one year.
- An indicative pricing range based on the 180-day average SOFR plus 0.25 to 1.25 percent will be applicable to the PFIs (Primary Financial Institutions).
- **Diversification of Collateral:** The bill enables loans against various assets, including fixed deposits, gold, silver, raw materials for export, copyrighted items, furniture, electronics, software, apps, fish in ponds, tree gardens, and cattle.

### FINANCIAL PERFORMANCE OF TOP BANKS

**City Bank:** City Bank reported a profit of Tk 378 crore during the first nine months of 2023, reflecting a robust 14% increase compared to last year.

The EPS for City Bank exhibited substantial growth, reaching Tk 3.09 as of September 30, 2023,

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**National Bank:** National Bank Limited recorded a substantial loss of Tk1,123 crore during the first nine months of 2023. This marked a significant increase of 214% compared to the same period in the previous year.

- The number of Internet banking transactions increased by 7.78% in August to 8.41 million, compared to 7.80 million in July.
- Similarly, the number of Internet banking customers increased by nearly 2.55% in August, reaching over 7.63 million,

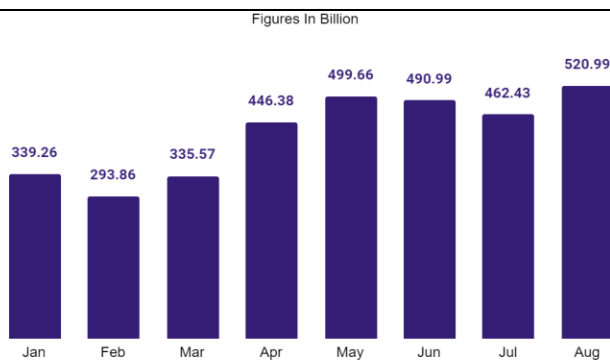
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money rates, affecting banks' short-term funding needs.

The interbank call money rate reached a peak of 7.48% on October 15, 2023, a significant increase from the rate of 6.60% on October 1, 2023.

The rate has been on an up ward trajectory since March 21, 2022, when it was at 2.05%. The

previous peak was recorded on January 25, 2023, reaching 7.0%.

### AGENT BANKING LOAN DISBURSEMENT INCREASED BY 24.12%

### CREDIT CARD SPENDING INCREASED TO TK 2.43 BILLION IN AUGUST

Credit card spending rose to Tk 2.43 billion in August, marking a 4.09% increase compared to July's Tk 2.34 billion, as per data from the Bangladesh Bank (BB). Nearly half of the credit

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#### Account Growth and Gender Distribution.

- The total number of accounts in August reached 20.45 million, an increase from the 20.15 million recorded in July.
- Female accounts accounted for 10.15 million, while male accounts totaled 9.98 million in August.
- These figures represent growth from July when female accounts exceeded 10 million, and male accounts were over 9.84 million.

Bangladeshi nationals abroad totaled over Tk 4.17 billion in August 2023, marking an 18.35% decrease compared to July 2023.

#### Breakdown of Credit Card Transactions

- Central bank data reveals the distribution of credit card expenditures across various sectors: department stores (49.99%), retail establishments (12.34%), utilities (9.16%), and cash withdrawals (7.97%).

- Specific sectors with notable credit card activity include medicines (5.95%), clothing (4.51%), transportation (3.44%), funds transfer (3.37%), business services (2.18%), and other activities (0.99%).

- Shahjalal Islami Bank
- Trust Bank

#### 4 MAJOR NBFIS' FACES PROFITS DECLINE

NBFIs faced a profit decline for the nine months ending September 2023, attributed to higher costs of

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#### Fined Banks

The 10 banks that faced penalties are:

- Social Islami Bank Limited
- Al-Arafah Islami Bank Limited
- Mercantile Bank PLC
- Modhumoti Bank Limited
- Midland Bank Limited
- Brac Bank Limited
- EXIM Bank
- Premier Bank

#### LankaBangla Finance Downturn

- LankaBangla Finance experiences a substantial 54% profit decline in the first nine months of the year.

#### Bangladesh Finance Struggles

- Bangladesh Finance reports a 56% year-on-year profit erosion for the nine months to September.



### National Housing Finance and Investment

- National Housing Finance and Investment saw a 27% decrease in profit for the nine months through September.

### NBFI NPLS HITS TK 19,951 CRORE

### PK HALDER IS FACING 22-YEAR PRISON AND MASSIVE FINES FOR MONEY LAUNDERING AND CORRUPTION

Dhaka court has sentenced PK Halder to 22 years in prison. The court, in its observations, emphasized that money launderers are "enemies of the nation," highlighting the critical need to combat financial

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First Cornerstone Finance & Investments Ltd report NPLs over 80% of outstanding loans.

- PK Halder's case is cited as a major scandal, where he utilized multiple companies to raise Tk 11,000 crore in a decade.
- NBFINPLs (27.65%) were significantly higher than the banking sector NPL (10.11%) at the end of June 2023.

million to Canada and the unlawful amassing of about Tk 4.26 billion.

- The verdict dictates that PK Halder's sentence will commence upon his extradition from India, where he was arrested last year. Halder faces multiple charges of graft and money laundering in more than 40 other cases.

### MFS WITNESS 25% GROWTH IN AUGUST 2023

MFS transactions growth of more than 25% year-

acquisition of 100% ownership signals a strategic shift for Trust Bank as it positions itself to proceed "slow and steady." Trust Bank recently acquired

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### Lowering Age Limit for MFS Accounts

- The Bangladesh Bank recently reduced the age limit for opening an MFS account from 14 to 18 years. Thus, approximately 1.5 crore new individuals now have the opportunity to open an MFS account.

### TRUST BANK ACQUIRES FULL OWNERSHIP OF TRUST AXIATA DIGITAL

Trust Bank Ltd (TBL) has taken full control of its subsidiary, Trust Axiata Digital Limited, a mobile financial service jointly established with Malaysia-based Axiata Digital Services Sdn Bhd in 2020. The

### PRIME BANK INVESTMENT LAUNCHES PRIMEINVEST

Prime Bank Investment Limited (PBIL) has launched an array of five products under its discretionary portfolio management service brand, "PrimeInvest," expanding investment opportunities for individuals and institutions. This marks the first time in Bangladesh that an investment bank offers a comprehensive suite of discretionary products tailored to investors' capital, return expectations and risk appetite.

**Wealth Management for a Broader Audience:** The "PrimeInvest" products are designed to cater to

investors capable of saving a minimum of Tk3,000 per month or those with savings of Tk5 lakh.

#### PrimeInvest Product Lineup

- **Wealth Maximizer:** Investors can deposit at least Tk5 lakh for a term of three, five, or seven years. PBIL will invest in growth stocks to maximize long-term returns.
- **Monthly Investment Plan:** Suitable for investors saving a minimum of Tk3,000 per month, allowing monthly deposits for 3-10

#### Firms List

- **Ha-Meem Group:** Recognized in the ready made garment category with an annual export value exceeding \$50 million. Ha-Meem Group has excelled by shipping products worth \$700 million in the last financial year.
- **Pahartali Textile & Hosiery Mills:** Acknowledged in the supply chain and backward linkage category, achieving annual export receipts exceeding \$10

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HS

The  
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contributions to the nation's economic sustainability, particularly during challenging periods.

innovation, job creation, and community support.



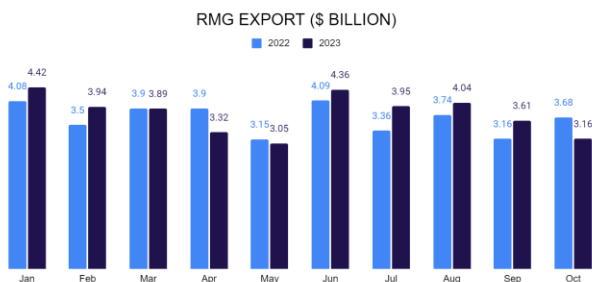
# RMG & TEXTILE INSIGHTS





### RMG EXPORT EARNINGS FALL BY 13.93%

Ready made garment (RMG) exports in October 2023 experienced a significant decline of 13.93%, with earnings reaching \$3.16 billion compared to \$3.68 billion in October 2022. These earnings were far below the government's target of \$5.25 billion for October 2023. In contrast, apparel exports for July-October of FY24 grew by 5.95% to \$14.78 billion compared to \$13.95 billion in the same period of FY23.



**Woven Garment Exports:** Earnings from woven garments decreased by 1.94% to \$6.10 billion during the first four months of FY24.

**Knitwear Exports:** Exports of knitwear increased by 12.32%, totaling \$8.67 billion in July-October FY24 compared to \$7.72 billion in the same period of FY23.

**Diverse Sectors:** Home textile exports experienced a significant 44.99% decline to \$238.81 million.

### APPAREL EXPORTS TO THE US DECLINED BY 23.33% YOY

Bangladesh's apparel exports to the US declined by 23.33% YoY to \$5.78 billion in Jan-Sep 2023. September 2023 witnessed a significant drop of 34.71% in apparel exports, totaling \$594.76 million. Total US imports of ready-made garments fell by

22.81% to \$60.82 billion in the first nine months of 2023.

#### Global Landscape:

- Bangladesh maintains its position as the third-largest apparel exporter to the US, holding a 9.73% share in Jan-Sep 2023.
- China and Vietnam lead with shares of 20.47% and 17.98%, respectively.

#### Comparative Analysis:

- China's RMG exports to the US decreased by 28.12% to \$12.75 billion.
- Vietnam experienced a 24.13% decline, totaling \$11.06 billion.
- India's RMG exports to the US fell by 21.91% to \$3.62 billion.
- Imports from Indonesia decreased by 25.60% to \$3.30 billion.
- Cambodia saw a 26.09% decline, reaching \$2.59 billion.

### RMG EXPORTS IN EU AND NON-TRADITIONAL MARKET SHOWS 11.47% GROWTH

During the July-September period of FY 2023-24, RMG exports to the European Union (EU) reached \$5.51 billion, marking an 11.47% growth compared to the same period in the previous fiscal year. The Export Promotion Bureau (EPB) data reveals diverse growth patterns across EU countries.

#### EU, UK, and Canada, Russia RMG Exports:

- Spain, France, Netherlands, and Italy recorded robust growth with exports showing 23.26%, 8.67%, 18.97%, and 23.22% increases, respectively.

- However, exports to Germany, the largest EU market, declined by 4.41% compared to the same period in FY 2022-23.

**HOME TEXTILE EXPORTS EXPERIENCE A SHARP DECLINE IN Q1 FY24**

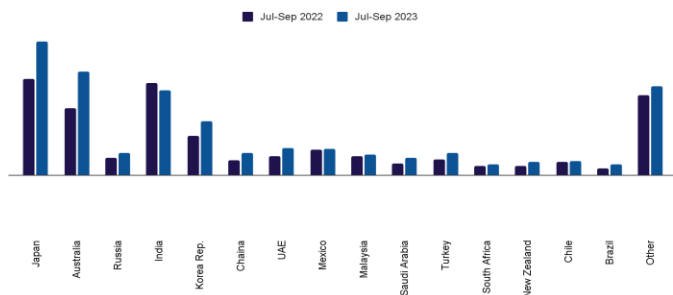
In the first quarter (Q1) of the current fiscal year

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- Exports to the UAE increased by 44.16%
- Exports to Brazil increased by 53.79%
- However, the apparel export to India declined by 7.69%.

The home textile industry has entered the billion-dollar club of the country's export basket in FY2021. In FY20, exports were at \$758.91 million. In FY21, export revenue reached \$1.132 billion. Despite the challenges of Covid-19 pandemic, billion-dollar-export status was maintained until FY2023.

RMG Export To Non-Traditional Markets(\$M)



**RMG MINIMUM WAGE SCENARIO**

The issue of minimum wages for RMG workers has become a subject of debate, as the existing wage structure faces criticism for failing to meet the rising cost of living, inflation, and changing

economic dynamics. The latest revision of the minimum wage occurred in December 2018, setting a monthly minimum wage of Tk8,000 (approximately \$73) for entry-level RMG workers. Traditionally, minimum wage negotiations have taken place every five years.

Workers Wage Proposal			
Grade	Designation	Basic	Gross
5	Junior Operator	12,462	20,393
4	Ironman, Cuttermen	13,708	22,262

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voiced demands for a significant increase in the minimum wage, proposing a raise from Tk8,000 to Tk 20,393 for garment workers.

- The argument behind this demand is the need to secure the industry's future, as low wages could undermine the RMG sector's growth and exports.
- The unions also advocate for the basic wage to constitute 65% of the total wage, as opposed to the current less than 60%.

The Bangladesh Institute of Labor Studies (BILS) presents a different viewpoint. BILS suggests a minimum wage of Tk21,500, closely resembling CPD's proposed Tk17,568.

#### Perspectives from RMG Owners

RMG factory owners express concerns about meeting workers' demands for a Tk23,000 minimum wage, citing viability issues, particularly for struggling enterprises. They argue that wage



increases should involve collaboration between factory owners, workers, and buyers, rather than abrupt external mandate. Factory owners propose Tk 10,400, leading to passionate and violent protests.

- An additional Tk 800 million is owed to the Bangladesh Export Processing Zones Authority (BEPZA).
- Ring Shine's assets value at over Tk 10 billion.

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- Shares will shift to the public category.
- Wise Star Textile Mills to purchase 2% of Ring Shine's outstanding shares.
- Five Singaporean companies to secure a 36% stake in Ring Shine Textiles.

### Outstanding Liabilities:

- Ring Shine Textiles has Tk 5.50 billion in bank loans.

polyester staple fibers (PSF), textile-grade polyester chips (PET chips), draw-textured yarn (DTY), and fully drawn yarn (FDY). The new plant aims to meet a significant portion of the current annual demand for PSF, PET chips, and other textile-related products. It plans to produce 425-450 tonnes of synthetic yarn daily, representing 30-38% of the country's total daily demand for such yarn, which is approximately 1,200 to 1,300 tonnes. The project is expected to save approximately \$60 million in

foreign exchange annually and create about 1,500 direct job opportunities.

Malek Spinning Mills Business Performance (in Crore Taka)

■ Revenue ■ Profit

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Despite the decline in profit, Matin Spinning Mills achieved a record revenue of Tk734.39 crore in FY23, reflecting a 22% growth compared to the previous fiscal year. This exceptional performance was driven by the newly opened special yarn unit, operational since August 1, 2022, which has a production capacity of 10 tonnes of yarn per day. The total daily production capacity of Matin Spinning is 61 tonnes. The new unit's completion involved a total investment of Tk186 crore, with funding from its own sources and the German Investment Corporation DEG.

from October 26 to October 28 at the International Convention City Bashundhara in Dhaka, Bangladesh. The event was organized by RedCarpet Global Limited. It featured five international exhibitions taking place simultaneously at the same venue, focusing on fabric and yarn, printing, packaging, signage, dyes, pigments, chemicals, and paper and packaging. Over 160 stalls from 12 countries across Asia and Europe were part of the expo.



# CONSUMER & RETAIL INSIGHTS





## 7 BANGLADESHI COMPANIES INCLUDED IN BLOOMBERG'S SUSTAINABILITY LIST

# Bloomberg

The seven pioneering companies in Bangladesh that have embraced ESG initiatives and secured Bloomberg scores are Grameenphone, British American Tobacco (BAT) Bangladesh, Marico Bangladesh, Brac Bank, IDLC Finance, Square Pharmaceuticals, and Walton Hi-Tech Industries. These companies have joined the ranks of over 16,000 listed companies worldwide, representing more than 93% of the global equity market capitalization.

However, it's worth noting that while these companies have shown remarkable progress, their Bloomberg ESG scores, ranging from 23 to 40 out of a possible 100, are relatively lower compared to their regional counterparts. For example, the top 100 Indian firms boast scores within the range of 50-70, indicating a more robust sustainability ecosystem.

### Pioneering Companies' ESG Scores

- Grameenphone, a telecommunication market leader, secured the highest Bloomberg ESG score among Bangladeshi firms, with a score of 39.6.
- Tobacco market leader BAT Bangladesh attained a score of 35.4.
- Marico Bangladesh, a leader in the hair care market, scored 34.9.
- Brac Bank, known for championing sustainability in banking, achieved a score of 33.1.

- IDLC Finance, the largest non-bank financial institute, earned a score of 31.1.
- Square Pharmaceuticals, a leader in the pharmaceuticals market, received a score of 26.
- Walton, a homegrown electronics market leader, secured a score of 23.7.

ESG ratings have gained significant traction among foreign investors, particularly European institutional investors, who now consider ESG compliance as a prerequisite for investment. As a result, companies with strong ESG scores are better positioned to attract global investors.



### FAO REVEALS TECTONIC SHIFT IN SUGAR AND CORN PRICES WORLDWIDE

The latest monthly report from the United Nations Food and Agriculture Organisation (FAO) reveals a significant surge in global sugar and corn prices during September, despite overall food prices remaining relatively stable.

### Global Commodity Prices:

- **FAO Food Price Index (FFPI):** Averaged 121.5 points in September 2023, almost unchanged from August. Declines in vegetable oils, dairy, and meat offset increases in sugar and cereal price indices.
- **Vegetable Oils:** The prices of vegetable oils experienced a notable drop of 3.1% in August.
- **Meat:** Meat prices also contributed to the downward trend in global food prices.
- **Cereals:** The cereal index edged down by 0.7% from July, driven by falling wheat prices and a seventh consecutive monthly

drop in maize (corn) prices, reaching a near three-year low.

FAO Food Price Index (FFPI)

Food	Aug	Sept	Diff.
Meat	115.4	114.2	1.2
Sugar	148.2	162.7	14.5
Commodity	124.6	124.5	0.1
Edible Oil	125.8	120.9	4.9
Grains	125	126.3	1.3

\$339.35 per tonne. Despite the global downturn, retail prices in Bangladesh have not mirrored the decline.

In Khatunganj, Chattogram the price per maund of soft wheat rose from Tk.900 before the war to a record high of Tk.1,900 in June-July last year. Presently, it stands at Tk.1,500 per maund, reflecting only a slight decrease that does not align with the substantial global price fall. As per Trading

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maximum price cap of Tk.50 per kilogram, stored white potatoes are being sold at Tk.48-55 per kilogram, indicating challenges in market stabilization.

- **Wheat Price:** The current global price of wheat is \$109 less than the pre-war level of

varieties, merely three months after granting export permissions. A surge in local aromatic rice prices has raised alarms, with increases of 40-60%, which has contributed to the decision. Notably, the price of Chinigura rice has risen from Tk 125-130 per kg

to Tk 180 per packet in the past year. Bangladesh produces 1.8-1.9 million tonnes of aromatic rice but exports only 9,000-10,000 tonnes. The ban is anticipated to be temporary and is expected to be lifted after the Aman paddy harvest and an assessment of production levels.

service, primarily reliant on information-dependent market research, struggled to gain traction among individual accounts of corporate entities in Bangladesh. Institutional weaknesses exposed through Nielsen's services contributed to a decline in popularity among these accounts.

### SPICE EXPORTS INCREASED BY 25%

The company's customer list in the FMCG sector includes numerous local and multinational

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### Reasons:

Despite an extended period of operations in Bangladesh, NielsenIQ faced challenges in expanding its services. The company's main global service, Retail Measurement Service or Retail Audit, discontinued in the fiscal year 2018-19, played a significant role in this decision. This

- The chocolate market in Bangladesh is currently dominated by imported brands like Cadbury and Ferrero Roche, constituting 90% of the market share.
- Bangladesh's population, being seven to eight times larger than Sri Lanka, presents a significant market opportunity.



## WALTON UNVEILS NEW LEADERSHIP TRIO



S M Shamsul Alam



S M Ashrafal Alam



S M Mahbul Alam

### Walton's PCB Export to Greece:

The exclusive Printed Circuit Board (PCB) manufacturer in Bangladesh, has successfully commenced the export of these components, marking a significant stride in the nation's export sector. According to an official press release, Walton has recently shipped 10,000 units of 'Made in Bangladesh' labeled PCBs to a reputable company in Greece. This achievement comes shortly after the commencement of commercial production and marketing of PCB and PCBA from

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Europe, North and South America, expressed interest in placing orders. Orders for refrigerators alone are expected to surpass \$30 million.

25,000 at the estate. Significantly, around 80 % of the current workforce comprises local talent, with 65 % being women.



**BSRM LTD FACES PROFIT DIP  
DESPITE RECORD TURNOVER**

BSRM Ltd, Bangladesh's largest steelmaker, reported a 5% year-on-year decline in profits, totaling Tk.291.3 crore in the financial year ending June 2023. Despite achieving a record turnover of over Tk.11,500 crore, marking a 44% increase in

Cooperation Agency (JICA), contribute \$108 million to the project. The project, with support from local and foreign banks, marks JICA's first private sector financing in Bangladesh.

**REHAB CURRENT TERM EXTENDED 5 MONTHS**

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turnace unit to boost sheet making capacity by 2.5 lakh tonnes and a re-rolling unit to increase capacity by 6 lakh tonnes per annum at the BSRM Industrial Estate in Mirsarai.

The total steel production capacity is set to reach 24 lakh tonnes by next year, representing a quarter of the country's total capacity. International financiers, including \$50 million from the Japan International

addresses one aspect of the tax structure, and individual taxpayers will still be required to report their income details, including capital gains from land sales, in the annual tax return.

**GOLD PRICES CROSS Tk.1 LAKH MARK AGAIN**

As of October 16th, individuals in Bangladesh found themselves once again shelling out over Tk.1 lakh per bhuri for gold jewelry, following the

decision by the Bangladesh Jewellers Association (Bajus) to increase rates. The new rate set by Bajus stands at Tk.100,543 per bhorī, reflecting a hike of Tk.1,166 or 1.17% from the previous Tk.99,377 per bhorī.

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industrial safety helmets, jute bags, mosquito nets, and more.

**BSTI Circular:** Manufacturers are required to incorporate the BSTI standardisation mark on product labels or bodies. The BSTI issued a circular on September 25, highlighting the mandatory nature of the mark.

**Compliance Period:** The circulars will come into effect two months after their publication, allowing manufacturers a transition period for compliance.

# ENERGY & POWER INSIGHTS

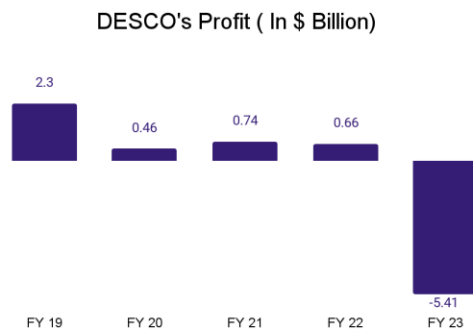




### 3 OUT OF 6 POWER COMPANIES REPORTED PROFIT DECLINE IN FY23

Out of six electricity generators that disclosed earnings for FY23, three reported a decline in profit, while two others incurred losses for the first time. Only one company that relies on local gas as raw material showed an increase in profit.

#### DESCO



#### Financial Overview

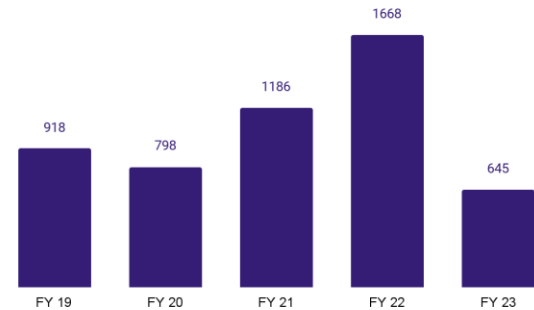
- DESCO reported a total loss of Tk 5.41 billion for FY23, in contrast to a profit of Tk 667 million in the previous fiscal year.
- The loss per share for FY23 is estimated at Tk 13.61, in contrast to a profit of Tk 1.59 per share in the previous year.

#### Doreen Power

- In FY23, the company recorded a consolidated profit of Tk 645 million, the lowest since FY17 when it achieved a profit of Tk 727 million.
- In contrast, the consolidated profit in the previous fiscal year, FY22, stood at Tk 1668 million.
- EPS for FY23 dropped to Tk 3.56, down from Tk 9.21 in the preceding year.

- Doreen Power declared an 11% cash dividend for FY23.
- General shareholders will receive a cash dividend worth Tk 66.53 million.

Doreen Power Profit (In \$Mllion)



#### Summit Power

Summit Power, requested an extension to submit its financial statements. The company cited a shortage of funds due to volatile foreign exchange rates and delayed settlement of monthly bills by its sole vendor.

#### United Power Generation & Distribution Company

- United Power Generation & Distribution Company experienced a 20% year-on-year drop in profit for FY23.
- The company's board recommended providing 80% cash dividend to shareholders, the lowest since its listing in 2015.

#### Khulna Power Company

- Khulna Power Company reported negative earnings for the first time since its listing in 2010.
- The company incurred a loss of Tk 663.68 million in FY23, citing the sale of a plant with 110MW capacity at a lower price, which resulted in a price gap adjustment.

### Shahjibazar Power

- Shahjibazar Power Co., another fuel-based power producer, experienced a 63% year-on-year profit decline in FY23.
- The company declared an 11% cash dividend, the lowest since its listing in 2014.

### Baraka Patenga Power Limited (BPPL)

- Baraka Patenga Power Limited (BPPL) incurred a loss for the first time after listing in 2021.
- BPPL declared a 5% cash dividend, the lowest since its 2021 listing.

### Baraka Power Limited (BARKAPOW)

- Baraka Power Limited (BARKAPOW) showed a 74% reduction in profit in FY23 over FY22.
- The company declared a 5% cash dividend, the lowest since its listing in 2011.

### GBB Power

- Gas-based electricity producer GBB Power disclosed a 9% increase in profit in FY23 compared to the previous year.
- GBB Power declared only a 2% cash dividend, the lowest since its listing in 2012, despite the profit growth.

## EU AND BANGLADESH SIGN €400 MILLION AGREEMENTS FOR RENEWABLE ENERGY

The EU, European Investment Bank (EIB), and Bangladesh signed agreements worth €400 million for renewable energy projects to support the country's sustainable green transition and climate mitigation goals.

### Renewable Energy Investments

- The partnership between the EU and the European Investment Bank (EIB) includes an EU-guaranteed EIB loan of €350 million, along with a blending support package of €45 million, which covers technical assistance and an investment grant.
- An additional Green Energy Transition project worth €12 million, including €7 million co-financed by Germany, will work on policy, legal frameworks, and investment climate to facilitate a green energy transition.
- These projects are expected to add approximately 750 MWp of new renewable energy capacity in Bangladesh and improve power distribution and decentralization.

## IMF GRANTS THREE-MONTH EXTENSION FOR FUEL PRICE ADJUSTMENT FORMULA

The IMF has granted the government a three-month extension to implement an automatic price formula for fuel oil to align prices with international rates. The proposed formula, submitted by the Bangladesh Petroleum Corporation to the Energy Division, would adjust fuel oil prices every three months or one month, leading to potential price increases of Tk10-15 per liter. The new pricing formula is a condition of the IMF's \$4.7 billion loan to Bangladesh.

## SAUDI ACWA POWER TO INVESTS 1000 MW SOLAR PROJECT

ACWA Power, a major Saudi energy company, plans to invest in a 1000-megawatt solar energy project in Bangladesh. It will be the largest solar power plant in Bangladesh. Additionally, Saudi ACWA Power already signed a MoU with



Bangladesh's energy ministry for a 730MW solar project.

#### TAX EXEMPTIONS EXTENDED FOR PRIVATE COAL-BASED POWER PLANTS

- The pipeline will initially provide RLNG to the 800MW Rupsha combined-cycle power plant, with the option for increased supply to meet growing demand.

12% LPG CYLINDERS RAISED BY 10%

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gasified liquefied natural gas (RLNG) from India via a cross-border pipeline to ensure a stable fuel supply amid global energy market volatility.

- In the initial phase, around 300 million cubic feet per day (mmcf) of RLNG will be imported from India's H-Energy by 2025.
- State-run Petrobangla will acquire an additional 200 mmcf of gas from private company Dipon Gas, which plans to import around 500 mmcf of RLNG from India.

dollars. However, BPDB disburses payments to private power producers in the local currency, which they must subsequently convert into US dollars to fulfill various financial commitments. These obligations include servicing bank loans, facilitating the import of essential fuel and machinery, and meeting foreign staff salaries. IPPs are confronted with issues related to delayed bill payments and the conversion of funds into foreign exchange due to the ongoing dollar crisis.

### 60 MW WINDMILL STARTED COMMERCIAL POWER GENERATION

Bangladesh's largest windmill, a 60-megawatt wind power plant in Cox's Bazar's Khurushkul union, commenced commercial power generation recently. Although the facility is not yet fully operational, it

#### Insights

- The losses were attributed to a halving of the distribution margin from Tk0.25 to Tk0.13 per cubic meter, as per company officials.
- The company recommended a 5% cash dividend for shareholders, down from 10% in the previous fiscal year, despite a 44%

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### TITAS GAS RECORDS HISTORIC TK 167 CRORE LOSS IN FY22-23

Titas Gas Transmission and Distribution Company, which has consistently posted profits since its establishment reported a historic loss of Tk167 crore in the fiscal year 2022-23. It's the first time in its six-decade history that the company has experienced losses.

# TELECOM INSIGHTS





## BANGLADESH'S MOBILE CONNECTIVITY LAGS BEHIND SOUTH ASIAN NEIGHBORS

Bangladesh's mobile connectivity landscape has witnessed incremental growth, as indicated by a 1.3-point increase in the GSMA Mobile Connectivity Index for 2022. Despite this progress, Bangladesh still lags behind most South Asian countries in terms of mobile connectivity.

shortcomings in affordability, where it scored a mere 43.2 out of 100.

## INTERNET SUBSCRIBERS REACH 131.9 MILLION

Internet user count experienced a remarkable boost of one million in August, primarily driven by the expansion of the country's mobile subscriber network. This surge has elevated the total number

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moderately developed mobile services. Nepal scored 53, indicating room for improvement, while Pakistan lagged behind with a score of 45, signaling a substantial need for advancements.

### Low Affordability Performance

Bangladesh's subpar mobile connectivity performance is primarily rooted in its significant

for the first time.

- **Mobile Internet Dominance:** Mobile Internet users constitute the majority, accounting for 90.79% of the Internet subscriber base. The country's mobile internet user count stands at 119.7 million.

- **Broadband Internet Segment:** In contrast to mobile internet, the broadband internet subscriber count remained unchanged at 12.1 million in August.
- **Internet Usage Statistics:** According to Bangladesh Sample Vital Statistics, approximately 41% of individuals aged five and above in the country use the internet.

#### MOBILE INTERNET PACKAGES MINIMUM VALIDITY SET TO 7 DAYS

#### Pioneer People Limited's Role

The impetus for this initiative stemmed from Pioneer People Limited (PPL), a telecommunication value-added service (TVAS) provider that initially obtained a license for alternative credit scoring in 2018. However, PPL has yet to embark on comprehensive operations in this field.

#### Regulatory Evolution

In a series of commission meetings, the BTRC decided not to renew PPL's TVAS license but instead opted to establish a new license category

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to introduce a novel license category for alternative credit scoring. This innovative approach assesses individuals' creditworthiness by leveraging non-traditional data sources, including payment histories for utilities and mobile phone bills.

period in 2022.

- **Third-Quarter Performance:** In the third quarter of 2023, the company's profit decreased to Tk 747.15 crore, marking a 17.68 % year-on-year decline.

- **Subscriber:** Grameenphone remains the largest operator in Bangladesh in terms of revenue, coverage, and subscriber base. As of June, it had 8.13 crore voice clients and 4.61 crore data customers.

Tk 56.85 crore in the same period in the previous year.

- **Revenue Growth:** The company reported a 16% year-on-year growth in revenue, reaching Tk 7,431 crore during the January -

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### **THREE-FOLD PROFIT SURGE REPORTED FOR ROBI**

Robi Axiata Ltd has announced a remarkable three-fold increase in its profit for the first three quarters of 2023.

#### **Key Details and Data:**

- **Nine-Month Profit Surge:** Robi Axiata's net profit for the period from January to September 2023 reached Tk 172.35 crore, marking a substantial 203% increase from

create and send messages that encompass text, images, videos, buttons, and various interactive elements.

- This multifunctional messaging approach is the key to making RBM more engaging and visually appealing compared to traditional SMS messages.
- Businesses can deliver a more personalized and meaningful customer experience. By leveraging interactive messages and product catalogs, companies can effectively



communicate with their audience, enhancing the customer journey .

- Moreover, RBM facilitates the seamless scheduling of appointments, which can be a game-changer for service-oriented

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end users without the required license, highlighting the importance of adhering to regulatory guidelines and licensing requirements.

**Legal Consequences:** Failure to comply with the BTRC's directive and pay the fine could result in legal action against Fiber@Home, in line with the Telecom Act. This may include the cancellation of Fiber@Home's NTTN license.



# AGRICULTURAL INSIGHTS

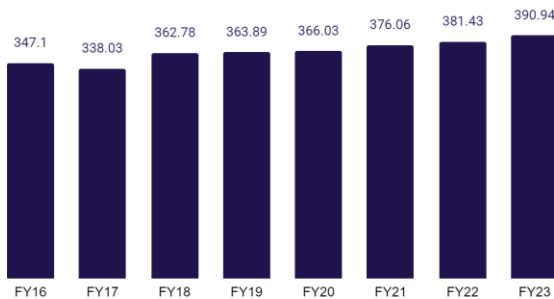




### RICE PRODUCTION HITS RECORD HIGH IN FY23

In fiscal year 2022-23 (FY23), Bangladesh achieved a remarkable milestone by recording its highest rice production figures in recent history. Bangladesh ranks as the third-largest rice producer, with six consecutive years of growth in rice production.

Bangladesh's Annual Rice Production (in lakh tonnes)



#### Growth in Rice Production:

FY23 Boro Season: Data from the Bangladesh Bureau of Statistics (BBS) reveals that during the Boro season of FY23, the nation harvested a substantial 2.07 crore tonnes of rice. This marked a 3% increase from the previous fiscal year.

#### Record-Breaking Year:

The overall rice production for FY23 surged to an all-time high of 3.91 crore tonnes, a remarkable 2.5% year-on-year growth.

#### Contributing Factors:

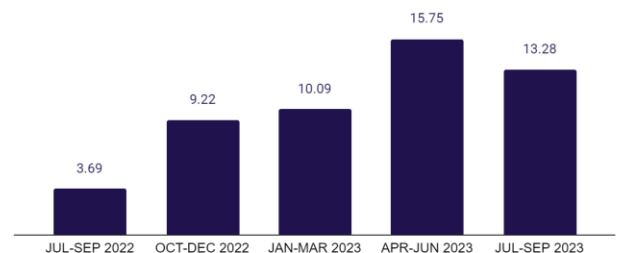
- **Modern Seed Varieties:** The dominance of HYV varieties of rice seeds reached 81% of the total rice acreage in FY23, marking a substantial increase from 73% in FY10. Hybrid rice cultivation also surged from 6% in FY10 to 10% in FY23.

In FY23, both public and private entities imported 10.5 lakh tonnes of rice, slightly higher than the previous fiscal year. However, between July 1 and October 12 of FY23-24, rice imports dropped to zero. This reduction is attributed to higher domestic production and has relieved foreign exchange reserves, especially when the country is grappling with a US dollar shortage.

### WHEAT IMPORTS INCREASED 259%

Wheat imports in Bangladesh experienced a substantial four-fold increase in the first quarter of the fiscal year 2023-24, driven by the private sector's interest in tapping into reduced international prices. The annual demand of wheat is 70 lakh tonnes.

Quarterly Import Of Wheat (in lakh tonnes)



#### Key Insights:

- During the period of July -September 2023, there was a 259% year-on-year increase. Both the public and private sectors imported 13.28 lakh tonnes of wheat, with private importers accounting for 12.8 lakh tonnes.
- The global price of US hard red winter wheat fell to \$325 per tonne in the July -September period this year, marking an 18% decrease from the previous year.

- International grain markets led to a decrease, with the current price at \$266 per tonne, down from \$378 a year ago.

contrast, the Middle East's market share has grown significantly, reaching 49% in FY23.

Impact on Export Volumes:

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consumption of wheat in Bangladesh, and increased domestic and industrial consumption of wheat flour.

#### **FRUITS AND VEGETABLES EXPORTS EXPERIENCING A 68.7% DECLINE**

Bangladesh's fruits and vegetables exports have encountered a significant downturn, experiencing a 68.7% decline over the past decade, from \$239.19 million in FY14 to \$74.93 million in FY23. While exports to Europe constituted 54.8% of the total in FY14, this share has fallen to 32% in FY23. In

#### **FY 2023-24**

Banks have increased the distribution of loans to the rural and agricultural sectors. The recovery rate against these loans is also satisfactory. Although the default rate in this sector has exceeded 7%. This information has come out in the latest updated report of Bangladesh Bank.

#### **Loan Distribution:**

- Banks in Bangladesh disbursed Tk 8,824 crore in the first three months of FY 2023-24.

- Total agricultural loans disbursed thus far amount to Tk 54,164 crore.
- Outstanding loans in the sector stand at Tk 18,441 crore.
- The default rate is 7.37%, with a default amount of Tk 3,950 crore.

#### Fertilizer Procurement:

1. The Bangladesh Agricultural Development Corporation (BADC) will procure 40,000 tonnes of DAP (Diammonium Phosphate) fertilizer under the 7th lot from OCP, SA, Morocco, at a cost of around TK 251.28 crore. The per-tonne cost of this fertilizer will be \$568.5.

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● Banks allocate 50-60% of agricultural loans to NGOs.

#### GOVERNMENT APPROVED 7 PROCUREMENT INITIATIVES

In response to the increasing demand for essential agricultural inputs and soybean oil, the government of Bangladesh has approved several procurement proposals.

procured from Meghna Edible Oils Refinery. This will cost around TK 129.55 crore, with a per-litre price of Taka 161.94.

#### COLD STORAGE OWNERS GRANTED 10-YEAR LOAN RESCHEDULING

Bangladesh Bank has granted cold storage owners an additional month, extending the deadline until November 30, to apply for the rescheduling of their



default loans. The extension was provided due to the majority of clients not having yet applied. In a circular issued on July 13, the central bank outlined the terms under which banks could reschedule the default loans of cold storage. Bangladesh is home to 400 cold storage, many of which have faced financial difficulties over the years due to various factors, including political unrest in 2013.

- The International Fund for Agricultural Development will contribute \$43 million.
- The remainder of the funding will come from the government's coffers.

**Geographical Coverage:**

The project will be implemented in over 4,500 unions across approximately 495 upazilas (sub-districts) in Bangladesh.

**BANGLADESH PARTNERS WITH FAO TO PROMOTE NATURE-BASED SOLUTIONS IN AGRICULTURE**

**HILSA PRICE RISE TO DECADE-HIGH**

The current market price for hilsa is the highest it

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2028.

**Funding Sources:**

- The World Bank is providing \$500 million in credit.



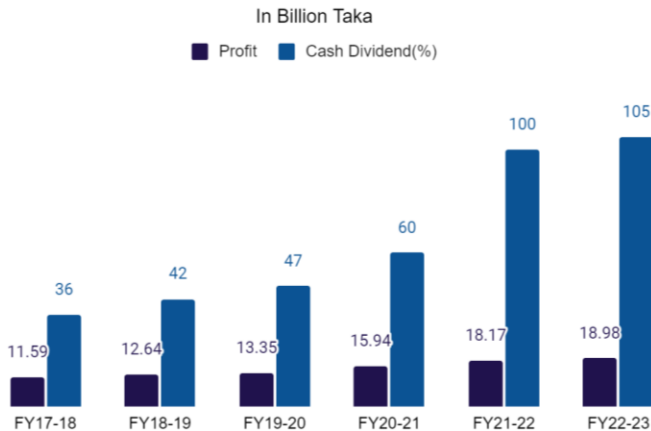
# HEALTHCARE INSIGHTS



## TOP PHARMACEUTICAL COMPANIE'S FINANCIAL PERFORMANCE

### Square Pharmaceuticals:

Square Pharmaceuticals Profit and Cash Dividend



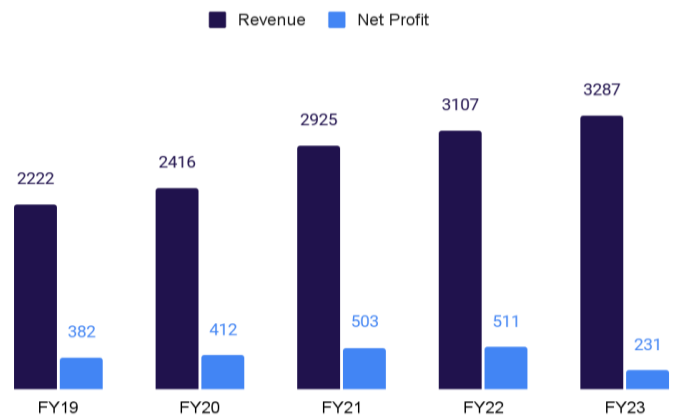
- Square Pharmaceuticals reported a consolidated profit of Tk 18.98 billion for FY'23, marking a substantial 4.45% increase compared to the previous fiscal year.
- Net revenue increased by 9% to Tk 62.75 billion in FY'23.
- Consolidated net asset value per share for FY'23: Tk 129.95 (up from Tk 118.68).
- Consolidated net operating cash flow per share (NOCFPS) for FY'23: Tk 9.64 (down from Tk 14.52).
- Square Pharmaceuticals has recommended an impressive 105% cash dividend for the fiscal year 2022-2023.

### Renata Limited:

- Renata's net revenue grew by 5.8% in FY23, reaching Tk 3,287 crore compared to Tk 3,107 crore in FY22.
- Renata's consolidated EPS dropped to Tk 20.40 in FY23, a notable decline from the previous fiscal year's Tk 44.56.

- The company announced a 62.5% cash dividend for FY23 to its shareholders, the lowest in the last seven years.

Renata's YoY Revenue and Net Profit( in Tk Cr)



### Reckitt Benckiser:

- **Revenue:** Tk 404 crore 33 lakh (compared to Tk 376 crore 89 lakh in FY 2022).
- **Net profit after tax:** Tk 52 crore 36 lakh (compared to Tk 42 crore 77 lakh in FY 2022).
- **Earnings per share (EPS):** Tk 110.82 (compared to Tk 90.52 in Q3 FY 2022).
- **Net asset value per share (NAVPS):** Tk 189.62 as of September 30.

### Beximco Pharma:

- Beximco Pharmaceuticals Ltd reported a 9.48% year-on-year decrease in its consolidated net profit, which amounted to Tk452.45 crore in the fiscal year 2022-23.
- On a solo basis, the company reported a profit after tax of Tk458.80 crore and an earnings per share of Tk10.28 for FY23.
- For the fiscal year 2022-23, the company recommended a 35% cash dividend for its shareholders.

## BANGLADESH'S NEW DRUGS AND COSMETICS ACT 2023

The pharmaceutical sector in Bangladesh is poised for significant growth and improvement with the enactment of the Drugs and Cosmetics Act 2023.

with \$2 billion offered as concessional loans and \$1.5 billion in regular loans.



## SQUARE PHARMA'S EAST AFRICAN EXPANSION

Square Pharmaceuticals, a prominent Bangladeshi

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initiative aims to reduce Bangladesh's reliance on vaccine imports and facilitate in-country vaccine production.

Of the \$338 million loan offered by ADB, half will be provided at a low interest rate, while the remaining half will have a regular interest rate. ADB is committed to providing a total of \$3.5 billion in financing to Bangladesh for the current fiscal year,

current value of over \$2 billion.

- Industry projections estimate a nearly 7% compound annual growth rate, with the market expected to surpass \$3.2 billion by 2028.



# ICT & START-UP INSIGHTS





## BANGLADESH'S INTERNET FREEDOM IMPROVES AFTER THREE-YEAR DECLINE

Bangladesh's internet freedom improved after a three-year decline, as internet users faced fewer restrictions on online mobilization, according to a

### Regional Comparison

- Among South Asian countries reviewed, Bangladesh ranks ahead of Pakistan, which tightly controls its online environment (26 points, "Not Free").

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access obstacles, content restrictions, and user rights violations from June 1, 2021, to May 31, 2022.

- Authorities throttled internet connections in October 2021 during attacks on Hindu people. The attacks were partly incited by online videos.
- However, internet freedom remains low, and authorities frequently arrest online critics under the Digital Security Act, leading to self-censorship.



Prime Minister Sheikh Hasina unveiled five new digital initiatives as part of the government's 'Smart Bangladesh' campaign, which aims to transform the country by 2041. The initiatives include the 'Noip unyo' app for collective student assessment, 'Ekpass' for integrated e-toll collection, 'Smart 333' for government information and services, 'Smart e-

Trade License' for efficient licensing, and the 'Smart Pregnancy Monitoring System' for maternal health.

**LOCAL STARTUP INVESTMENTS DECLINED BY 77%**

On a global scale, startup investments have risen by

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### Smart e-Trade License: Streamlined Licensing

- Allows service seekers to download e-trade licenses within 24 hours of application submission.

### Smart Pregnancy Monitoring System: Maternal Health

- Ensures continuous pregnancy monitoring, preserving health information for pregnant mothers and newborns.

most players maintaining a risk-averse posture.

### Local Investors Dominate

- Local investors dominated the investment landscape, accounting for an impressive 84% of total investments in Q3 2023.
- Early-stage funding remained stable, constituting 62% of the total investments in the third quarter and maintaining its momentum from the previous quarter.

### Regional Comparisons

- In Asia, China experienced a modest 23% spike in funding during Q3.
- Singaporean startups saw a threefold surge

annually, with 52% of learners from rural areas and 34% being female students.

### AROGGA SECURES \$5.5 MILLION IN SEED FUNDING FOR EXPANSION

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CEO of Indian Unicorn CRED, Kunal Shah, veteran Bangladeshi Angel investor, the Managing Partner of My AsiaVC, Sajid Rahman as well as several other local angel investors.

10MS achieved profitability by optimizing its business unit economics and saw its revenue double in H1 2023 compared to the previous year. The 10MS app boasts over 6.7 million downloads, 3.2 million monthly active learners, and 650,000 paid users. Over 14 million students benefit from 10MS

support for the startup.

### 34 BANGLADESHI STARTUPS SHORTLISTED FOR AWS ACTIVATE CREDIT FACILITIES

Amazon Web Services (AWS) shortlisted 34 startups for the Activate Credit facilities. These startups will each receive \$10,000 in AWS Activate Credit, a valuable resource for leveraging AWS services and infrastructure. This announcement followed the recent Amazon Web Services Startup Day Bangladesh 2023, which marked the first time

such an event was organized in Bangladesh. A total of 111 startups participated in the event and presented their projects based on hands-on workshops.



### IFARMER LAUNCHES AGRICULTURE MACHINERY EXPERIENCE CENTERS

iFarmer's mission is to provide a comprehensive solution for the country's 16.5

particularly notable as many of its competitors were scaling down or exiting the market, for example, Paperfly shut down and RedX downsized.

### Pathao Courier's Growth

- Over two-thirds of Pathao Courier parcels are now delivered outside Dhaka, reflecting a substantial increase from two years ago.
- Pathao Food's market share has grown from

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### PATHAO DOMINATING 3PL MARKET WITH 100,000 DAILY DELIVERIES

In the dynamic realm of start-ups, Pathao Courier, in particular, has witnessed significant growth, delivering around 100,000 parcels daily, capturing half of the 3PL market, and achieving profitability in mid-2022. This achievement is

2019 2020 2021 2022 2023



# AVIATION, TOURISM & LOGISTIC INSIGHTS





## BANGABANDHU TUNNEL: SOUTH ASIA'S FIRST UNDERWATER TUNNEL



The inauguration of the Bangabandhu Sheikh Mujibur Rahman Tunnel under the Karnaphuli River marks a significant milestone for Bangladesh. This tunnel, located approximately 140 feet below the river's surface, spans 3.32 kilometers and contains two separate tubes. An advanced security system has been incorporated into the design, offering protection against fire, flood, and even earthquakes of up to magnitude 9. While the foundation stone was laid in October 2016, construction officially commenced in February 2019.

### Project Costs and Key Stakeholders

- The initial estimated cost of the tunnel project was just under 8.5 billion Bangladeshi taka.
- The project's total cost has since increased to 10.69 billion taka.
- Bangladesh is contributing approximately 4.62 billion taka, while the remainder, 6.07 billion taka, is financed by China's Export-Import Bank.
- China Communications Construction Company was responsible for the construction, and the Bangladesh Bridge Authority has signed a 5-year maintenance contract with the company.

### Economic Potential and Impact

- The Bangabandhu Sheikh Mujibur Rahman Tunnel is poised to facilitate the daily movement of 17,260 vehicles, with an annual traffic volume of 7.6 million vehicles.
- This enhanced connectivity is expected to contribute to a 1.66% annual increase in Bangladesh's GDP.
- Notable industrial projects include Chittagong's "one city, two towns" development and the Bangabandhu Shilpanagar.

### Logistics and Tourism Development

- Denmark's renowned container shipping company, Maersk Line, is considering establishing a container depot along the banks of the Karnaphuli River, demonstrating the potential for the logistics sector's growth.
- As industrialization and logistics improve, the tourism industry is also expected to flourish.
- Tourism projects such as the Sonadia Eco Tourism Park, Shabran Tourism, Bangabandhu Sheikh Mujib Safari Park, and Teknaf Naf Tourism Park are in progress, with new business opportunities emerging in their vicinity.

### Agriculture and Salt Industries

- South Chittagong's rich agricultural areas, encompassing regions like Anwara, Patia, Karnaphuli, Lohagara, Chandanish, and Dohazari, will regain prominence due to improved connectivity.

- Substantial export potential, particularly for shrimp and fresh vegetables to Middle Eastern countries, will benefit from reduced distances to Chittagong Shah Amanat International Airport.

4,305 TEUs compared to the previous month.

#### Year-on-Year Comparisons

- Import container handling in October 2023 increased by 6% (6,299 TEUs) compared to

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#### Import And Export Containers

- In October 2023, Chattogram Port's import container handling recorded a decline of 2.57%, totaling 103,767 TEUs, marking a decrease of 2,738 TEUs compared to September's figures.
- Export container handling in the same month witnessed a decline of 7.45%, with 53,464 TEUs being handled, a decrease of

#### LOCAL AIRLINES TO PAY THE SAME RATE AS FOREIGN COUNTERPARTS

Starting from July 2024, domestic airlines in Bangladesh will be subject to the same hangar usage fees as foreign airlines at Hazrat Shahjalal International Airport (HSIA) in Dhaka.

- The fee increase, recently notified through a gazette, raises the rate from Tk 80 per sq ft,

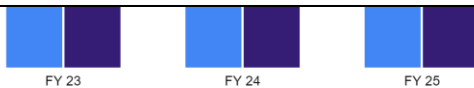
up from the previous rate of Tk 40 per sq ft, significantly affecting domestic carriers.

- It's worth noting that domestic airlines did not pay any hangar usage fees until September 2021.

As a result of these fee hikes, domestic airline fares may double compared to 2021, leading to potential financial challenges for passengers.

#### AIRBUS TO PROVIDE 10 A350 WIDE-BODY

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#### Progressive Fee Increases

- Domestic airlines started paying Tk 40 per sq ft from October 2021, which increased to Tk 48 from July 2022.
- In the current fiscal year, the fee stands at Tk 60 per sq ft, and it will further rise to Tk 80 in the next fiscal year.

routes.

- Airbus is ready to introduce Maintenance, Repair, and Overhaul (MRO) digital solutions in Bangladesh, contributing to aviation growth.
- Airbus's Global Market Forecast predicts that Bangladesh will require 105 narrow-body and 55 wide-body aircraft by 2042 to meet growing air traveler demand.

## US-BANGLA AIRLINES ATTAINS IATA RECOGNITION



route currently served by Air Arabia Abu Dhabi and Biman Bangladesh Airlines, Etihad's withdrawal will reshape the competitive landscape.

## GOVT EXPANDING RAILWAY NETWORK

The Bangladesh Railway has undergone significant expansion and development in both its infrastructure and service system across the country.

### Cox's Bazar's Oyster-Shaped Railway Station

- The Cox's Bazar railway station features a

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# DEVELOPMENT INSIGHTS





## 25% OF THE POPULATION FACING FOOD INSECURITY: WFP FINDINGS

The recently published "Bangladesh Food Security Monitoring Report: May-August" by the World Food Programme (WFP) sheds light on a concerning reality - approximately 25% of the population in Bangladesh is grappling with food insecurity, with nearly half of the extremely poor facing its adverse effects.

### WFP Findings:

- WFP reports that 24% of the population, including 46% of extremely poor families, are in a state of food insecurity.
- Even middle-income (9%) and high-income (3%) families are not immune to its impact.
- The report highlights that 71% of families are distressed by the rising cost of food.
- Seven out of ten individuals are coping by compromising the quality of daily activities, with reduced food consumption, loans, and asset sales becoming common.

### Debt and Assistance:

- The number of people becoming indebted to purchase food is on the rise, especially among low-income individuals.
- In August, 58% of those buying food in Chittagong and 53% in Sylhet fell into this category, with minimal assistance reaching them.

## CIF ALLOCATES NEARLY \$1B TO 8 COUNTRIES, INCLUDING BANGLADESH

Bangladesh is set to benefit significantly from the Climate Investment Fund (CIF), which is managed by Norfund, with an allocation of almost \$1.0 billion over the five years spanning 2022 to 2027.

Investment opportunities within Bangladesh will cover a wide spectrum of renewable energy projects, including large-scale initiatives like solar power plants and wind farms, as well as smaller-scale projects like rooftop solar installations. Bangladesh ranks among the world's most climate-vulnerable nations and is grappling with the loss of 2.0% of its GDP due to the impacts of climate change.

## UK ANNOUNCES €4.5 MILLION HUMANITARIAN AID FOR ROHINGYA REFUGEES

The UK has pledged €4.5 million in lifesaving assistance to support Rohingya refugees and host communities in Bangladesh.

### Comprehensive Support Package

- €2.1 million was provided through the International Organization for Migration (IOM) for healthcare and clean energy for Rohingya refugees and host communities.
- €2 million was allocated to NGOs for the protection of refugees and host communities. Partner organizations include the Norwegian Refugee Council, Danish Refugee Council, International Rescue Committee, and Humanity and Inclusion.
- €450,000 is provided through the UN Population Fund (UNFPA) to prevent and respond to gender-based violence and offer sexual and reproductive health services.

### Sustained Humanitarian Assistance

- Since 2017, the UK has contributed €370 million to support Rohingya refugees and host communities in Bangladesh.

- Additionally, nearly €30 million has been directed to aid Rohingya and other Muslim minorities in Myanmar's Rakhine State.

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### **Diversifying Destination Markets**

- Although Bangladesh traditionally dispatched workers to the Middle East and Southeast Asia, there is a steady increase in workers going to other regions worldwide.
- South Korea, Italy, Japan, Seychelles, and various European countries are emerging as new destination markets for Bangladeshi workers.

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সাবস্কাইব করুন **ডাটা টার্মিনাল** -এ



ডাটা টার্মিনাল হচ্ছে বাংলাদেশের প্রথম বিজনেস এবং ইকোনোমি ডাটা পোর্টাল  
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