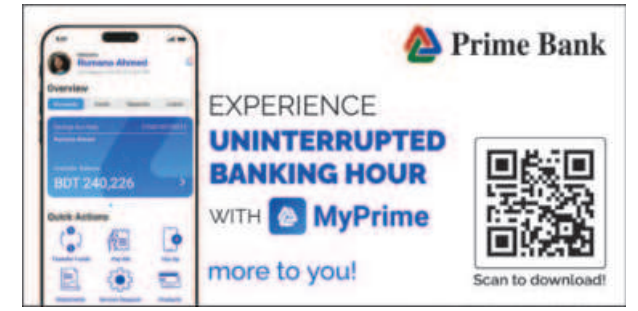


Star BUSINESS



Remittance dips 16% in Apr, highest fall in 14 months

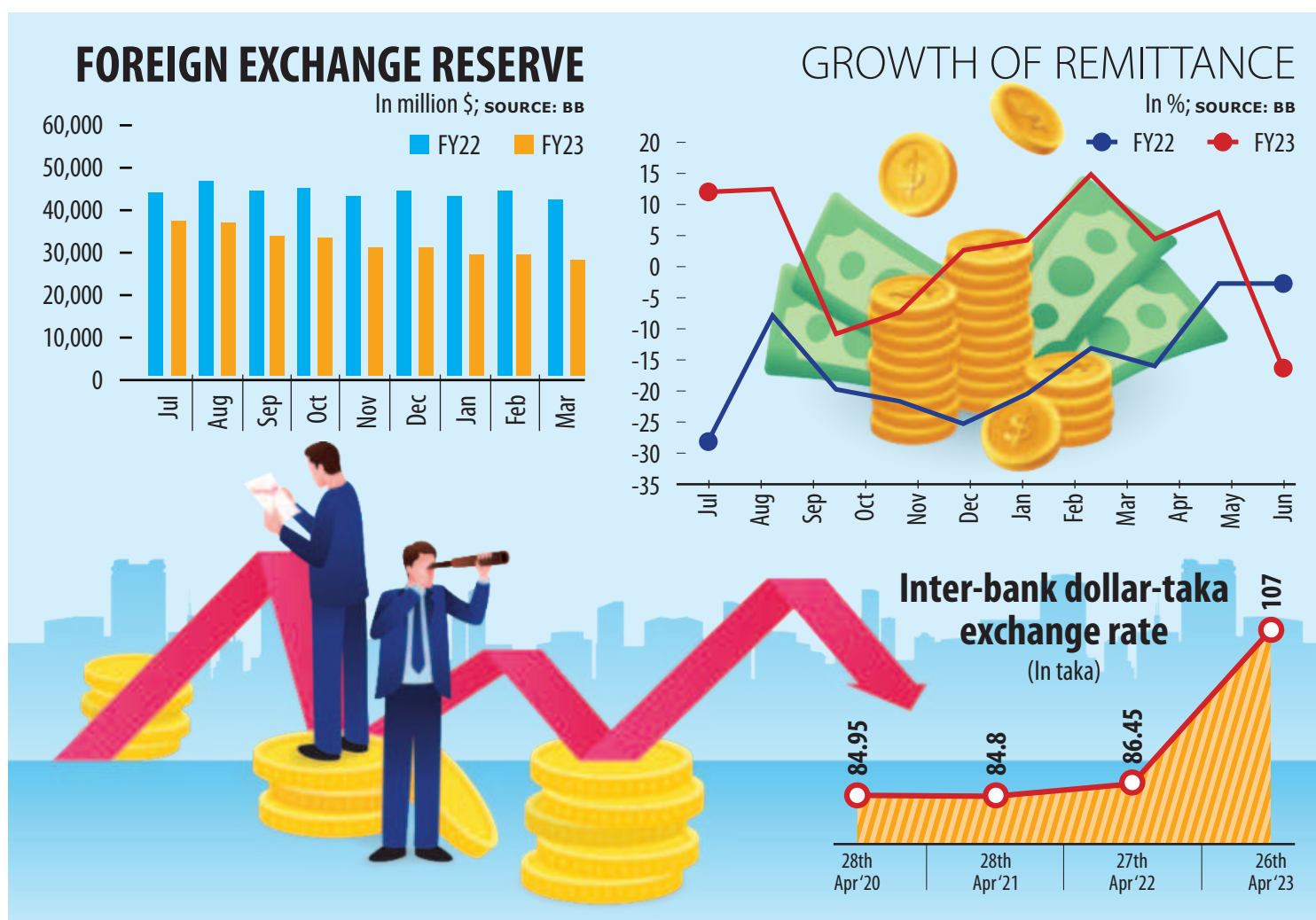
STAR BUSINESS REPORT

Despite a surge in the outflow of migrant workers from Bangladesh, the inflow of remittance through official channels declined 16.27 per cent in April, which was the highest drop in 14 months, showed Bangladesh Bank data.

Migrant workers and non-resident Bangladeshis abroad sent home \$1.68 billion in April, down from \$2 billion the same month a year ago.

Remittances in April were also lower than the overall inflow in March, when migrants sent home \$2 billion, the third highest amount of foreign currencies received this fiscal year.

Remittances were higher in March as expatriates sent their families larger sums at the time on the occasion of Eid-ul-Fitr, which is the biggest religious festival for



Bangladesh's exports to India can go up by 300%: envoy

He stresses optimising multimodal connectivity

STAR BUSINESS REPORT

Bangladesh's exports to India may increase by 300 per cent in a year if the multimodal transport connectivity, including roads and highways, waterways, coastal shipping and railway, can be optimally utilised, said Pranay Kumar Verma, Indian high commissioner to Bangladesh, yesterday.

"Better connectivity is indeed the centre for improving the ease of doing business and ease of living," he told a seminar on "Multimodal Connectivity between India and Bangladesh" organised by Unnayan Shamannay at Bishwo Shahito Kendro in Dhaka.

Since 1972, there have been 10 protocol river routes in operation for transporting goods between the two countries and the quantity of goods transported have now increased 39 times since what was around two decades ago, he said.

The goods were transported on Bangladeshi vessels 90 per cent of the time, said Verma, adding that India has also offered Bangladesh use of select Indian airports and river ports for sending exports to third countries.

Bangladesh is India's largest trading partner in South Asia and fifth largest worldwide. Over the last five years, the bilateral trade reached \$15 billion from \$7 billion

Seven border haats are now in operation and there is demand for more, he said.

On the connectivity issue, Verma mentioned the inauguration of a "friendship" pipeline by the prime ministers of the two countries with a capacity for supplying Bangladesh one million tonnes of diesel a year.

The high commissioner also shared different facts of the bilateral trade and investment connectivity.

For instance, Bangladesh is India's largest trading partner in South Asia and fifth largest worldwide. Over the last five years, the bilateral trade reached \$15 billion from \$7 billion, he said.

READ MORE ON B2

Migrant workers and non-resident Bangladeshis abroad sent home \$1.68 billion in April, down from \$2 billion the same month a year ago

Muslims. With the April remittances, overall remittances flow grew 2 per cent year-on-year to \$17.7 billion in the first 10 months of the current fiscal year from \$17.3 billion the same period a year ago, according to central bank data.

A Bangladesh Bank official said the hundi cartel, an illegal cross-border financial transaction, is mainly responsible for the slide in remittance as the number of migrant workers going abroad for jobs grew substantially.

Bangladesh sent 8.4 lakh migrant workers abroad in the July-March period of the current fiscal year while it was 21 per cent higher from 6.96 lakh the same period a year ago, showed data from the Bureau of Manpower, Employment & Training.

Some 9.88 lakh migrant workers left for jobs abroad in fiscal year 2021-22, which was nearly four times the 2.80 lakh a year ago.

The country's foreign exchange reserves also fell below \$31 billion on April 30 amid the downward trend of remittances, which is one of the major sources for the state coffers.

Taka weakens further as forex reserves slip below \$31b

AKM ZAMIR UDDIN

The taka has lost its value further against the US dollar after the Bangladesh Bank sold the greenback at Tk 104.5 as the foreign exchange reserves keep falling.

The reserves stood at \$30.92 billion yesterday, down 29.7 per cent year-on-year, central bank data showed.

The taka has been under pressure for nearly a year after the Russia-Ukraine war-induced fallout deepened the volatility in the global commodity and energy markets as import-dependent nations such as Bangladesh were forced to pay more to clear import bills, which took a toll on the international currency reserve level.

The central bank began selling US dollars at Tk 103 in the first week of April from Tk 102 previously as it is working to allow the exchange rate to be determined in line with demand and supply.

At a meeting on April 30, banks decided to pay Tk 110.70 per USD to migrant workers and non-resident Bangladeshis from May in order to encourage them to send money through formal channels.



Banks also decided to raise the buying rate to Tk 106 from Tk 105 for exporters to arrive at a single exchange rate gradually in place of the present multiple exchange rates.

The taka is depreciating as the BB is adjusting the exchange rate in line with the prices quoted by banks.

As per the reform actions attached to the \$4.7 billion loan programme, the International Monetary Fund also suggested the government put in place a market-based interest rate mechanism by July this year.

A lower-than-expected flow of export and remittance receipts also did not give the country much-needed breathing space when it comes to boosting the reserves and bringing stability to

the exchange rate regime. Remittances, the cheapest source of US dollars for Bangladesh, declined 16.27 per cent year-on-year to \$1.68 billion in April. The flow, however, was up 2.36 per cent to \$17.71 billion in the first 10 months of 2022-23.

Export earnings dipped 16.52 per cent to \$3.95 billion in April, data from the Export Promotion Bureau showed yesterday. But it was up 5.38 per cent to \$45.67 billion during the 10-month period.

Although import bills fell 10.27 per cent to \$48.79 billion in the first eight months of 2022-23, it was not enough to stop the depletion of the forex reserves. Import data for March and April have not been published yet.

Economists say the central

bank should rethink its strategies to keep the foreign exchange market stable since the reserves are persistently falling.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh says: "The central bank's initiative aimed at depreciating the local currency is good. But it is not good enough given the ongoing market situation."

He urged the central bank to implement a single exchange rate instead of multiple ones. "And it should allow the floating exchange rate."

"In addition, the interest rates of loans and deposits should be market-based as well. Otherwise, the stability in the foreign exchange market can't be restored."

The BB has decided to implement a market-based interest rate from July, moving away from the 9 per cent interest rate cap on loans.

In January, the central bank removed the deposit floor rate.

Monzur Hossain, research director of the Bangladesh Institute of Development Studies, said the reserve is still at a satisfactory level.

READ MORE ON B3

STOCKS	
DSEX ▲	CASPI ▲
0.12% 6,270.77	0.10% 18,472.15

COMMODITIES	
Gold ▲	Oil ▼
\$1,996.13 (per ounce)	\$73.29 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.40% 61,354.71	▲ 0.12% 29,157.95	▲ 0.35% 3,281.99	▲ 1.14% 3,323.27

National Bank saw Tk 3,200cr loss in 2022

STAR BUSINESS REPORT

National Bank Ltd suffered more than Tk 3,200 crore in loss in 2022 owing to the waiver in interest and the decrease in interest incomes for rising non-performing loans.

Thus, the private commercial bank, which clocked more than Tk 300 crore in profit between 2015 and 2020, reported Tk 10.13 losses per share in the last financial year that ended on December 31 after making a profit of Tk 0.12 each share a year ago.

In a filing on the Dhaka Stock Exchange (DSE) yesterday, NBL blamed the waiver of interest and the fall in interest income for the fall in the EPS and the net asset value per share (NAVPS). The filing did not give any details.

Md Mehmood Husain, managing director of the bank, and Kaiser Rashid, company secretary, could not be reached for comments yesterday.

The loss of the bank continued into the first quarter of 2023 amid the rise in default loans and the liquidity crunch.

The lender incurred losses of Tk 312 crore from January to March, up from the Tk 57 crore loss it witnessed in the identical three-month period of 2022.

The private bank's losses per share rose 439 per cent to Tk 0.97 in the first quarter from Tk 0.18 a year ago.

The EPS decreased due to the liquidity crunch. Besides, borrowers failed to repay instalments on time and became classified while the interest on such loans and advances could not be taken to the income segment of the balance sheet, said NBL in another filing.

READ MORE ON B2



Workers break stones on contract using hammers and crushing machines for Tk 300 to Tk 350 per day in Bholaganj of Companiganj upazila of Sylhet. Business was better a few years ago, when they earned Tk 1,000 to Tk 1,500, but now is going through a rough patch as there are lesser stones rolling down from upstream alongside a bar on stone collection from local rivers. The photo was taken recently.

PHOTO: SHEIKH NASIR

BBS to publish quarterly GDP data from next year

STAR BUSINESS REPORT

The Bangladesh Bureau of Statistics (BBS) is taking necessary preparations to publish quarterly reports on the country's gross domestic product (GDP) from next year.

The state-run statistical agency's decision meets one of the conditions of International Monetary Fund's (IMF) recent \$4.7 billion loan for Bangladesh. The GDP data used to be made public annually.

In addition, the BBS has also completed compiling provisional and the final data of the country's GDP for the past 50 years since Bangladesh achieved independence.

Md Matiar Rahman, director general of the BBS, shared the information after a meeting with an IMF delegation in Dhaka yesterday.

The BBS is catering

READ MORE ON B3