



Dollar rate hiked for exporters

STAR BUSINESS REPORT

Bankers yesterday hiked dollar purchase rate for the exporters in their bid to come to a unified rate for the greenback by September this year.

From July 2, the exporters will get Tk 107.5 for a US dollar, up from Tk 107, according to a circular by Bangladesh Foreign Exchange Dealers' Association (BAFEDA).

"Our target is to reduce the gap among dollar rates and reach to a single rate by the third quarter of this year. This is the part of that journey," said Selim RF Hussain, chairman of Association of Bankers, Bangladesh (ABB), after a joint meeting between at BAFEDA and ABB.

Other rates for the greenback will remain unchanged.

The remitters will get Tk 108.5 for a US dollar apart from the 2.5 per cent incentive given by the government.

From July 2, exporters will get Tk 107.5 for a US dollar, up from Tk 107, according to BAFEDA.

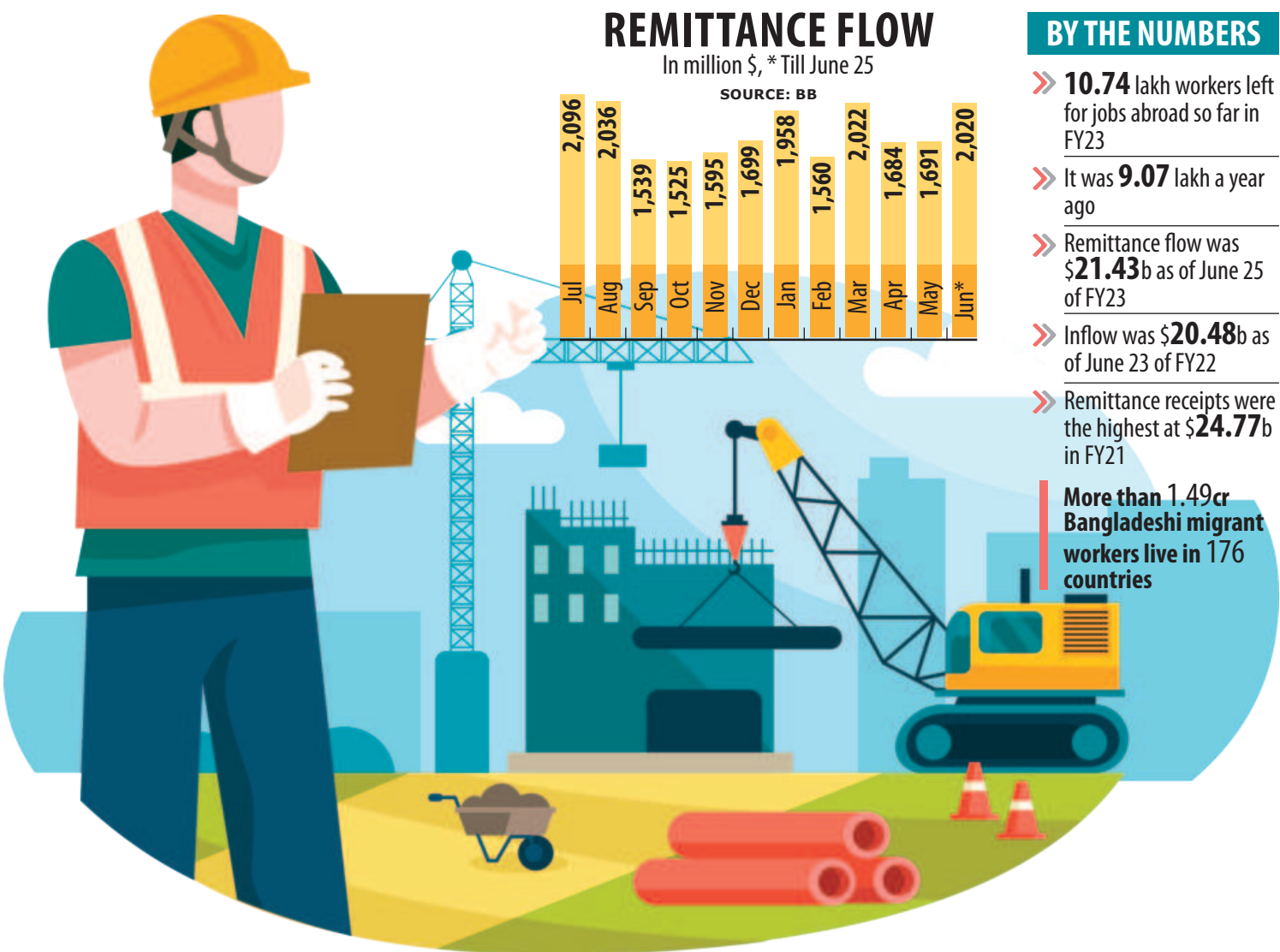
The rate of dollar for inter-bank transaction is as much as Tk 109 for a dollar, said a senior official of a private bank seeking to remain unnamed.

Bangladesh Bank in its latest monetary policy said that it would adopt a unified, market-driven exchange rate regime allowing the rates of foreign currencies to be determined by the market factors.

The central bank of Bangladesh targets to reach a market-driven rate for all international currencies within the third quarter this year.

Despite the increase, Debasish Singha, head of business (export) at Danish Foods Ltd, owned by Partex Star Group, said the hike in the rate of dollar for exporters will not increase competitiveness.

It will not benefit the exporters of different items such as processed foods to that extent because of the rising prices of raw materials, he said.



BY THE NUMBERS

- **10.74** lakh workers left for jobs abroad so far in FY23
- It was **9.07** lakh a year ago
- Remittance flow was **\$21.43b** as of June 25 of FY23
- Inflow was **\$20.48b** as of June 23 of FY22
- Remittance receipts were the highest at **\$24.77b** in FY21

More than 1.49cr Bangladeshi migrant workers live in 176 countries

Remittance rebounds

Gives some relief to under-pressure economy

MD FAZLUR RAHMAN, RASHIDUL HASAN and AKANDA MUHAMMAD JAHID

Remittance rebounded in Bangladesh in the outgoing financial year, extending some breathing space to an economy struggling to keep its head above water amid the lingering crisis at home and abroad.

Families and relatives received \$2.02 billion in the first 25 days of June from their breadwinners toiling abroad, up more than 57 per cent from the \$1.28 billion that was received in the first 23 days of the same month last year, data from the central bank showed.

June's receipts were the highest in three months and equal March's earnings. However, if the inflow goes up by a small margin in the last five days of June, the takings would be the highest in a single month in two years.

This month's remittance also lifted the earnings to \$21.43 billion between July 1 and June 25, up 4.6 per cent year-on-year, comfortably going past last fiscal year's total of \$21.03 billion.

The current pace of growth of 4.6 per cent is much higher than the 2 per cent uptick estimated by the central bank for 2022-23. The overall earnings will be \$21.45 billion in the year, said the BB in its latest monetary policy statement.

Remittance flow usually goes up ahead of major occasions such as Eid-ul-Fitr and Eid-ul-Azha as remitters send a higher amount to help their families celebrate the festivals. Eid-ul-Azha will be celebrated on Thursday, a time when about one crore animals are expected to be sacrificed.

The latest increase in remittance comes as the government says 10.74 lakh migrant workers have left Bangladesh for jobs abroad

so far in FY23, the highest in a single year.

The number of workers who went overseas between July 1 and June 15 saw an increase of 18.50 per cent compared to the same period a year ago, Expatriates' Welfare Minister Imran Ahmad told parliament yesterday. In 2021-22, some 9.07 lakh migrant workers went abroad.

Remittance sent by expatriate workers is considered one of the driving forces of the economy. But the funds transferred by the migrant labourers have not surged in line with their record outflow.

Local economists and multilateral lenders have pointed to the multiple exchange rates and the better rates of the USD available in the hundi market for the lower-than-expected flow of remittance through official channels.

Families and relatives received \$2.02 billion in the first 25 days of June from their breadwinners abroad.

A number of people living abroad say beneficiaries in Bangladesh usually receive 3 to 5 per cent better rate when they transfer funds through the hundi cartel, an illegal cross-border financial transaction system.

Neither remitters nor beneficiaries have to face any hassles in sending or receiving money, said one person.

About half of all remittance entered the country through unofficial platforms even before the coronavirus pandemic, according to an estimate of the government.

A wide gap in formal and informal exchange rate has been one of the factors behind the sharp fall in the foreign exchange

reserves in Bangladesh as it shifts remittances from official channels to unofficial routes and impedes repatriation of export proceeds, said the World Bank last month.

In Bangladesh, a one-per cent deviation between the formal and informal exchange rate shifts 3.6 per cent of remittances from the formal to the informal financial sector, said the global lender.

In order to encourage the use of formal channels in sending remittances, the government provides a 2.5 per cent incentive and has introduced remitter-friendly processes, including the use of mobile financial services.

Besides, all fees required for sending remittances through the Bangladeshi banks and exchange houses have been exempted.

Owing to a lower flow of remittance, the cheapest source of US dollars for Bangladesh, and a moderate export, the country's foreign currency reserves fell sharply in recent months amid escalated import bills, fuelled by a surge in global commodity prices.

At present, more than 1.49 crore Bangladeshi migrants are working in 176 countries, according to budget documents.

Bangladesh received the highest-ever of \$24.77 billion in remittance in 2020-21, posting a staggering 36.10 per cent year-on-year growth.

Speaking in the parliament, the expatriates' welfare minister also said there is a plan to sign agreements with a number of countries for the purpose of exporting manpower. The nations include Libya, Malta, Albania, Romania, and Serbia.

Since the establishment of Expatriate Welfare Bank, around 1.14 lakh expatriate workers have received Tk 2,081 crore in loans for migration purposes, he added.

Forex reserve rises past \$31b

AKM ZAMIR UDDIN

The country's foreign exchange reserves rose past \$31 billion yesterday after three multilateral lenders provided \$925 million to Bangladesh.

In addition, a higher year-on-year inflow of remittances ahead of Eid-ul-Azha also played a role in pushing the reserves up.

The reserves stood at \$31.15 billion yesterday in contrast to \$30.84 billion on Sunday, said a Bangladesh Bank official.

There was \$41.82 billion in the reserves at the end of June last year.

The multilateral lending agencies -- Asian Infrastructure Investment Bank, World Bank, and Asian Development Bank -- provided the funds in the form of credit to Bangladesh.

The reserves had surpassed the \$30-billion mark on June 21.

The BB has so far injected nearly \$13.5 billion into the banking sector this fiscal year, which eroded the reserves to a large extent.

The BB official said expatriate Bangladeshis were now robust in sending remittances ahead of Eid-ul-Azha.

Expatriate Bangladeshis sent remittances amounting to \$2.02 billion in the first 25 days of this month whereas it was \$1.28 billion in the first 23 days of June last year.

Loans from three multilateral lenders and a higher inflow of remittances ahead of Eid pushed the reserves up.

Between July 1 and June 25 this fiscal year, the inflow of remittance stood at \$21.43 billion. The figure was \$20.48 billion between July 1 and June 23 last fiscal year.

Remittances usually increase centring Eid-ul-Fitr and Eid-ul-Azha -- the two biggest religious festivals for Muslims -- as expatriates send their hard-earned money to their near and dear ones to celebrate the occasions.

The BB officials said some banks were enjoying a surplus of the greenback at the moment, which was why they were selling dollars to the central bank.

Besides, the central bank is also getting a good amount of dollars from foreign sources, so the reserves yesterday crossed \$31 billion.

Lenders are also trading dollars with each other on the inter-bank platform. Some banks yesterday sold \$122 million to others.

Each US dollar traded in the range of Tk 108 to Tk 108.84 on the inter-bank platform.

READ MORE ON B3

STOCKS			
DSEX ▲		CASPI ▲	
0.29%		0.16%	
6,344.08		18,702.20	

COMMODITIES			
Gold ▲		Oil ▲	
\$1,922.00 (per ounce)		\$74.25 (per barrel)	

ASIAN MARKETS				
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▼ 0.01%	▼ 0.25%	▼ 0.06%	▼ 1.48%	
62,970.00	32,698.81	3,189.68	3,150.62	



Traders are seen bringing cattle by boat to various markets, where they will be sold for sacrifice among the country's Muslim community on the occasion of Eid-ul-Azha. The picture was taken from the Bhairab river in Khulna recently.

PHOTO: HABIBUR RAHMAN

InterContinental owning company narrows losses

STAR BUSINESS REPORT

Bangladesh Services Limited, the owning company of InterContinental Dhaka and Bangabandhu International Conference Center, has incurred lower losses this fiscal year, thanks to a rise in room bookings and events following the pandemic.

The loss stood at Tk 29 crore in the first nine months of fiscal year 2022-23, according to the company's disclosure posted on Dhaka Stock Exchange's (DSE) website yesterday.

It was Tk 74 crore in the same period of the previous fiscal year.

From July 2022 to March 2023, the earnings per share of the company stood at Tk 3.06 in the negative whereas Tk 7.66 in the corresponding period of the preceding year.

The decrease in losses was owing to higher revenues from the hotel and conference centre, the company said in the disclosure.

The revenue of the hotel increased to Tk 127 crore during the third quarter of this fiscal year, up from Tk 77 crore during the corresponding period of the precious fiscal year, said Md Atiqur Rahaman, managing director of Bangladesh Services Limited.

Losses were still being incurred due to the depreciation of the local currency against US dollar, he said.

"Even our occupancy rate reached 48 per cent this year which was around 10 percentage point higher than that last year," he added.

READ MORE ON B2

Govt scraps plan to impose 15% VAT on ball pen

STAR BUSINESS REPORT

The government has backtracked from its decision to impose 15 per cent value-added tax (VAT) on the production of ballpoint pens amid opposition from various quarters, including lawmakers.

Instead, it slapped 5 per cent VAT on the writing utensil, according to a notification issued by the National Board of Revenue (NBR). The change came during the passage of the finance act by the parliament on June 25.

Officials said ballpoint pen was exempted from the indirect tax before the NBR sought to levy 15 per cent VAT. Finally, people will have to count 5 per cent VAT to buy ball point pens.

RN Pual, managing director of RFL Group, said prices of pens will increase following imposition of the indirect tax.

READ MORE ON B3