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Banks' forex balances on the rise

MD FAZLUR RAHMAN

Gross foreign exchange balances held by commercial banks in Bangladesh rose to a 19-month high of \$5.53 billion in June, owing to lower imports and higher export and remittance earnings, central bank data showed.

The previous high of \$5.58 billion was registered in November last year.

June's holdings were up 6.23 per cent from the \$5.21 billion held at the end of 2021-22 and an increase of 8 per cent from May this year when it stood at \$5.12 billion.

July's figure was not immediately available. Syed Mahbubur Rahman, managing director of Mutual Trust Bank Limited, said since remittance and export earnings were in the positive territory and imports



Food grain bought from farmers queued for storage outside a government warehouse in Gaibandha yesterday. PHOTO: MOSTAFA SHABUJ

Public food stock surges to 18-month high

SOHEL PARVEZ

Public food stocks in Bangladesh rocketed to an 18-month high in July thanks to higher procurement, imports of grains and reduced distribution, official figures showed.

Analysts described the stock as good since it would allow the government to tackle any untoward situation and intervene in the market to foil any attempts aimed at manipulation by middlemen.

On July 23, the stock of rice and wheat at public storage facilities stood at 19.53 lakh tonnes, the highest since January 2022, according to data from the food ministry.

In January last year, Bangladesh's public food stock was 19.85 lakh tonnes, the highest on record.

"We have a good production of Aman and Boro paddies. Our domestic procurement has been good so far as well," said Md Shakhawat Hossain, director-general of the Directorate General of Food.

The rice production estimate for the full fiscal year of 2022-23 is yet to be released by the Bangladesh Bureau of Statistics. Total production might rise 5 per cent to 4 crore tonnes for the year if estimates of the dry Boro season rice made by the Department of Agricultural Extension (DAE) are materialised.

The DAE estimates the Boro production to be 2.18 crore tonnes, the highest in history, up 8 per cent year on year.

The food office began to

purchase Boro paddy and rice from local farmers in the first week of May and it has procured 10.13 lakh tonnes of rice from the domestic market so far.

The food directorate will continue buying the grains until August to achieve its procurement target of 15.10 lakh tonnes. Boro is the largest crop in Bangladesh, accounting for more than half of annual rice production.

Hossain said they are on track to achieve the Boro purchase goal but space constraint has become a matter of concern.

The food directorate has the capacity to store 21 lakh tonnes of foodgrain. The food ministry has asked law-enforcing agencies to take the delivery of cereal under

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TRADE DEAL STUDY More talks with Japan today

REFAYET ULLAH MIRDHA

A second round of discussions between Bangladesh and Japan starts in Dhaka today to finalise negotiations focusing a joint study, which would act as a guideline principle for signing an economic partnership agreement (EPA).

The first round of discussions on the study was held in Tokyo in April during a visit of Prime Minister Sheikh Hasina, said Yuji Ando, country representative of Japan External Trade Organisation (JETRO) in Bangladesh.

He, however, did not state where the discussions would take place.

A 10-member delegation of the Ministry of Economy, Trade and Industry of Japan has already arrived in Dhaka to hold discussions on the study.

Yasutoshi Nishimura, minister for economy, trade and industry of Japan, arrived in Dhaka

A 10-member delegation of the Ministry of Economy, Trade and Industry of Japan has already arrived in Dhaka to hold discussions on the study.

on Sunday and participated in a summit on Bangladesh and Japan economic relationship for the next 50 years.

At the summit, Nishimura said the joint study for signing an EPA would be finalised within this week so that formal negotiations could be launched as soon as possible.

Senior Commerce Secretary of Bangladesh Tapan Kanti Ghosh could not be reached over the phone to know about the second round of discussions.

Those joining the discussion from the Bangladesh side include senior officials from the commerce, foreign and other ministries, National Board of Revenue and tariff commission, said Ando.

The joint study was launched by the two countries last December for increasing trade and investment through an EPA, which would cover not only tariff issues but also investment.

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fell in the last financial year of 2022-23, the forex holdings at commercial banks rose.

"Letters of credits related to large-scale imports have already been settled."

Despite the turmoil in the global economy, earnings from merchandise shipment rose 6.67 per cent to \$55.55 billion in FY23, while remittance inflow grew 2.75 per cent to \$21.61 billion.

Imports declined 14.15 per cent to \$69.97 billion in the July-May period of FY23. The data for the entire financial year has not been released yet.

Rahman, however, said the positive growth of the forex holdings does not mean the US dollar crisis in Bangladesh is over and banks are sitting on a huge volume of international currencies.

"Still, there is a scarcity of US dollars. As a result, we are not being able to open LCs in line with demand."

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