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## No cheer from export and remittance

Pressure on reserves to intensify

REFAYET ULLAH MIRDHA and AHSAN HABIB

The strain on the dollar stockpile has intensified after remittance inflows dropped to a 41-month low in September and export receipts missed their monthly target by \$326.7 million.

In September, \$1.34 billion was received as remittance, down about 13 percent from a year earlier, according to data from the Bangladesh Bank. Export, the other major source of foreign currency, brought home \$4.3 billion, up about 10.4 percent year-on-year but the lowest amount in three months, according to data from the Export Promotion Bureau.

The twin developments coupled with the central bank's aversion to any drastic policy changes ahead of the polls mean the pressure on foreign currency reserves will deepen in the coming months, which, in turn, would lead to further depreciation of the taka and escalate inflation.

As of September 26, foreign currency reserves stood at \$21.15 billion, enough to meet four months' import bills at best. By the end of 2023, reserves will come down to three months' import cover, according to the American credit rating agency Fitch's estimate.

"One common reason is expectation," said MA Razzaque, research director of the Policy Research Institute of Bangladesh.

In economics, it is often said that past outcomes influence future outcomes by way of expectations.

"A 10 percent export growth is all very well, but if the export proceeds are not coming to the country, it doesn't help us at all. Exporters are delaying bringing in their proceeds expecting a higher exchange rate in future," he added.

Taka depreciated 7.6 percent in the last year and an unprecedented 29.3 percent in the past two years.

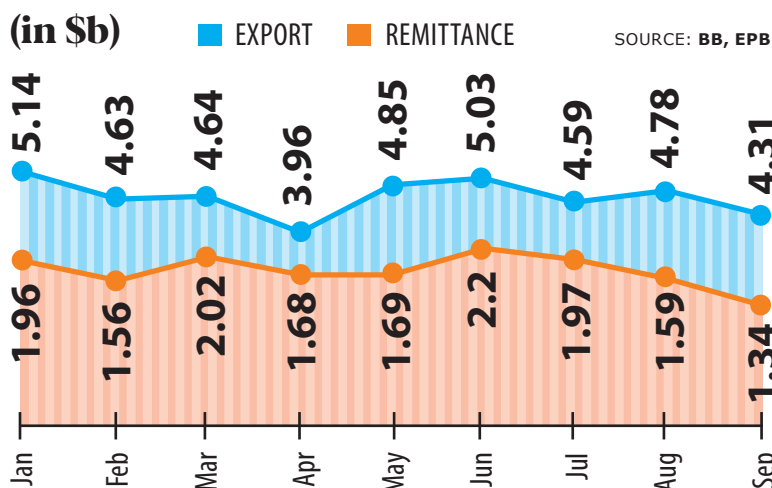
Economists and bankers think official remittance inflows, which have been on the decline since April, will not pick up anytime soon given the widening exchange rate premium, which is the difference in the exchange rate between the formal and informal markets.

At present, the official exchange that was fixed by the Bangladesh Foreign Exchange Dealers Association (BAFEDA) and the Association of Bankers, Bangladesh (ABB) as per the unofficial directive of the central bank is Tk 110. The exchange rate prevailing in the kerb market is hovering around Tk 118.

"There is always a competition between formal and informal markets

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## Shrinking export and remittance receipts



## BUSINESS

### Default loans hit all-time high

Non-performing loans (NPLs) in Bangladesh's banking sector hit a new record in June as withdrawal of a relaxed central bank policy, slowdown in business sales and deliberate non-payments pushed the volume of bad loans to Tk 1,56,039 crore, central bank data showed.

This was the highest NPL in the country's history with the previous high of Tk 134,396 crore recorded in the third quarter of last year.

In the three months to June this year, Tk 24,419 crore loans turned sour alone.

At the end of June, NPLs accounted for 10.11 percent of the total credits disbursed, according to the latest data from the Bangladesh Bank. Outstanding loans stood at Tk 15,42,655 crore.

STORY ON B1



On one side, hawkers have taken over the pavement, obstructing pedestrian movement, while the road adjacent to it is jammed with haphazardly placed rickshaws and other vehicles. Such a scene is commonplace in the capital's New Market area, yet the authorities concerned do almost nothing to solve the problem. The photo was taken yesterday.

PHOTO: RASHED SHUMON



PHOTO: HABIBUR RAHMAN

In a flagrant violation of the law, an agricultural land in Tentultala Beel of Khulna's Batiaghata upazila has been filled up with sand to be sold as residential plots. The area, which is under the jurisdiction of Khulna Development Authority, has seen housing blocks sprouting up on illegally filled-up arable land and water bodies over the last few years. The photo was taken yesterday.

## PERFORMANCE OF 11TH JS

### More into self-praise than into lawmaking: TIB

|                                      |                                   |                                                  |                                    |                                |
|--------------------------------------|-----------------------------------|--------------------------------------------------|------------------------------------|--------------------------------|
| Time spent on discussions: 744 hours | Time spent on passing laws 16.7pc | No standing committee held meetings once a month | Quorum crisis waste Tk 89.28 crore | Average attendance of MPs 55pc |
|--------------------------------------|-----------------------------------|--------------------------------------------------|------------------------------------|--------------------------------|

STAFF CORRESPONDENT

The current parliament spent just 16.7 percent of its workhours on debating and formulating laws, one of its most vital functions, according to a study by Transparency International Bangladesh.

On the other hand, the parliamentary standing committees, which are tasked with holding ministers accountable, did not hold meetings regularly. According to the rules of business, the committees should sit every month, but none of the 50 House committees did so, said the Parliament Watch report unveiled at the TIB office in the capital yesterday.

"There is no scope to say that the 11th parliament has been able to perform its expected role. Due to the absolute majority of the ruling party and the lack of an effective opposition, parliament could not play the expected role," TIB Executive Director Dr Iftekharuzzaman said.

Alongside formulating laws, lawmakers should ensure people's representation and hold

the government accountable, he said.

TIB prepared the report based on the 11th parliament's first to 22nd sessions between January 2019 and April 2023. During the period, 744.13 hours were spent on parliamentary proceedings.

Of the time, a little more than 124 hours (16.7%) were spent to discuss legislations.

In 2019-20, the UK parliament spent 49.3 percent time on legislative affairs. The previous year, the Indian parliament spent 45 percent of its time on lawmaking, the TIB report mentioned.

The current Bangladesh parliament passed 96 bills – 68 new bills, 26 amendment bills, and two repeal bills, the report said, adding that it took 1.10 hours on average to pass a bill.

The "Voter List (Amendment) Bill, 2020" was passed in 28 minutes, the quickest, and the "Appointment of Chief Election Commissioner and Other Election Commissioners Bill, 2022" took 3.25 hours, the longest.

A total of 186.26 hours were spent on discussion on thanks giving motion on the

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## Khaleda can't go abroad

Law ministry opines on her application

STAFF CORRESPONDENT

BNP Chairperson Khaleda Zia cannot travel abroad for treatment, Law Minister Anisul Huq has written in his opinion on an application regarding the matter.

"I sent the file with my opinion to the home ministry," Anisul yesterday told reporters, referring to a letter Khaleda's brother Shamim Iskandar recently wrote to the government, seeking permission to take her abroad for treatment and her permanent release from jail.

The government in March 2020 suspended Khaleda's jail sentence and released her from jail on two conditions in response to an application, Anisul said, adding that the matter had already been disposed of and settled.

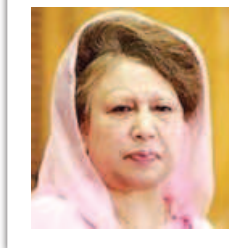
One of the conditions was that Khaleda would not travel out of the country, Anisul said. She also has to have treatment within the country.

The decision to suspend her sentence was made under section 401(1) of the Code of Criminal Procedure (CrPC).

"Once an application is disposed of under section 401 of the CrPC, there is no scope to reconsider it under the law," he said.

He said Khaleda Zia has been released from jail for six months and the release order has been extended eight times.

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## SPORT

### BCB goes mum

STAFF CORRESPONDENT

Following the exclusion of Tamim Iqbal and the very public fallout between Tamim and Shakib Al Hasan, the Bangladesh Cricket Board (BCB) is adopting a policy of keeping mum in regards to World Cup prospects in order to abate further drama and anxiety.

The Bangladesh team will play their second warm-up match against England today before moving to Dharamsala, where they will play their first match of the World Cup against Afghanistan on October 7.

Despite the team being in thick action, the team management, board officials and even coaches in the country have been asked not to give interviews regarding the prospects of the team or of individual players.

"Board staff and coaches cannot give interviews on matters that are connected to the national team, players and the team's World Cup prospects," said a message to The Daily Star's reporter from BCB's

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