

## BB move toward flexible FX regime signals right policy shift: BRAC EPL

The move aims at better aligning the taka with market fundamentals, the brokerage house says

### STAR BUSINESS REPORT

Bangladesh Bank's (BB) transition to a more flexible, market-based foreign exchange regime is the right step towards better aligning the taka with market fundamentals and restoring market confidence, according to a recent BRAC EPL Stock Brokerage report.

The move, implemented on May 14, ended administrative control over exchange rates and introduced a market reference rate published twice a day based on actual trades.

This is a positive step toward enhancing transparency and price discovery, though successful execution will depend on liquidity and clear guidance, as per comments of analysts in the report.

Under the new regime, the interbank taka-dollar rate stabilised at Tk 122.77 by June, with depreciation moderating to 3.89 percent in FY25 from 8.17 percent in FY24.

Interbank spot trading volumes surged ninefold since April, signalling growing confidence among market players.

Despite liberalisation, the BB retains

the mandate to intervene to stem excessive volatility and has already established a \$500 million intervention window to stabilise the rate, as per the report.

Reserves under the BPM6—the sixth edition of the Balance of Payments and International Investment Position Manual published by International Monetary Fund—jumped to \$26.7 billion at the end of June.

In contrast, it was \$21.7 billion in FY24, despite the BB's net sale of \$508 million, mainly to settle government payments for fuel, electricity, and fertiliser imports.

At the same time, Bangladesh recorded a balance of payments surplus of \$3.29 billion in FY25, supported by rising remittances, firm export growth, external aid inflows, and modest import expansion.

Remittances hit an all-time high of \$30.3 billion in FY25, posting a 26.8 percent year-on-year growth, aided by competitive exchange rates, tighter controls on unofficial channels, and greater access to agent banking and mobile financial services.

Export earnings expanded 8.6 percent year-on-year to \$48.3 billion, buoyed

by robust readymade garment demand alongside higher shipments of leather, footwear, and plastic goods.

Imports grew by a modest 2.4 percent, recovering from an 11.1 percent contraction in FY24, driven largely by intermediate goods for garments and consumption-linked products.

However, weak machinery imports signal subdued investment appetite.

Against this backdrop, analysts expect the flexible rate to strengthen Bangladesh's external competitiveness over the medium term through higher remittance inflows, improved export receipts, and reduced incentive to use unofficial channels.

As economic activity gathers momentum, import demand is likely to firm up, improving the overall trade outlook, they said.

Meanwhile, Bangladesh Bank has opted to maintain its contractionary monetary stance in the first half of FY26 to anchor inflation expectations and preserve macroeconomic stability.

The monetary policy statement kept the policy rate unchanged at 10 percent,

the standing lending facility rate at 11.5 percent, while lowering the standing deposit facility rate to 8 percent.

Inflation remains elevated, and the BB has set a target of 6.5 percent for FY26.

Despite fiscal and external headwinds, the central bank projects GDP growth of 5.5 percent in FY26, up from the provisional estimate of 3.97 percent in FY25.

Broad money growth is projected at 8.5 percent and private sector credit at 8 percent for FY26.

BB cautioned that monetary easing would depend on a sustained decline in inflation.

On structural reforms, the report highlights the BB's ongoing efforts to clean up the banking sector through asset quality reviews, resolution frameworks, and governance overhauls aimed at reducing non-performing loans.

Since August 2024, the central bank has pursued a disciplined policy mix of tightening, foreign exchange liberalisation, and sectoral reform to curb inflation, stabilise reserves, and revive investor sentiment.

## Bangladesh eyes stake in \$7tn global halal economy: experts

### STAR BUSINESS REPORT

Bangladesh is working to position itself as a competitive player in the \$7 trillion global halal economy, which is growing fast, experts said at a seminar yesterday.

The Bangladesh-Malaysia Chamber of Commerce and Industry (BMCCI) organised the event titled "Halal Economy 360: driving global growth" at the Westin Dhaka on August 2.

The event brought together policymakers, trade experts, and industry leaders to explore how Bangladesh can leverage its Muslim-majority population, business-friendly policies, and strategic partnership with Malaysia—a global leader in halal certification—to integrate itself into the global halal supply chain.

"It is ironic that most halal products are produced in non-Muslim countries. This presents a significant opportunity for Muslim-majority nations like ours," said Ashik Chowdhury, executive chairman of the Bangladesh Investment Development Authority (Bida) and the Bangladesh Economic Zones Authority (Beza).

He noted that the government is actively working to position Bangladesh as a hub for halal manufacturing, highlighting policy initiatives designed to attract both local and foreign investment in halal-focused industrial zones.

Chowdhury also emphasised the need for robust public-private partnerships to foster innovation and sustainability in the sector.

Shabbir A Khan, president of the BMCCI, stressed the urgency of reducing overdependence on the readymade garment sector.

"The halal economy represents an untapped opportunity that aligns with our comparative advantages," he said, adding that Bangladesh could realistically target \$7.2 billion in halal exports to Malaysia alone by 2030.

He cited industry projections suggesting that the global halal food market will expand from \$3.3 trillion in 2025 to \$9.45 trillion by 2034, driven by a compound annual growth rate of 12.42 percent.

"We must act now to secure a meaningful share of this burgeoning market," Khan urged.

Mohd Shuhada Othman, the Malaysian high commissioner to Bangladesh, reaffirmed his country's commitment to enhancing bilateral cooperation through halal certification, knowledge transfer, and standardisation initiatives.

Mominul Islam, professor at the International University of Business Agriculture and Technology, presented the keynote paper at the seminar.

## Bangladesh to get \$150m ADB loan

### STAR BUSINESS REPORT

The government yesterday signed a \$150 million loan agreement with the Asian Development Bank (ADB) to strengthen the country's technical and vocational education and training (TVET) system, with the aim of enhancing access to decent employment and helping Bangladesh compete better in the global market.

Md Shahriar Kader Siddiky, secretary to the Economic Relations Division (ERD), and Hoe Yun Jeong, ADB country director for Bangladesh, inked the agreement on behalf of their respective sides in Dhaka, according to a press release.

The results-based financing, under the "TVET Teachers for the Future" programme, will support Bangladesh's Integrated TVET Development Action Plan by expanding access to modern teacher training—particularly in underserved areas beyond Dhaka—improving the pedagogical and technical skills of educators in emerging technologies, and strengthening systems for teacher development, management, and reporting.

At least 10,000 new and existing TVET instructors will enhance their capacities through the initiative by its completion, positively impacting more than 250,000 students. The programme will also establish a nationwide system for continuous professional development to ensure sustained quality and relevance of TVET.

"Aligned with the country's economic diversification priorities, the programme targets five key technology clusters: mechanical, electronics and electrical, information and communication technology, civil, and food and agriculture," said Jeong.

"It supports Bangladesh's priority agenda of job creation, addresses non-income dimensions of poverty and social exclusion, and enhances access to decent employment and competitiveness in the global market."

## Blue-chip gains

FROM PAGE B1

have also helped lift sentiment, Islam added.

He noted that the pressure on the exchange rate has dropped as foreign exchange reserves are rising. At the same time, inflation has dropped, and other economic indicators are also showing signs of recovery. "These developments are boosting investor confidence."

"Most importantly, the interest rate of treasury bonds is on a downward trend, and this is inversely proportional to the stock market index," he said.

There have also been improvements in the stock market's governance in the stock market, which was influencing sound investors into parking their funds in the market, Islam added.

Stocks of companies with a good performance record, such as those of Brac Bank, Bangladesh Submarine Cables, Square Pharmaceuticals, and British American Tobacco, played a part in raising the index.

A total of 264,502 trades were executed, while block transactions amounted to Tk 33.79 crore across 38 scrips.

Market breadth was in the positive, with 218 stocks advancing, 122 declining, and 58 remaining unchanged.

Among A-category scrips, 142 made gains, 54 suffered losses, and 23 remained unchanged.

In the B category, 42 stocks rose and 33 fell, while there was no activity in the N-category.

The segment-wise performance was somewhat mixed. Among mutual funds, 18 issues advanced and 8 declined.

Corporate bonds saw the advance of just one issue, while the government bond market saw one issue advance as well.

Among individual performers, Standard Bank topped the gainers' list with a 10 percent surge, while SEML Lecture Equity Management Fund was the worst performer, dropping 9 percent.

## BB suspends

FROM PAGE B1

Until its suspension, the platform had been used by eight banks, three MFS providers and two PSPs.

The banks are Sonali Bank, BRAC Bank, UCB Bank, Eastern Bank, Mutual Trust Bank, Pubali Bank, Al-Arafah Bank, and Midland Bank, while the MFS providers are bKash, Rocket, and mCash.

Although Binimoy failed to gain popularity, industry experts say an effective interoperable platform is vital for the country's digital payments ecosystem.

While users can now receive remittances and pay utility bills, peer-to-

peer transfers across MFS providers are not widely available.

"If the government and the central bank can set a user friendly interoperable digital transaction platform, then a payment revamp will happen. It could bring many benefits; it should be introduced," said Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank.

"This is very important for our payments, especially for those who make small payments. For them, these charges really matter," added Rahman, also a former chairman of the Association of Bankers, Bangladesh.

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মাদকদ্রব্য নিয়ন্ত্রণ অধিদপ্তর

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## “উন্মুক্ত নিলাম বিজ্ঞপ্তি”

মাদকদ্রব্য নিয়ন্ত্রণ অধিদপ্তর, প্রধান কার্যালয়ের পুরাতন ও ব্যবহার অযোগ্য আসবাবপত্র ও অন্যান্য যন্ত্রপাতি নিলামে বিক্রয়ের জন্য আগ্রহী প্রতিষ্ঠান/ফার্মের নিকট হতে সীলনোহরকৃত মুদ্রবক্ষ থামে “উন্মুক্ত নিলাম দরপত্র” আহবান করা যাচ্ছে।

১	মন্ত্রণালয়/বিভাগ	:	সুরক্ষা বিভাগ, স্বরাষ্ট্র মন্ত্রণালয়
২	সংস্থা	:	মাদকদ্রব্য নিয়ন্ত্রণ অধিদপ্তর, ৪১ সেগুনবাগিচা, ঢাকা-১০০০
৩	দরপত্র সম্পাদনকারী	:	উপপরিচালক (ক্রম, পরিকল্পনা ও উন্নয়ন)
৪	দরপত্রের বিষয়	:	পুরাতন ও ব্যবহার অযোগ্য বিভিন্ন মালামাল নিলামে বিক্রয়
৫	দরপত্র বিজ্ঞপ্তির সূত্র ও তারিখ	:	স্মারক নং ৫৮.০২.০০০০.০০৬.০০.০০৬.০৭-২৯৬০, তারিখ: ০৩/০৮/২০২৫
৬	দরপত্র পক্ষতি	:	উন্মুক্ত পক্ষতি
৭	দরপত্র প্রকাশের তারিখ	:	০৪/০৮/২০২৫
৮	দরপত্র সিডিউল বিক্রির সর্বশেষ তারিখ	:	১৭/০৮/২০২৫, বিকাল ৫:০০ মিঃ পর্যন্ত
৯	দরপত্র জমা প্রদানের সর্বশেষ তারিখ ও সময়	:	১৮/০৮/২০২৫, দুপুর ১২:০০ মিঃ পর্যন্ত
১০	দরপত্র খোলার তারিখ ও সময়	:	১৮/০৮/২০২৫, দুপুর ১২:৩০ মিঃ পর্যন্ত
১১	দরপত্র সম্পাদনকারীর অফিস ও ঠিকানা	:	মাদকদ্রব্য নিয়ন্ত্রণ অধিদপ্তর, প্রধান কার্যালয়, ৪১ সেগুনবাগিচা, ঢাকা-১০০০
১২	দরপত্র প্রাপ্তির স্থান	:	মাদকদ্রব্য নিয়ন্ত্রণ অধিদপ্তর, প্রধান কার্যালয়, ৪১ সেগুনবাগিচা, ঢাকা-১০০০
১৩	দরপত্র দাখিলের স্থান	:	মাদকদ্রব্য নিয়ন্ত্রণ অধিদপ্তর, প্রধান কার্যালয়, ৪১ সেগুনবাগিচা, ঢাকা-১০০০
১৪	দরপত্র খোলার স্থান	:	সম্মেলন কক্ষ, মাদকদ্রব্য নিয়ন্ত্রণ অধিদপ্তর, প্রধান কার্যালয়, ৪১ সেগুনবাগিচা, ঢাকা-১০০০
১৫	দরপত্র দাতার যোগ্যতা	:	পিপিআর/২০০৮ অনুযায়ী সরকারি/স্বায়ত্তশাসিত সংস্থা/বেসরকারি অন্য যে কোন সংস্থার নিলাম ক্রয় কাজের অভিজ্ঞতা সম্পন্ন।
১৬	দরপত্রের সহিত যে সকল কাগজগত জমা প্রদান করতে হবে	:	প্রথম শ্রেণীর কর্মকর্তা কর্তৃক সত্যাগ্রহ (ক) নবায়নকৃত, ট্রেড লাইসেন্স, (খ) টিআইএন নম্বর উল্লেখ সহ হালনাগাদ আয়কর সার্টিফিকেট, (গ) মূল সংযোজন করের নিবন্ধন, (ঘ) যে কোন তফসিলভুক্ত বাণিজ্যিক ব্যাংক হতে আর্থিক স্বচ্ছতার সনদপত্র, (ঙ) এনআইডি কার্ড
১৭	নিলাম যোগ্য মালামাল		