

Economy

Inflation falls slightly to 9.24% in April

The overall inflation in Bangladesh stood at 9.24% in April, which was 9.33% in March, the highest in the last eight months, according to the latest data of the Bangladesh Bureau of Statistics (BBS) released on Wednesday. Earlier in August last year, inflation in the country hit a record 9.52%. According to BBS data, food inflation stood at 8.84% in April, down from 9.09% in March, while non-food inflation remained the same as the previous month at 9.72%. The global economy was hit by a recession following the global pandemic and the Russia-Ukraine war. Bangladesh's economy is also affected by the recession and has been witnessing high inflation rates for the past few months.

<https://www.tbsnews.net/economy/inflation-falls-slightly-924-april-625766>

Govt to buy 30 Mn blank smart cards for EC, 0.25 Mn tonnes of fertilizer

The government will buy 30 Mn blank smart cards for the Election Commission (EC) at a cost of BDT 4.06 Bn. Under the "Identification System for Enhancing Access to Services (2nd Phase)" project, the Armed Forces Division of the Prime Minister's Office will purchase the cards from the Bangladesh Machine Tools Factory Limited (BMTF) managed by the Bangladesh Army. It will also procure some 0.26 Mn tonnes of fertiliser and 13.6 Mn MMBtu LNG to meet the growing demand of the country.

<https://www.tbsnews.net/economy/govt-buy-3cr-blank-smart-cards-ec-265-lakh-tonnes-fertiliser-625706>

Bangladesh to overtake China in GDP growth rate in current fiscal

Bangladesh is likely to overtake China in GDP growth rate in the current fiscal year, according to a report by the Internal Monetary Fund (IMF) on the Asia-Pacific region. The report also predicts that Bangladesh will be in second place, after Vietnam, in terms of GDP growth rate in Asia-Pacific in the next fiscal year, reports UNB. According to the IMF's Regional Economic Outlook for Asia and Pacific May 2023 report, **Bangladesh is expected to surpass both China and India in terms of growth in 2024.**

The IMF report suggests that the recently approved Extended Fund Facility for Bangladesh will help address economic challenges caused by Russia's war in Ukraine, and the Resilience and Sustainability Facility arrangement will expand fiscal space to finance climate investment priorities and build resilience against long-term climate risks.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-to-overtake-china-in-gdp-growth-rate-in-current-fiscal>

More strain on reserves as unrealised export proceeds hit all-time high of USD 3 Bn

When the country's reserve is under pressure amid slowdown in foreign currency inflow, the volume of unrealized export proceeds increased to a highest ever amount of USD 3 Bn in the July-February period of the current fiscal year, triggering concern of the Bangladesh Bank. Though Bangladesh's export continued to grow in the first nine months till March of the current fiscal year even in global headwinds, it could not reduce the pressure on balance of payment due to the shortfall in realised export value.

The country's balance of payment statement for the current fiscal year's July-February period was prepared considering export shipment value of USD 34.96 Bn, the realised export proceeds were USD 3 Bn short at USD 31.96 Bn, according to the central bank's data.

<https://www.tbsnews.net/economy/more-strain-reserves-unrealised-export-proceeds-hit-all-time-high-3b-625970>

Reserves fall below USD 30 Bn after ACU payment

The country's foreign exchange reserves are set to come down to the USD 29 Bn mark as the Bangladesh Bank is clearing import bills of USD 1.18 Bn to the Asian Clearing Union (ACU). In a SWIFT message on Wednesday afternoon, the central bank gave its approval to the Federal Reserve Bank of the United States to process the ACU payment. With the latest payment, the reserve may stand at approximately **USD 29.8 Bn**. On 2 May, it was USD 30.98 Bn, according to available latest central bank data.

<https://www.tbsnews.net/economy/reserves-fall-below-30b-after-acu-payment-625930>

Bottled soybean oil price hiked to BDT 199 per litre

Bangladesh Vegetable Oil Refiners and Vanaspati Manufacturers Association today hiked the price of bottled soybean oil by BDT 12 per litre to BDT 199. "Since the government-provided VAT exemption period for the import of edible oil ended on 30 April, the Bangladesh Vegetable Oil Refiners and Banspati Manufacturers Association decided to increase the price of edible oil in consultation with the Ministry of Commerce and the Bangladesh Tariff Commission," the press release added.

<https://www.tbsnews.net/economy/bazaar/bottled-soybean-oil-price-hiked-tk199-litre-626094>

Bank, NBFIs, and Insurance

Bank deposits grow BDT 185 Bn in March

Banks have witnessed growth in deposits for three consecutive months, which indicates that people's confidence in the country's banking sector is coming back. Data from the Bangladesh Bank show a BDT 185.29 Bn increase in deposits in March compared to the previous month. At the same time, loan disbursements also reported an increase of BDT 121.55 Bn. According to bankers, people are getting their confidence back in the banking system, although not all banks are experiencing a similar response. Banks that have fewer non-performing loans and good governance are in a better position for deposit collection.

<https://www.tbsnews.net/economy/bank-deposits-grow-tk18500cr-march-625938>

10 life insurers at existential risk: Idra chairman

Around 10 life insurance companies are at risk and may face an existential crisis within the next two to four years due to bad investments made using funds collected from policyholders, said Mohammad Zainul Bari, chairman of the Insurance Development and Regulatory Authority (Idra). "They have squandered their clients' money and spent excessively on management by up to 200-300 times.

<https://www.tbsnews.net/economy/stocks/10-life-insurers-existential-risk-idra-chairman-627298>

Textile

RMG exports reached USD 38.57 Bn during July-April of FY2022-23

RMG exports reached USD 38.57 Bn during the July-April of 2022-23 fiscal year, reflecting a 9.09% increase compared to the same period in the previous fiscal year, according to the Export Promotion Bureau (EPB). A detailed breakdown of the various categories indicated that knitwear exports reached USD 20.96 Bn, while woven garment exports became USD 17.60 Bn with 8.97% and 9.24% year-over-year growth respectively. Overall, it's a sign of a steady growth in Bangladesh's overall RMG export earnings. Regardless of the overall positive trend, a more detailed inspection of single month statistics reveals a recent decline in apparel export growth.

<https://www.tbsnews.net/economy/rmg/rmg-exports-reached-3857bn-during-july-april-fy2022-23-626014>

Apparel exports to US fall 13% in Jan-Mar

Bangladesh's apparel exports to the US shrank by 13.34% in the first quarter (January to March) of 2023 as this key market is going through an overall slowdown in demand for garment products. Bangladesh's apparel shipment to the US was valued at \$2.14 billion in the first three months of this year, which was \$2.46 billion in the same period last year, according to the US Department of Commerce's Office of Textiles and Apparel (OTEXA). The overall apparel demand in the US is seeing a downturn due to an economic slowdown induced by the ongoing Russia-Ukraine war, exporters said.

<https://www.tbsnews.net/economy/apparel-exports-us-fall-13-jan-mar-627322>

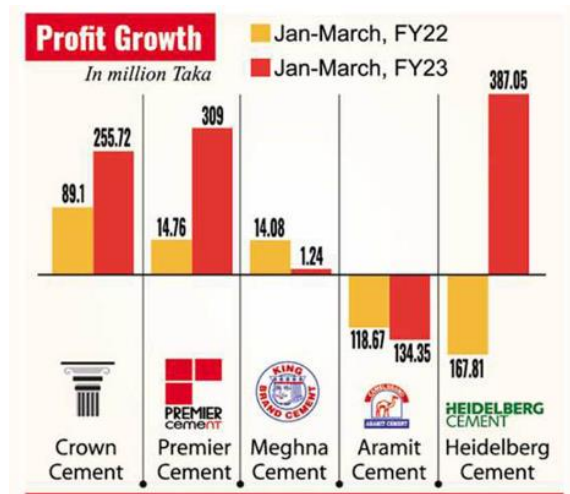
Cement

How much cement makers' earnings hold out hope for future growth?

Cement makers seemed alarmed when they revealed in March that the month that usually records highest demand in a year saw a 14 per cent drop in sales compared to the same month of the previous year. They termed the business decline, especially in March, a rare event.

Despite the concerns, three out of the five cement manufacturers that disclosed earnings of the latest quarter by now gained a year-on-year growth in profit.

The main factor that boosted profit was a drop in raw materials' prices in the international market, said Masud Khan, chief advisor to the board of Crown Cement. Also, the devaluation of the taka against the dollar slowed down in January-March, compared to the period of October-December last year, he said.



The lower-than-expected-growth in demand for cement in the country has been a matter of concern for the industry for at least three years. The demand has even gone down in the past year as the government

decelerated the construction of mega projects to protect the foreign exchange reserves from depleting, import cost escalated amid the dollar shortage, and energy price rose.

Industry people say manufacturers' excess capacity compared to the market demand has squeezed profit margins. Cement makers scaled up their production capacity over the years forecasting the demand to rise. The unused capacity has a cost burden too on the operation of a business.

<https://thefinancialexpress.com.bd/stock/bangladesh/how-much-cement-makers-earnings-hold-out-hope-for-future-growth>

Stock-Specific News

More lending, borrowing helps BRAC Bank profit grow 32%

BRAC Bank has achieved a 32% growth in its net profit after taxes for 2022 on a consolidated basis. The top tier private sector lender's Managing Director and CEO Selim R F Hussain thanked the strong growth in its balance sheet that referred to more deposit mobilisation and more lending or investing. BRAC Bank's consolidated net profit for the challenging year of 2022 was BDT 6.12 Bn, up from BDT 4.65 Bn in the previous year, according to its annual financial statement. The lender on a standalone basis secured a 3.9% increase in its annual net profit that grew to BDT 5.76 Bn.

<https://www.tbsnews.net/economy/banking/more-lending-borrowing-helps-brac-bank-profit-grow-32-625830>