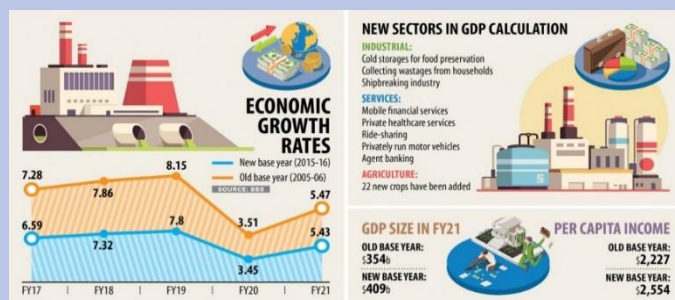


## Economy at a glance

### Bangladesh now a \$409b economy: GDP size up, growth down as new base year takes effect

The economic growth rates posted in recent years were revised downwards but the size of the economy expanded thanks to a new base year adopted by the Bangladesh Bureau of Statistics (BBS). For example, Bangladesh's gross domestic product (GDP) grew at a pace of 8.15 per cent in fiscal 2018-19, the highest on record, as per the base year 2005-06. But the growth rate fell to 7.88 per cent as per the new base year of 2015-16. A base year is a benchmark with reference to which national account figures such as GDP, gross domestic saving and gross capital formation are calculated.



According to the new base year, Bangladesh was an economy of Tk. 34,840 billion in current prices in FY21, up 15.7 per cent from Tk. 30,111 billion as per the previous base year. In constant prices, it stood at Tk. 27,939 billion in FY21 as per the new base year, up from Tk. 12,072 billion as per the old base year, according to a document of the BBS. In terms of dollars, the GDP size stood at \$409 billion in the last fiscal year if Tk. 85 per USD exchange rate is taken into account. Per capita income rose to \$2,554 in FY21 as per the new calculation, which was \$2,227 as per the old one.

### October exports hit historic high at \$4.73 billion

Export earnings increased 60.37 per cent year-on-year to \$4.73 billion in October, the highest ever for a single month in the history of Bangladesh. According to exporters, garment shipment grew because of four reasons. The first one is the shifting of work orders from China, Vietnam, India and Myanmar as the cost of production in those countries also rose. Moreover, a good portion of the October earning actually is the previous deferral payment that the local suppliers faced last year because of suspension and on hold work orders worth \$3.18 billion, thanks to the severe fallouts of Covid-19. The US and European buyers have bought the goods from Bangladesh in bulk quantity to sell those in the time Christmas as they have also reopened their economies and stores with the improvement of the Covid-19 situation. The fourth reason is the slight increase in prices of Bangladeshi garment items because of higher freight charge and cost of raw materials, exporters said.

### Banks post higher profits in Jan-Sep

Listed banks in Bangladesh posted higher profit in the January to September period on the back of higher income from their investment in the stock market, a pick-up in credit demand and lower expenses. Of the 32 listed banks, 26 clocked higher profits, five made lower profits, and one incurred losses. Among the banks, Pubali Bank made the highest profit of Tk. 464 crore. ICB Islamic Bank incurred loss of Tk. 31 crore. According to experts

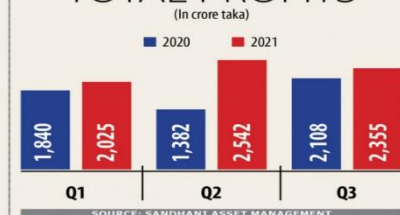
#### BANKS WITH HIGHEST PROFITS (Jan-Sep period)

Pubali Bank	Tk 464cr
Islamic Bank	Tk 426cr
EBL	Tk 419cr
Brac Bank	Tk 405cr
Southeast Bank	Tk 372cr

#### REASONS BEHIND HIGHER PROFITS

- Higher profits from stock investment
- Lower provisioning
- Cost cutting measures
- Fall in deposit rates
- Higher fees from int'l trade

#### LISTED BANKS' TOTAL PROFITS (In crore taka)



listed banks logged higher profits in the current year on the back of their investment in the stock market. At the same time, the private sector credit growth was higher this year for which the earnings of banks also went up.

### Bangladesh Bank launches digital platform EDS Money for loans, deposits

The Bangladesh Bank has introduced an electronic dealing system for banks and non-bank financial institutions (NBFIs) such that they will lend and deposit on short-term basis with each other through a digital platform. The central bank issued guidelines saying that the new digital platform named EDS Money will go live on December 1 of this year. EDS Money will provide a web-based electronic dealing platform with features where lenders will transact short-term amounts. The maturity of the transactions is between one day and a maximum of one year, among themselves. Different types of transaction, including call money market and inter-bank repurchase agreement (Repo), will be settled through the platform. Banks and NBFIs will also quote interest rate and maturity of fund at the platform in order to lend fund to their counterparts.

### Liquidity crunch looms as imports and credit demand on the rise

Banks will come under a liquidity crunch within three to six months due to an escalation of import financing and a rising demand for loans from businesses as the economy returns to normalcy, warned by several top executives of this sector. The excess liquidity had stayed at historically high levels as of June because of the economic slowdown caused by the corona virus pandemic, but the trend has already begun reversing. According to five managing directors of banks, both import financing and private sector credit growth would rise exponentially in the months ahead, which will subsequently create a liquidity crunch. Some banks are already feeling the pinch of the liquidity shortage, they said. Surplus funds in the banking industry stood at Tk. 219,600 crore as of September, down from 5 per cent a month ago, according to data from the Bangladesh Bank.

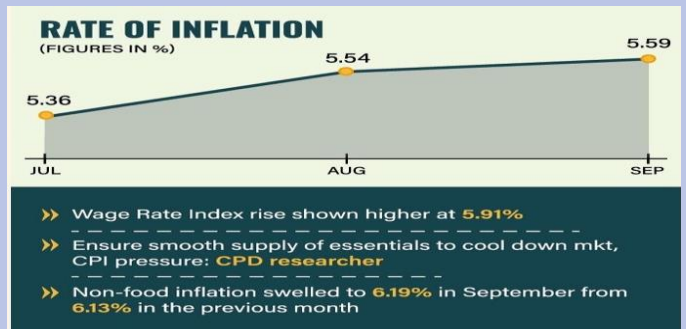
### Remittance flow into Bangladesh drops to \$1.65b in Oct

The flow of inward remittances dropped further in October after money transfers through informal channels such as hundi resurfaced after a lull caused by the corona virus pandemic. The money sent home by Bangladeshis working abroad amounted to \$1.65 billion in October 2021, down by \$79 million from the previous month's level, according to the central bank's latest statistics. In last September, the remittances stood at \$1.73 billion. It was \$2.10 billion in October 2020. Experts said that higher gap between formal banking channel exchange rate of the US dollar against the local currency and kerb market has encouraged illegal hundi activities in recent months.

## Living gets costlier with inflation upswing

Living gets costlier for people as inflation maintains a steep rise amid price rises, although official figures apparently water down the inflationary pressures. The point-to-point inflation over the last couple of months has maintained a steep rise with the September consumer price index (CPI) having recorded a bit high as per official statistics. In last September, the rate of point-to-point inflation rose to 5.59 per cent underpinned by higher CPI of non-food items, Bangladesh Bureau of Statistics (BBS) data showed.

The national statistical agency shows the rate of non-food inflation having swelled to 6.19 per cent in September from 6.13 per cent in the previous month, riding on higher trends in both rural and urban areas. Economists were, however, critical about the lower food-inflation data in comparison to



real market prices of rice, vegetables, edible oils, onions etc. across the country.

## REAL ESTATE NEWS

### Construction cost goes up 20pc



The construction cost in Bangladesh has gone up by 20 per cent in the past year because of the surge in the price of raw materials, which could affect the implementation of development projects, said industry people. Prices of steel, cement, bitumen and stone chips have surged in the last one year due to the rising demand for raw materials globally after economy reopened following the ease of the corona virus pandemic. Steel prices jumped 44.22 per cent in the past one year as millers hiked the rates in the wake of spiraling scrap prices in the international market. Now, it is being retailed at Tk 77,500 per tonne, up from Tk. 53,000 a year ago. The prices of stone chips have increased by 56.41 per cent, bitumen 59.52 per cent, and cement 19.44 per cent. Bitumen prices in international markets have gone up to \$670 per tonne this week from \$420 in 2020. Per 50kg bag cement sells for Tk. 430, which was Tk. 360 in July 2020, according to the industry people.

## NATIONAL HOUSING NEWS

### National Housing Finance Signs MoU with Union Development

NHFIL and well-known developer Union Development & Technologies Limited signed a MoU today at National Housing Finance's Principal Office at capital's Karwan Bazar.



Mr. Mohammad Shamsul Islam, Managing Director, NHFIL and Rtn. Sheikh Abul Hashem, Managing Director, Union Development signed the MoU on behalf of respective companies. Among others, Mr. Md. Sarwar Kamal, Company Secretary, NHFIL, Mr. Mahbubur Rashid Al-Amin, Principal Branch Manager, NHFIL, Mr. Marufur Rahman, DM, NHFIL, Mr. Syed Mozhar-Uz-Zaman, Senior General Manager- Operation, Union Development, Mr. Md. Saddam Hossain, Assistant General Manager- Marketing & Sales, Union Development were

also present in the signing ceremony. Under this MoU, honorable apartment buyers of Union Development & Technologies Limited will get Home Loan facilities from National Housing Finance with ease of terms & conditions within shortest processing time.

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