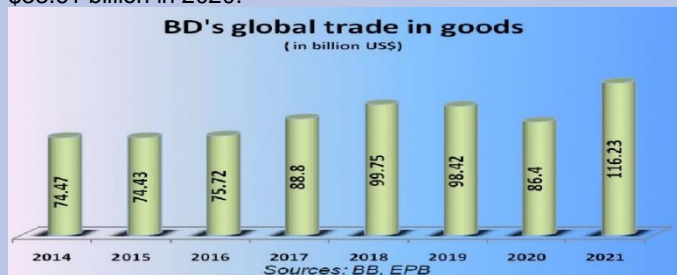


Economy at a glance

Goods trade with the world crosses \$110b in 2021

The country's bilateral trade in goods with the rest of the world crossed US\$110 billion in the last calendar year, showed the FE estimation based on statistics of exports receipts and imports payments in 2021. Statistics released by the Export Promotion Bureau (EPB) showed that the annual exports earnings of Bangladesh stood at \$44.23 billion in the last year which was \$33.61 billion in 2020.



Payments for imports of goods, on C&F basis, stood at \$72 billion in the first 11 months of the past year which was 36.40 per cent more than the annual imports payments in 2020. By adding 12 months' exports receipts and 11 months' imports payments of the last year, it is found that the value of total trade in goods stood at \$116.23 billion in 2021. The actual amount will be higher once the imports figure for December is available.

Central bank relaxes loan-repayment policy for all sectors

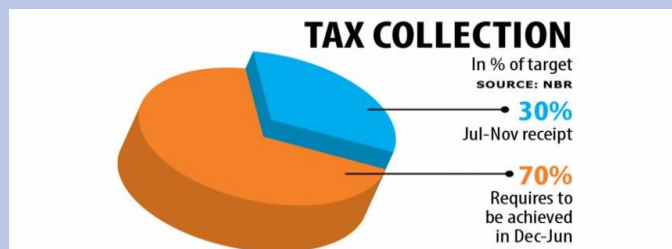
The central bank relaxes further the loan-repayment policy for all the sectors to expedite Bangladesh's economic recovery from the fallout of Covid-19 pandemic. Under the relaxed stance, the borrowers will get a fresh chance to remain unclassified if they repay minimum 15 per cent instead of previously-set 25 per cent of the total outstanding amount of loans for the whole calendar year by December 31, according to a notification issued by the Bangladesh Bank (BB) on December 30, 2022. The banks are allowed to transfer interest earnings from such loans into their income accounts, it says. The remaining 85 per cent of the outstanding credits during the period from January to December 31 this year will be payable within one year from the date of expiry of the loan tenure, according to officials.

Rising inflation eats up wage gains

Wages have ticked up in Bangladesh in recent months, but rising inflation, fueled by internal and external factors, has eroded the gains for the workers in various sectors. Wages grew 6.11 per cent year-on-year in December, according to the Wage Rate Index of the Bangladesh Bureau of Statistics (BBS). This is up from October's 5.97 per cent and November's 6.02 per cent. But the positive growth is not providing much relief to the wage employees as inflation has been on the rise for several months, hitting household budgets. General inflation rose to a 14-month high of 6.05 per cent in December last year, with non-food inflation reaching 7 per cent, a six-year high, and food-inflation to 5.46 per cent, the highest in six months.

Tax receipts rise, still below target

Revenue collection grew 11 per cent year-on-year in November powered by the revival of economic activities and higher income tax payments by individuals ahead of the return submission deadline. In November this fiscal year, taxmen collected Tk 21,104 crore, up from Tk 19,064 crore in the same month a year ago according to data from the National Board of Revenue (NBR).



With November's receipts, total tax collection by the NBR stood at Tk 100,573 crore since July, the first month of fiscal year 2021-22, registering a 15 per cent year-on-year growth during the period. The amount was 81 per cent of the NBR's collection target for the period and 30 per cent of the whole year's revenue collection goal of Tk 330,000 crore. The tax collector will be required to collect Tk 229,427 crore during the remaining seven months of the fiscal year in order to hit the target.

Exports rise record 48% in December

Export earnings made another record as it grew 48.27 per cent year-on-year to hit \$4.90 billion in December 2021 thanks to a strong rebound in apparel shipment. The previous records were \$4.72 billion in October last year, \$4.16 billion in September and \$4.04 billion in November, according to data from the Export Promotion Bureau. The export earnings have been setting newer records almost every month because of higher shipment of goods, especially garment items with the reopening of the western economies from the severe fallouts of Covid-19 pandemic. Exporters attributed the government's decision of allowing factories to run during the peak time of Covid-19 to the significant rise in shipment as the buyers restored their confidence on Bangladesh. Also in periodic comparison, the earning grew by 28.41 per cent to \$24.69 billion between July and December, the first six months of the current fiscal year.

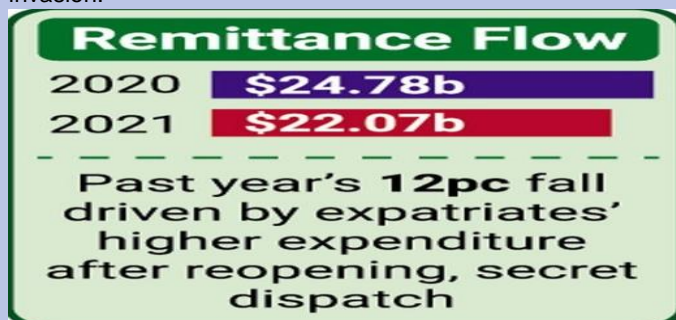
Banks glowing with paper profit



Banks clocked higher operating profit in 2021 mainly due to the Bangladesh Bank's relaxed policy that allowed them to count income from unrealized instalments of loans. An analysis of operating profit of 22 banks showed all of the lenders except one posted higher profit in 2021 compared to a year ago. According to experts, the forbearance offered by the central bank helped the lenders enjoy the high operating profit but this would not bring any good for the banking sector as a whole. Rather, it will weaken the financial health of banks in the long run. As per the central bank policy, banks were not allowed to treat borrowers as defaulters if they repaid only 15 per cent of their total instalments payable. Besides, banks were permitted to transfer the unrealized interests on the 85 per cent of the loans instalments to their income book although the sums were not paid. This helped banks register the hefty profit.

Remittance flow dips after unusual pickup in 2020

Remittance from migrant Bangladeshi workers dipped over 12 per cent in the past calendar year from an unusual pandemic-time pickup in 2020, for reasons that include their higher expenditure. The lure of higher gains from sending money home through alternative channels for greater returns on the dollar in curb markets is deemed another major reason for fall. Bangladeshis working abroad sent a total of US\$22.07 billion in 2021-the immediate-past year that saw a letup in the Covid-19 invasion.



The figure was much higher at \$24.78 billion in 2020, during prime time of the pandemic, according to Bangladesh Bank statistics. However, this downturn is almost exactly what was projected by the World Bank in October 2020. Economists believe that the reopening of the economies raised expenditure for the Bangladeshi people living abroad as they

REAL ESTATE NEWS

Real estate fair ends on a high note

A five-day real estate fair, which concluded on Monday, witnessed sales and bookings of flats and plots worth around Tk 4.0 billion. Besides, bank commitment for the sector worth Tk 15 billion was also registered at the REHAB Fair 2021, organized by the Real Estate and Housing Association of Bangladesh (REHAB). REHAB leaders disclosed the figures at a concluding press briefing held at the fair venue - Bangabandhu International Conference Center (BICC) - in the city's Agargaon, a statement said. According to it, realtors sold or received bookings worth Tk 3.97 billion - Tk 1.98 billion for

NATIONAL HOUSING NEWS

NHFIL participated in REHAB fair 2021

NHFIL participated in 22nd REHAB fair organized by the Real Estate and Housing Association of Bangladesh begins on 23 December 2021. The fair was held at the Bangabandhu International Conference Center in Agargaon, 220 stalls with building material suppliers and financial institutions took part. In the inauguration ceremony of REHAB fair, Managing Director of NHFIL, Mr. Mohammad Shamsul Islam was present. Among others, Company Secretary Mr. Sarwar Kamal, Mr. Mahbubur Rashid Al-Amin, VP & Principal Branch Manager, Mr. Md. Mahbubur Rahman, VP & Gulshan Branch Manager, Ms. Suraiya Yeasmin, FAVP were also present in the inauguration ceremony.

can travel and buy more goods than in the lockdown periods. And prices are high amid such demand surge. A study conducted by BIBM recently showed that following the reopening of economies, the illegal 'hundi' trading in the monetary underworld spiked, leading to fall in the remittance in the formal channel in the country.

Bangladesh Bank to weaken taka in phases

The Bangladesh Bank is considering to follow the path of a gradual depreciation of the taka against the US dollar in order to protect the interests of exporters and remitters. The move, however, may stoke the inflationary pressure, which is building up owing to the kinks in the global supply chain, rising imports and shipping costs, and a slowdown in remittances.



Recently the central bank devalued the interbank exchange rate, allowing the local currency to rise to Tk 86 against USD for the first time. According to Central Bank officials, BB has planned to depreciate the local currency closed to Tk 87 per dollar step by step this year given the state of the economy.

flats, Tk 1.25 billion for plots, and Tk 743.8 million for commercial spaces. At least 19,237 people visited the fair this year, the statement added. REHAB President said the five-day trade show had concluded successfully with the support of all stakeholders, including realtors, buyers, financiers and the media. Highlighting the booking or sales amount, REHAB president said the figures were not enough to visualize the restoration of people's confidence in the real estate sector. The REHAB president also said the main purpose of the fair was branding, whereas all the people who visited were potential buyers.

