Morning Newsflash

Sunday, 06 September, 2026

IDLC-SL Research

Economy

Large-scale manufacturing sector rebounds with 14.5pc growth in June

September 06, 2026

- The large-scale manufacturing rebounded sharply with a 14.5pc expansion in June, the final month of the fiscal year 2026, according to official statistics. The June spike in the Index of Industrial Production (IIP) of large-scale manufacturing suggests that the country's industrial sector may be regaining momentum after a prolonged period of weakness.
- Much of the June growth came from the clothing industry, which carries a dominant 61pc weight in the manufacturing index. The textile sector, the second-largest component with an 11pc weight, remained almost stagnant during the month. The concentration of growth in garments raises questions about the strength of the wider industrial recovery.

From: https://thefinancialexpress.com.bd/economy/large-scale-manufacturing-sector-rebounds-with-145pc-growth-in-june

Over BDT 2.0tn (USD 16.4bn) stuck in 0.13m cases belongs to 20 state-run banks, FIs

September 06, 2026

- State-run banks and financial institutions grapple with thousands of long-pending cases trapping over two-trillion taka where Janata Bank leads the list with BDT 1.11tn (USD 9.1bn) sucked out of vaults into labyrinth of litigation.
- Data show among the major banks,, Sonali Bank 12,747 pending cases where BDT 315bn (USD 2.6bn) remained stuck, Agrani Bank 22,131 cases involving BDT 192.4bn (USD 1.58bn), Basic Bank had 1,260 cases involving BDT 164bn (USD 1.3bn), and Rupali Bank had 6,641 cases involving BDT 145.1bn (USD 1.19bn) until May.

From: https://thefinancialexpress.com.bd/economy/over-tk-20t-stuck-in-013m-cases-belongs-to-20-state-run-banks-fis

Remittance inflow rises 18.6pc to USD 6.05bn in FY27

September 06, 2026

- Bangladesh received USD 6.046bn in workers' remittances during July 1 to September 2 of the current fiscal year (FY2026-27), registering an 18.6pc year-on-year growth compared to USD 5.098bn during the corresponding period of FY2025-26.
- The sustained growth in remittance inflows is expected to help strengthen the country's foreign exchange reserves and support external-sector stability.

From: https://thefinancialexpress.com.bd/bangladesh/remittance-inflow-rises-186pc-to-605b-in-fy27

Banking

Corporate external borrowing stagnates as economy slows

September 06, 2026

- Corporate external borrowing remains static as economic sluggishness dampens businesses' appetite for funds with their short-term overseas debt stock having almost stagnated at USD 10.25bn until June.
- According to latest statistics available with Bangladesh Bank (BB), the outstanding balance of short-term external credits taken by the private players was USD 13.95bn even in May 2023. Thereafter, it kept sliding, having dropped to USD 10.19bn by end of 2025.
- In terms of creditor-country-wise short-term private external debts, Singapore topped the list providing USD 1.80bn followed by the United Arab Emirates (UAE) USD 1.36bn, China USD 1.15bn, Hong Kong USD 0.85bn and the United Kingdom USD 0.77bn.

From: https://thefinancialexpress.com.bd/trade/corporate-external-borrowing-stagnates-as-economy-slows

BB widens access to finance against Offshore Banking Unit-held foreign currency deposits

September 06, 2026

- The Bangladesh Bank has widened the scope of financing against foreign currency deposits held with Offshore Banking Units (OBUs), allowing such balances to be used as collateral for a broader range of loans in local currency.
- According to the circular, issued by the Foreign Exchange Policy Department-1, balances held in private foreign currency accounts and non-resident foreign currency deposit accounts maintained under Sections I and II of Chapter 13 of the Guidelines for Foreign Exchange Transactions (GFET) may now be used as collateral against short-term working capital financing in local currency to resident companies, firms and individuals.

From: https://www.tbsnews.net/economy/banking/bb-widens-access-finance-against-obu-held-foreign-currency-deposits-1532886

Energy and Power

Govt inks USD 1.0bn loan deal with IsDB

September 06, 2026

- Energy Division officials say the Modernisation and Expansion of Eastern Refinery Ltd in Bangladesh project will enhance ERL's current refining capacity from 1.5mn tonnes to 4.5mn tonnes per years. Besides, this will allow the country to meet roughly 45-50pc of its domestic petroleum product demand.
- Construction will begin by December 2026, and the project is targeted for completion by November 2030.
- According to ERD, the 20-year loan features a five-year grace period and is split into two phases – USD 520.6mn for the first phase alongside a USD 600,000 grant, and USD 483mn for the second one. It carries an interest rate of a six-month SOFR plus a 1.6pc spread, ERD officials say. The expansion is projected to save Bangladesh USD 9-11 per barrel compared to importing pre-refined fuel, translating into an estimated annual savings of USD 237mn, Energy Division officials say. It will also enable the processing of a wider variety of crude oils, including Russian crude, and produce eco-friendly Euro 5-standard fuel.

From: https://thefinancialexpress.com.bd/economy/govt-inks-10b-loan-deal-with-isdb

Move on to break BPC monopoly on fuel market
September 06, 2026

- Private companies are set to be allowed to import and market petroleum products under government policy shift towards partial opening of the fuel market amid a nagging crisis.
- The government is looking to expand private participation in fuel import and sale, alongside the state-owned Bangladesh Petroleum Corporation (BPC), to ensure smooth supply of petroleum products on the domestic market even in crisis period.
- The state-run corporation has already been bestowed with the responsibility to prepare a policy to ensure that the private sector can import petroleum products and then distribute and retail the fuels.

From: https://thefinancialexpress.com.bd/trade/move-on-to-break-bpc-monopoly-on-fuel-market

Trade and Commerce

Bangladesh-India trade deficit widens in FY26
September 06, 2026

- Bangladesh's trade deficit with India widened in the 2025-26 fiscal year compared with the previous year, Commerce Minister Khandakar Abdul Muktadir has said.
- Total trade between the two countries now stands at nearly USD 13bn, with Bangladesh's exports to India amounting to USD 1.89bn.

From: https://thefinancialexpress.com.bd/bangladesh/bangladesh-india-trade-deficit-widens-in-fy26

Policyholders rue as unsettled insurance claims pile up
September 06, 2026

- Life-insurance industry gasps under an unsettled claims buildup of BDT 44.12bn (USD 361.6mn) by latest official count, with Fareast Islami Life Insurance alone accounting for more than three-quarters of the total.
- The size of the backlog signifies a long-running problem of delayed claims, which has weakened confidence in the insurance industry, particularly among small and rural policyholders with limited means to pursue their claims.

From: https://thefinancialexpress.com.bd/trade/policyholders-rue-as-unsettled-insurance-claims-pile-up

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