Morning Newsflash

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IDLC-SL Research

Economy

Bangladesh FDI climbs to USD 1.8bn in 2025 but trails smaller economies: UNCTAD

July 08, 2026

- Despite being South Asia's second-largest economy with over half a trillion-dollar GDP, Bangladesh's foreign direct investment (FDI) lags far behind much smaller African nations, such as Uganda and Ghana, according to the United Nations Conference on Trade and Development (Unctad)'s World Investment Report 2026.
- The report released on 7 July shows Bangladesh drew just USD 1.8bn in FDI in 2025, compared with USD 3.4bn by Uganda and USD 1.9bn each by Ghana and the Democratic Republic of the Congo (DR Congo). While the three African economies benefited from large energy and resource-related investment projects, Bangladesh continued to struggle to attract sizeable foreign investment into its manufacturing and services sectors.
- Despite the increase, inward FDI accounted for only 1.4pc of Bangladesh's gross fixed capital formation (GFCF), indicating that domestic sources continued to finance the overwhelming majority of fixed capital investment.

From: https://www.tbsnews.net/economy/bangladesh-fdi-climbs-18b-2025-trails-smaller-economies-unctad-1481856

EU share erodes as Bangladesh RMG exports slip 1.64pc to USD 38.70bn in FY26

July 08, 2026

- Bangladesh's ready-made garment (RMG) exports registered a slight year-on-year decline of 1.64pc, totaling USD 38.70bn for the fiscal year 2025-26 from USD 39.34bn in FY2024-25, according to recent data from the Export Promotion Bureau (EPB).
- The export performance highlights shifting trends across major global destinations, featuring an erosion in the European Union (EU) market share alongside steady gains in North America and the United Kingdom.

From: https://thefinancialexpress.com.bd/trade/eu-share-erodes-as-bangladesh-rmg-exports-slip-164pc-to-3870b-in-fy26

Net forex reserves climb to USD 27.92bn

July 08, 2026

- The country's net international reserves (NIR), the liquid foreign assets a central bank can readily use, have risen to USD 27.92bn, according to the central bank. Under the IMF's Balance of Payments and International Investment Position Manual (BPM6), NIR is calculated by subtracting reserve liabilities from reserve assets.
- The NIR has recovered from a low of USD 16.77bn in July 2024, the Bangladesh Bank (BB) said yesterday. The NIR reserve has strengthened over the past two years, supported by higher remittance inflows, a more stable exchange rate, loans and other support from multilateral lenders, and subdued import payments.

From: https://www.thedailystar.net/business/economy/news/net-forex-reserves-climb-2792b-4218441

Economic expansion might have slowed in June: PMI

July 08, 2026

- Bangladesh's economic activities grew at a slower pace in June than a month ago, as reflected in the fall in the Purchasing Managers' Index (PMI) score, an indicator that helps assess the economic health of a country. A PMI reading above 50 indicates expansion, while a reading below 50 signals contraction.
- The June PMI fell by 9.9 points to 52.9 from its May level, amid a contraction in the manufacturing and construction sectors. The agriculture and services sectors continued to expand, albeit at a slower pace, according to the PMI report published yesterday.

From: https://www.thedailystar.net/business/economy/news/economic-expansion-might-have-slowed-june-pmi-4218471

Govt plans to merge 4 investment agencies

July 08, 2026

- The government is planning to merge four investment promotion agencies into a single authority under a draft law aimed at simplifying investor services, reducing bureaucratic hurdles and improving coordination among state institutions. The proposed Integrated Investment Development Authority Act, 2026 seeks to establish the Unified Investment Development Authority (UniDA).
- The agency would bring the Bangladesh Investment Development Authority (Bida), Bangladesh Economic Zones Authority (Beza), Bangladesh Hi-Tech Park Authority (BHTPA) and the Public-Private Partnership Authority (PPPA) under one umbrella.
- The draft law, prepared by Bida, aims to boost domestic and foreign investment, support industrialization, improve service delivery and ensure more effective use of state-owned industrial and commercial assets.

From: https://www.thedailystar.net/business/economy/news/govt-plans-merge-4-investment-agencies-4218436

Banking

Cenbank mandates anti-money laundering certification for BDT 200bn (USD 1.64bn) refinance fund

July 08, 2026

- The Bangladesh Bank has made it mandatory for banks to obtain certifications confirming that applicants were not involved in money laundering, fraud, fund diversion or misuse of previous loans before extending financing under the government's BDT 200bn (USD 1.64bn) pre-financing scheme aimed at reviving closed industrial and service sector enterprises.
- The circular also requires banks with surplus liquidity to certify that those funds have been invested in the country's productive sectors. The initiative is intended to restart closed factories, revive stalled export activities and create employment opportunities for unemployed young people through targeted credit support.

From: https://www.tbsnews.net/economy/banking/cenbank-issues-guidelines-tk20000cr-pre-finance-scheme-revive-closed-industries

Corporate

Embattled Uttara Finance discloses years of losses after BB intervention

July 08, 2026

- Distressed non-bank financial institution Uttara Finance and Investments Limited revised down its financial results of 2019 from a profit of BDT 1.18bn (USD 9.67mn) to a loss of BDT 3.1bn (USD 25.4mn), revealing its true status on orders from the central bank.
- The NBFI also reconfirmed its loss of BDT 4.7bn (USD 38.5mn) in 2020 and disclosed for the first time a loss of BDT 3.1bn (USD 25.4mn) in 2021.

From: https://thefinancialexpress.com.bd/stock/bangladesh/embattled-uttara-finance-discloses-years-of-losses-after-bb-intervention

UCB's BDT 7.75bn (USD 63.5mn) rights share issue approved

July 08, 2026

- The proposal of United Commercial Bank PLC's (UCB) to raise BDT 7.75bn (USD 63.5mn) through a rights share issue was approved on Tuesday, July 7, 2026. Bangladesh Securities and Exchange Commission (BSEC) on Tuesday approved the proposal.
- Under the approved plan, UCB will issue 77,51,87,549 ordinary shares at a face value of BDT 10 (USD 0.082) each on a 1:2 rights basis, meaning one rights share for every two existing shares held. The bank will use the proceeds to support its regular business operations, the commission said.

From: https://observerbd.com/news/582377

BRAC Bank gets €60mn EIB loan to support green investments

July 08, 2026

- The European Investment Bank (EIB) has signed an agreement to provide €60mn to BRAC Bank PLC for accelerating environmentally friendly investments and supporting Bangladesh's green transition. The 12-year financing facility has been arranged by BRAC Bank's offshore banking unit, according to a press release from the bank.
- Of the total amount, €40mn will help finance more than 2,500 small enterprises investing in cleaner production, renewable energy, resource efficiency, waste reduction and modern equipment.

From: https://www.thedailystar.net/business/organisation-news/news/brac-bank-gets-eu60m-eib-loan-support-green-investments-4218371

Bank Asia targets 40pc SME-retail loan portfolio to drive future growth

July 08, 2026

- Bank Asia targets a 40pc share of its total loan portfolio for SME and retail businesses within the next three to four years, banking on micro, small and medium enterprises (MSMEs) to drive future growth.
- The bank believes the MSME sector will remain a key driver of Bangladesh's economic growth over the next five years, fuelled by a new generation of young, technology-savvy entrepreneurs, according to a press release.
- To capitalize on the sector's growing potential, Bank Asia has adopted a strategy centred on digital transformation, inclusive financing and entrepreneurial capacity building to make financial services faster, simpler and more accessible.

From: https://www.thedailystar.net/business/organisation-news/news/bank-asia-targets-40-sme-retail-loan-portfolio-drive-future-growth-4218416

Capital Market

T-bond turnover falls 38pc on DSE as interbank platform dominates

July 08, 2026

- Secondary trading of Treasury bonds on the Dhaka Stock Exchange (DSE) remains subdued despite the rapid expansion of the bond market as

a parallel interbank trading platform continues to keep institutional investors away from the bourse.
- T-bond trading on the prime bourse slid 38pc year-on-year to BDT 576mn (USD 4.7mn) in the first six months through June this year, accounting for less than 1pc of the exchange's total turnover, indicating that the market remains far below its potential.

From: https://thefinancialexpress.com.bd/stock/bangladesh/t-bond-turnover-falls-38pc-on-dse-as-interbank-platform-dominates

Energy and Power

Govt okays USD 1.0bn stringent IsDB loan for Eastern Refinery expansion
July 08, 2026

- The approval for the approximately USD 1.0bn loan was granted by the Standing Committee on Non-Concessional Loan (SCNCL) at a meeting chaired by Finance Minister Amir Khosru Mahmud Chowdhury.
- Officials at the Economic Relations Division (ERD) said the refinery expansion remains a commercially viable and strategically important project for Bangladesh's long-term energy security, despite the relatively expensive financing.

From: https://www.tbsnews.net/economy/govt-okays-1b-stringent-isdb-loan-eastern-refinery-expansion-1482561

Trade and Commerce

Bangladesh's plastic market loses BDT 150bn (USD 1.23bn) as Mideast crisis hits supply chain
July 08, 2026

- Bangladesh's plastic industry has suffered an estimated BDT 150bn (USD 1.23bn) decline in sales as the Middle East war, volatility in global petrochemical markets, and persistent domestic power and gas shortages disrupt production and weaken demand, according to industry leaders.
- Manufacturers say delays in importing raw materials, rising production costs and sluggish domestic demand have forced many factories to cut output, while hundreds of small and medium-sized enterprises are struggling to survive.

From: https://www.tbsnews.net/economy/industry/bangladeshs-plastic-market-loses-tk15000cr-mideast-crisis-hits-supply-chain-1481616

International

Rupee nudges higher
July 08, 2026

- The Indian rupee eked out gains on Tuesday, tracking an uptick in most Asian peers even as dollar demand from merchant payments and maturing non-deliverable forward contracts limited room for the currency to gain.
- The rupee traded at 95.28 against the dollar as of 11:25 am IST, up 0.1 percent from its previous close.

From: https://www.thedailystar.net/business/global-economy/news/rupee-nudges-higher-4218381

Oil prices gain as focus shifts to supply recovery and demand
July 08, 2026

- Oil prices edged higher on Tuesday, though gains were capped as traders looked beyond easing geopolitical tensions in the Middle East and turned their attention to supply increases and demand prospects.
- Brent crude futures gained 38 cents, or 0.5pc, to USD 72.37 a barrel, while US West Texas Intermediate crude rose 30 cents, or 0.4pc, to USD 68.85 a barrel as of 0350 GMT, after settling down at around pre-Iran war levels on Monday.

From: https://www.thedailystar.net/business/news/oil-prices-gain-focus-shifts-supply-recovery-and-demand-4217931

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