

Economy

Remittance inflows lift current account to surplus despite trade gap

October 12, 2025

- The country's current account balance turned positive in the first two months of the 2025-26 fiscal year, driven by strong remittance inflows despite a widening trade deficit.
- According to Bangladesh Bank data, the current account posted a surplus of USD 483mn in July-August, up sharply from USD 191mn in the same period of the previous fiscal year. The overall balance of payments stood at a deficit of USD 53mn in the first two months of FY26, a sharp improvement from USD 1.43bn in the same period last year. The sustained remittance inflow has also contributed to a gradual rise in foreign exchange reserves.

From: <https://www.tbsnews.net/economy/remittance-inflows-lift-current-account-surplus-despite-trade-gap-1257016>

Industrial rebound lifts GDP growth in April-June

October 12, 2025

- The country's economy expanded faster in April-June 2025 than in the same period a year earlier, buoyed by stronger industrial output and export performance. However, growth in agriculture and services remained subdued during the quarter, held back by political uncertainty and frequent street protests.
- According to provisional estimates released by the Bangladesh Bureau of Statistics (BBS) yesterday, gross domestic product (GDP) grew by 3.35pc in the fourth quarter of fiscal year (FY) 2024-25. That compares with 2.14pc growth in the same quarter a year earlier, indicating a recovery in overall economic activity.
- The industrial sector led the rebound, posting 4.10pc growth, up from 1.08pc in the corresponding period of the previous fiscal year. By contrast, agriculture slowed to 3.01pc from 4.11pc, while services weakened to 2.96pc from 3.61pc.
- According to BBS, GDP growth in the first three quarters of FY25 stood at 1.96pc, 4.48pc, and 4.86pc. Based on all four quarters, overall GDP growth for FY25 at constant prices is estimated at 3.69pc.

From: <https://www.thedailystar.net/business/economy/news/industrial-rebound-lifts-gdp-growth-april-june-4006151>

NBR eases VAT rules on 'deemed exports'

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- The National Board of Revenue (NBR) has introduced five new preconditions for availing of VAT exemptions on "deemed exports", aiming to make the process easier for local suppliers and encourage more exports. Deemed exports refer to the supply of goods or services to export-oriented industries or export processing zones within the country.
- According to the NBR notification issued in this regard on Thursday, suppliers must provide goods or services against internal back-to-back letters of credit, and all transactions must be made in foreign currency.

From: <https://www.thedailystar.net/business/economy/news/nbr-eases-vat-rules-deemed-exports-4007586>

Bank

New law to fully insure 93pc of bank depositors

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- The government has approved amendments to the Deposit Protection Act, proposing an increase in the protection limit for bank deposits to BDT 0.2mn. Around 93pc of all bank accounts in the country hold deposits within this level, according to the finance ministry's proposal for the amendments, which drew on central bank data.
- Besides, non-bank financial institutions (NBFIs) will also be brought under the deposit protection framework for the first time. But non-bank depositors will have to wait until July 2028 to receive legal coverage under the new framework.
- The amendment brings in several new measures which include - extending protection to NBFI depositors, setting up separate protection funds for banks and non-banks, ensuring faster payment of protected deposits, offering conditional financial assistance during bank mergers, and safe investments of the protection fund.

From: <https://www.thedailystar.net/business/economy/banks/news/new-law-fully-insure-93-bank-depositors-4007576>

BB buys dollar again

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- Bangladesh Bank (BB) yesterday bought USD 107mn from commercial banks, three days after it purchased a nearly equivalent amount from the market to rebuild foreign exchange reserves and maintain stability in the exchange rate.
- The banking regulator bought the dollars from 10 banks through auctions at BDT 121.80 per USD, taking the total amount purchased to USD 2.08bn during the current fiscal year.
- BB, which sold more than USD 25bn from its forex reserves to help cover imports of fuel, fertilizer,

and food between FY21 and FY25, has begun purchasing the greenback since the start of this fiscal year as supply increased owing to higher exports and remittances.

From: <https://www.thedailystar.net/business/news/bb-buys-dollar-again-4005866>

Trade and Commerce

How cheaper Indian yarn throws Bangladesh textile out of competition

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- Bangladesh's textile mills are grappling with a severe slump in yarn and fabric sales and warehouses are overflowing with unsold stock as garment makers increasingly turn to cheaper imports from neighboring India.
- Industry insiders say the price gap between locally produced and imported yarn has widened sharply in recent years, largely due to India's generous export incentives and Bangladesh's declining policy support.

From: <https://www.tbsnews.net/economy/rmg/how-cheaper-indian-yarn-throws-bangladesh-textile-out-competition-1257536>

International

Gold pares gains after brief run above USD 4,000

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- Gold pared some gains on Friday after briefly rallying above the USD 4,000 an ounce milestone for a second time this week as US President Donald Trump's warning of possible fresh tariffs on China accelerated a flight to safe-haven assets.
- US President Donald Trump said on Friday there is no reason to meet with China's President Xi Jinping in two weeks in South Korea as planned. The US is calculating a massive increase in tariffs on Chinese imports, he said in a Truth Social post.

From: <https://www.thedailystar.net/business/global-economy/news/gold-pares-gains-after-brief-run-above-4000-4007606>

China's slim AI budgets are self-reinforcing

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- Artificial intelligence will transform industries and economies. Yet while fears are growing in the United States that spending on advanced chips and data centres is inflating an investment bubble, China may end up with the opposite problem: not spending enough to make breakthroughs at the frontier.

- Overall, AI capital expenditure in the People's Republic may hit 700 billion yuan, or USD 98bn in 2025, Bank of America analysts estimated in August. But that's just one-fifth of annual spending consultancy Bain & Company expects to see in the United States each year over the rest of the decade.

From: <https://www.thedailystar.net/business/global-economy/news/chinas-slim-ai-budgets-are-self-reinforcing-4006171>

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