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Livestock and Dairy Farming Industry in Bangladesh
Islamic Banking in Bangladesh

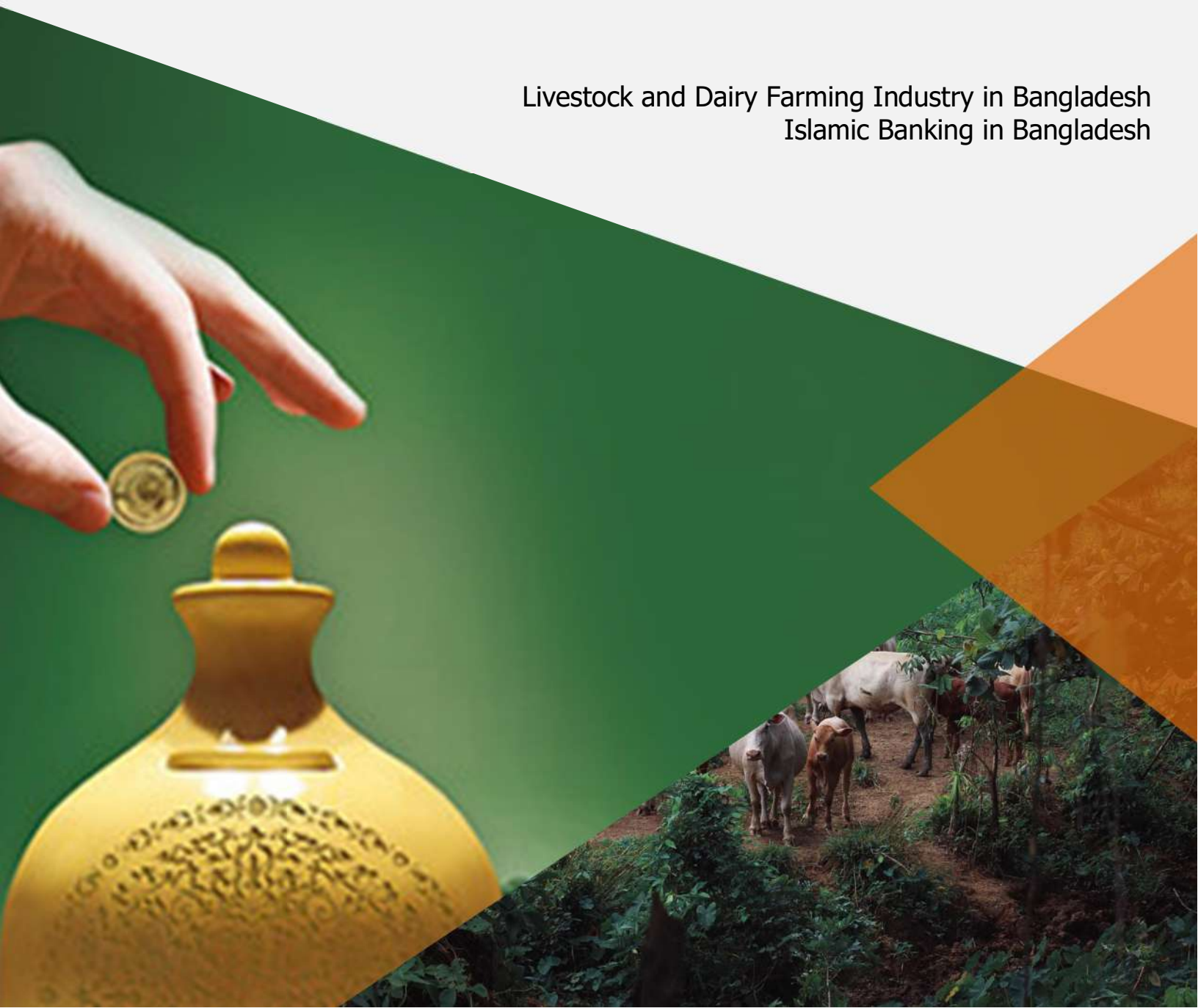


Table of Content

03

Cover Story

Livestock and Dairy Farming Industry in Bangladesh

07

ECRL Thought

Islamic Banking in Bangladesh

16

Banking Statistics

- Call Money Rate
- E-Commerce
- E-Banking
- Agricultural Credit

19

Capital Market Update

- Dhaka Stock Exchange Update
- Chittagong Stock Exchange

22

Bangladesh Macroeconomic Update

- Real Sector
- Monetary Sector
- External Sector
- Fiscal Sector

30

Selected Economic Indicator

31

Gold and Silver Price Update

32

ECRL News

33

ECRL Team

Livestock and Dairy Farming Industry in Bangladesh

Introduction

Agriculture is the largest employment sector in Bangladesh, employing (modeled ILO estimate) about 37.75 percent of the workforce (Trading Economics, 2022a, 2022b). About 20 percent of Bangladesh's population earns their livelihood through work related to livestock (cattle, buffaloes, goats, and sheep) and poultry farming (Banglapedia, 2021). However, the contribution of livestock to GDP was 1.90 percent in FY 2022, whereas the share of livestock in agricultural GDP was 16.52 percent, and the growth rate in aggregate GDP was 3.10 percent (Department of Livestock Services, 2022).

The livestock population in Bangladesh has increased significantly due to augmented domestic demand and the cessation of cattle import from India. India's ban on cattle exports has helped Bangladesh achieve self-sufficiency. Many farmers and traders have become involved in cattle rearing, reducing their dependence on imported animals. In FY2022, the growth rate of cattle stood at 0.63 percent, buffalo at 0.53 percent, sheep at 1.98 percent, and goats at 0.64 percent, which is higher than the previous fiscal year (Department of Livestock Services, 2022).

In Bangladesh, the demand for meat and milk is increasing substantially due to increased per capita income and population growth. The current domestic demand for meat is 75.20 lakh metric tons, and milk is 156.68 lakh metric tons. The Department of Livestock Services (DLS) forecasted milk production to be 128.47 lakh metric tonnes and 85.23 lakh metric tonnes of meat in FY 2022 (Department of Livestock Services, 2022). Nevertheless, milk and meat production exceeded the prediction and stood at 130.74 lakh metric tons and 92.65 lakh metric tons, respectively, in FY 2022. Meat production met the total local demand, and milk production met only 83.45 percent of the total domestic demand. According to DLS, in FY2022, the daily per capita consumption of milk is 208.61 ml, and meat is 92.65 gm (Department of Livestock Services, 2022).

This industry analysis is organized in the following manner. The next section of this report discusses the livestock population. The demand and supply of milk and meat are explained in section three. Contributions to GDP are presented in section four. In the penultimate section, opportunities and challenges are discussed. Section six concludes the report with policy recommendations.

Livestock Population

Bangladesh has a considerable amount of livestock population. According to the Department of Livestock Services (2022), in FY 2022, there were 247 lakh cattle, 15.08 lakh buffalo, 37.52 lakh sheep, and 267.74 lakh goats in Bangladesh. However, Table 1 shows the yearly livestock population from FY 2013 to FY 2022. The population of each species (cow, buffalo, sheep, and goat) has been increasing since FY 2013. This significant increase in livestock population is mainly due to increased domestic demand for meat and milk and India's ban on cattle exports to Bangladesh.

Table 1. Number of the Livestock Population

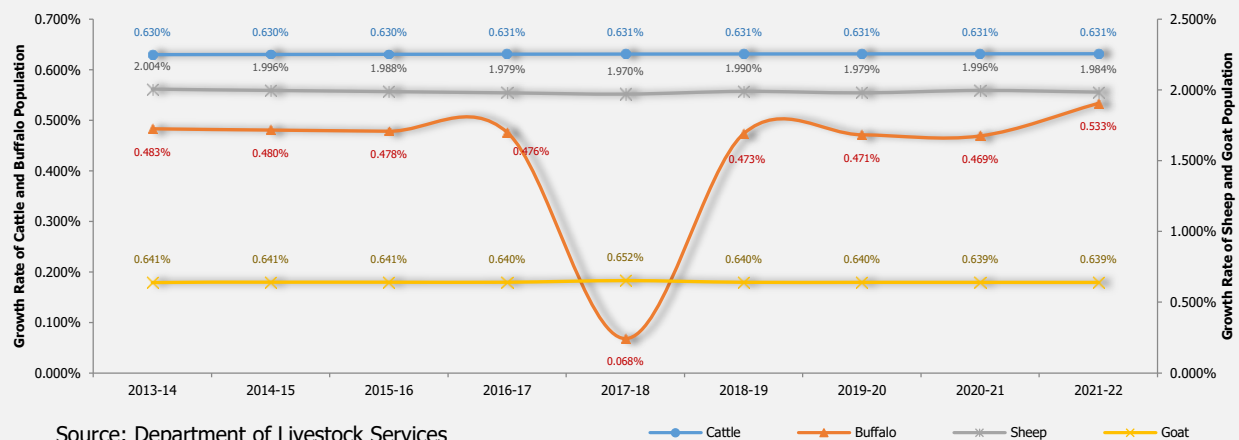
[Unit in Lakh]

Species	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Cattle	233.41	234.88	236.36	237.85	239.35	240.86	242.38	243.91	245.45	247.00
Buffalo	14.50	14.57	14.64	14.71	14.78	14.79	14.86	14.93	15.00	15.08
Sheep	31.43	32.06	32.70	33.35	34.01	34.68	35.37	36.07	36.79	37.52
Goat	252.77	254.39	256.02	257.66	259.31	261.00	262.67	264.35	266.04	267.74
Total	532.11	535.9	539.72	543.57	547.45	551.33	555.28	559.26	563.28	567.34

Source: Department of Livestock Services

On the other hand, Figure 1 shows the growth rate of Bangladesh's livestock (cattle, buffalo, sheep, and goat) population. The overall livestock population growth follows the increasing train. The growth rate of cattle, sheep, and goats is relatively constant, but buffalo population growth significantly declined from FY 2017 and started to increase since FY 2018, which was subsequently stable.

Figure 1. Growth Rate of Livestock Population



Source: Department of Livestock Services

Demand and Supply of Meat and Milk

Bangladesh requires adequate protein for its large population (169.4 million). A significant source of this protein comes from livestock. According to the DLS, Bangladesh's annual demand was 156.68 lakh metric tons of milk and 75.20 lakh metric tons of meat in FY 2022 (Table 2). The milk and meat production was 119.85 lakh metric tons and 84.40 lakh metric tons in Bangladesh in FY 2021. The expected production in FY 2022 had been 128.47 lakh metric tons and 85.23 lakh metric tons for milk and meat, respectively, and Bangladesh successfully exceeded the prediction with actual production standing at 130.74 lakh metric tons of milk and 92.65 lakh metric tons of meat in FY 2022. Meat production allows Bangladesh to receive raw hides as by-products which again is advantageous for the Leather industry.

Table 2. Deman and Supply of Meat and Milk

[Metric Ton in Lakh]

Particular	Demand	Expected Production	Actual Production (FY2021-22)	Actual Production (FY2020-21)
Milk	156.68	128.47	130.74	119.85
Meat	75.2	85.23	92.65	84.4

Source: Department of Livestock Services

The milk production rate was 101.76% higher than expected and met 83.45% of local demand (Table 3). On the other hand, the meat production rate was 108.70% more than expected and fulfills 100% of local demand. According to the Department of Livestock Services (2022), 208.61 ml of milk and 92.65 gm of meat are available daily for each person.

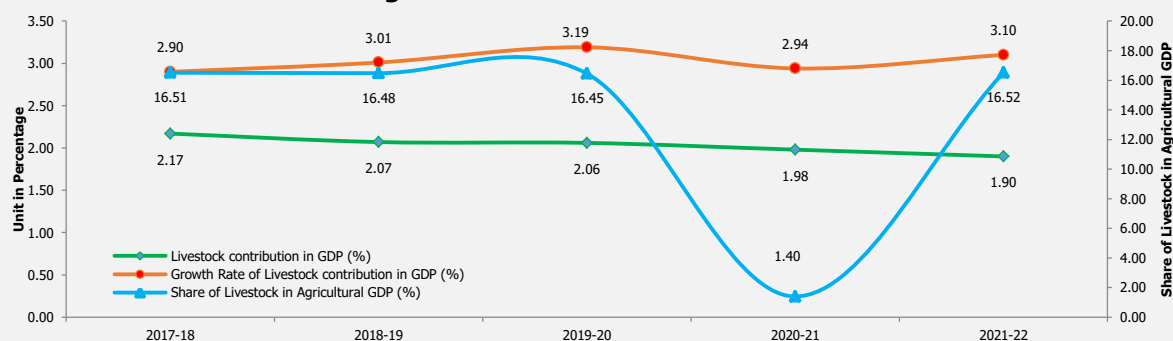
Table 3. Percent Difference Between Actual and Expected Production, and Percent Fulfilled of Total Demand.

Particular	Difference Between Actual and Expected Production	% of Total Demand Met
Milk	101.76%	83.45%
Meat	108.70%	100%

Source: Department of Livestock Services

Contribution to GDP

The role of livestock in GDP is not significant, but still, it has a substantial role in our economy. In Bangladesh, 83.90 percent of families own livestock, of which 45.90 percent possess livestock and 76.3 percent possess poultry. On average, each family owns 1.52 domestic animals, 0.9 goats & sheep, and 6.8 chickens & ducks (Banglapedia, 2022). However, Figure 2 shows the contribution of livestock to GDP. In FY 2022, the contribution of livestock to total GDP was 1.90 percent (BDT 67,189 crores) which was 0.08 percent less than the previous fiscal year (Department of Livestock Services, 2022). The contribution to GDP increased by 3.10 percent in FY2022, which was 2.94 percent in the previous year. On the other hand, the share of livestock in agricultural GDP was 16.52 percent in FY2022, which was only 1.40 percent in the previous fiscal year due to the COVID-19 impact.

Figure 3. GDP Contribution in Livestock

Source: Department of Livestock Services

Opportunities and Challenges

After looking at several studies and interviewing firm owners, we found the following challenges and opportunities (Islam et al., 2016; Rahman et al., 2015; Shamsuddin et al., 2006):

Challenges:

- Lack of farming and grassland
- Climate change
- High feed cost
- Imbalance use of medicine
- Lack of drugs
- Lack of vaccination workers
- Lack of skilled labors
- Financial problem of entrepreneurs
- Low-quality final product
- Inadequate and easy access to bank loan
- Lack of capital
- Lack of local supply of feed and high cost of feed
- Absence of market price at farm level
- Lack of technology
- Higher production cost
- Lack of power supply
- Lack of coordination between government and private stakeholders
- Lack of investment in research

Opportunities:

- Low labor cost
- Small initial capital
- New employment generation
- High demand for meat and milk
- Self-employment opportunity
- High-profit margin
- Significant demand in the domestic and international market

Conclusion

This industry analysis briefly discussed the livestock and dairy farming status in Bangladesh. The livestock population, demand and supply scenario of milk and meat, contribution to GDP, and opportunities and challenges of this sector are briefly presented. This sector contributes 1.90 percent of the total GDP, 16.52 percent of the agricultural GDP, and 20 percent of the country's population directly related to livestock and poultry farming. The livestock population in Bangladesh has increased significantly due to augmented domestic demand and the cessation of cattle import from India. Present domestic demand is 75.20 lakh metric tonnes of meat and 156.68 lakh metric tonnes of milk. Bangladesh produced 130.74 lakh metric tons of milk and 92.65 lakh metric tons of meat and received raw hides as a by-product of meat production. This sector is suffering various problems, especially medicine, doctor, skilled labor, investment fund, quality feed, high production costs, quality of final product, and so on. The government must acknowledge the issues and provide support to the entrepreneurs. Besides, the government has to solve all the issues based on the importance of the problem.

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Islamic Banking in Bangladesh

Overview of the Industry

At the beginning of Bangladesh's independence, there were only 6 Nationalized Commercialized Banks, 3 State-owned Specialized Banks, and 9 Foreign Banks. After 1980, the banking sector experienced significant expansion with the entry of private banks. Different types of banks are segregated below.

Snapshot of the Banking Sector	
Types	Scheduled Banks
	Non-Scheduled Banks
Scheduled Banks	
State Owned Commercial Banks (SOCBs)	6
Specialized Banks (SDBs)	3
Conventional Private Commercial Banks	33
Islami Shariah-based Private Commercial Banks	10
Foreign Commercial Banks (FCBs)	9
Non-Scheduled Banks	
Ansar VDP Unnayan Bank	
Karmashangosthan Bank	
Grameen Bank	
Jubilee Bank	
Palli Sanchay Bank	

The banking industry has made a significant contribution to the economy and has grown over the years. After the Covid-19 outburst, this industry experienced a change in the deposits, investment, and recovery rate. This is due to the impact of the pandemic which affected most industries in the world. The sector has been facing challenges in the post-pandemic situation and the Russia-Ukraine war intensified the problem. However, this study focuses on the Islamic banking sector and its contribution to Bangladesh's economy.

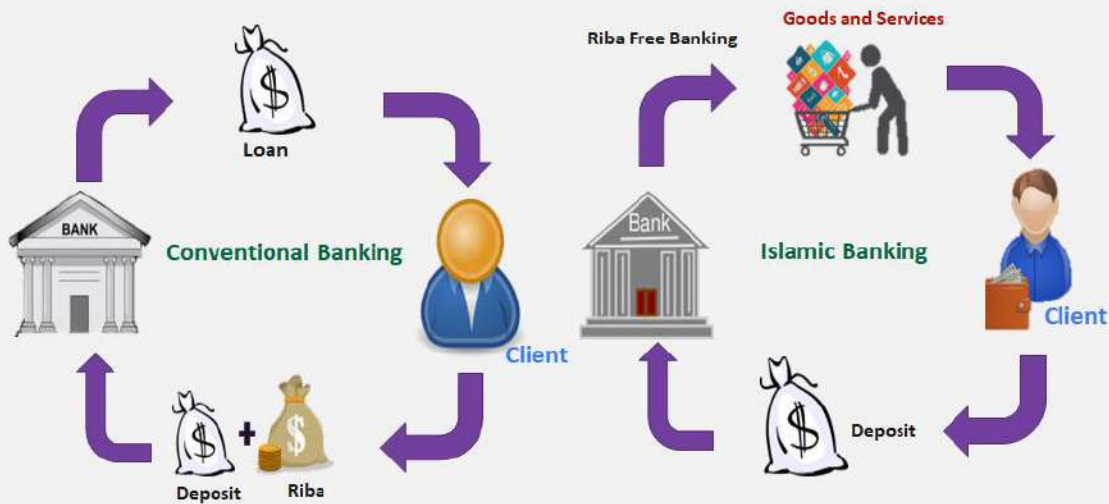
There are many banking deposit and investment products of Islamic Banking the major products include Mushraka, Mudaraba, Ijarah, Murabaha, and Al-Wakalah. The functions are discussed later. The sector is growing significantly. Islamic banking plays a significant role in economic growth, creating employment, and boosting entrepreneurship. In Islamic banking, the capital provider will share profit or loss with the entrepreneur. On the other hand, in the conventional banking system, the capital provider will not take any responsibility for loss. Conventional Bank treats money as a commodity and lends it against interest as its compensation. Interest-based banks accept deposits of different maturities, paying different interest rates on different kinds of deposits.

Islamic and Conventional Banking

The practice of Islamic banking in Bangladesh started in 1983 with Islami Bank Bangladesh Limited (IBBL, 2022). There are currently 10 Islamic Banks operating in 1679 branches among the 10942 branches of the whole banking sector, with 41 Islamic banking branches of 9 conventional commercial

banks. The government of Bangladesh is providing policy support for the continued progression of this sector. Islamic banking systems collect the deposit from the customers at an agreed-upon profit and loss sharing ratio. On the other hand, conventional banks collect the deposit from the client at a fixed interest rate and then disburse the deposit amount as a loan or advance at a predetermined rate. The main difference between Islamic and conventional banks is that conventional banks engage in interest-based transactions. Islamic banking system involves equity-based financing where they invest as a stakeholder of business and take the responsibility of profit and losses of invested entity. Figure 1 states the comparative banking operations of conventional banking and Islamic banking.

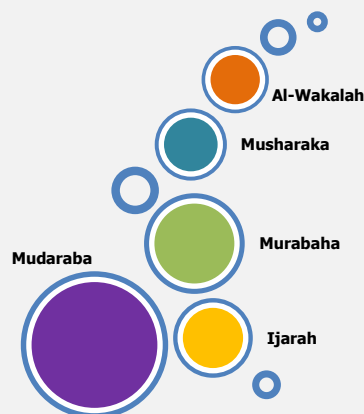
Figure 1. Comparison of Conventional and Islamic Banking



Concept of Islamic Banking Products

Islamic banks do not directly deal in money. They run businesses with money. Islamic banking products represent the technique of investment and deposits utilized for resource mobilization. This section discusses key Islamic banking products (Emirates Islamic Bank, 2022). Figure 2 shows the major Islamic banking deposit and investment products. The products are described in brief as follows:

Figure 2. Key Products



- ⇒ **Musharaka:** Arabic for "musharaka" is "sharing." Islam forbids interest; hence it cannot be utilized to provide financing. In an economy founded on Islamic principles, Musharaka plays a crucial role as a perfect substitute for interest-based finance.
- ⇒ **Mudaraba:** In contemporary Islamic banking, the phrase "Mudaraba" refers to a transaction in which the bank (or financial institution) buys a property (or asset, such as a house) at the going market price and sells it to the customer at a markup price, with payments made in installments over a period decided upon by both parties.
- ⇒ **Ijarah:** In Arabic, "ijarah" implies "to provide anything on rent." A client can use property or equipment owned by an Islamic bank for a certain amount of time and a predetermined cost under the concept of Ijarah in Islamic banking. Al Ijara is a contract similar to a lease, and the asset covered by the Ijarah finance might be utilized for vehicles, houses, buildings, plants, or machinery (AIMS UK, 2022).
- ⇒ **Murabaha:** In contemporary Islamic banking, the term refers to a buying and selling transaction between the bank (or financial institution) and the customer, whereby the former purchases a property (or an asset, such as a house) at the going market price and sells it to the latter at a markup price with payments made in installments over a period consented upon by the involved individuals.
- ⇒ **Al-Wakalah:** Al-Wakalah refers to agency or transferring responsibility to another person for particular goals and circumstances. According to Al Waqalah, the bank acts as an agent of a person. After that, the person must deposit the total cost of the goods imported or acquired.

Growth of Islamic Banks

Islamic Banking has been growing in Bangladesh since the beginning of its influx. According to FitchRatings (2022), different factors are considered to have brought significant growth in this sector. The factors are listed below:

1. Public demand: Rising public demand due to religious binding as the majority portion of Bangladesh is Muslim. Thus, people are reluctant to involve in the conventional banking system.
2. Supportive government policies: The regulator of Banks, Bangladesh Bank, has relaxed the statutory liquidity ratio limit, which added to the growth. Bangladesh Bank has set the statutory liquidity ratio limit for Islamic banks at 5.5%, which is quite lower compared to conventional banks, which stand at 13%.
3. Islamic banks also benefit from higher prudential limits, such as an advance-deposit ratio of 92% in contrast to 87% for conventional banks.
4. GDP Growth: With the rising economic growth, consumption, exports, government spending, and investment have proliferated, which played an integral part in the growth of the Islamic banking sector. Moreover, real GDP growth is forecasted to grow by 5% in 2023.

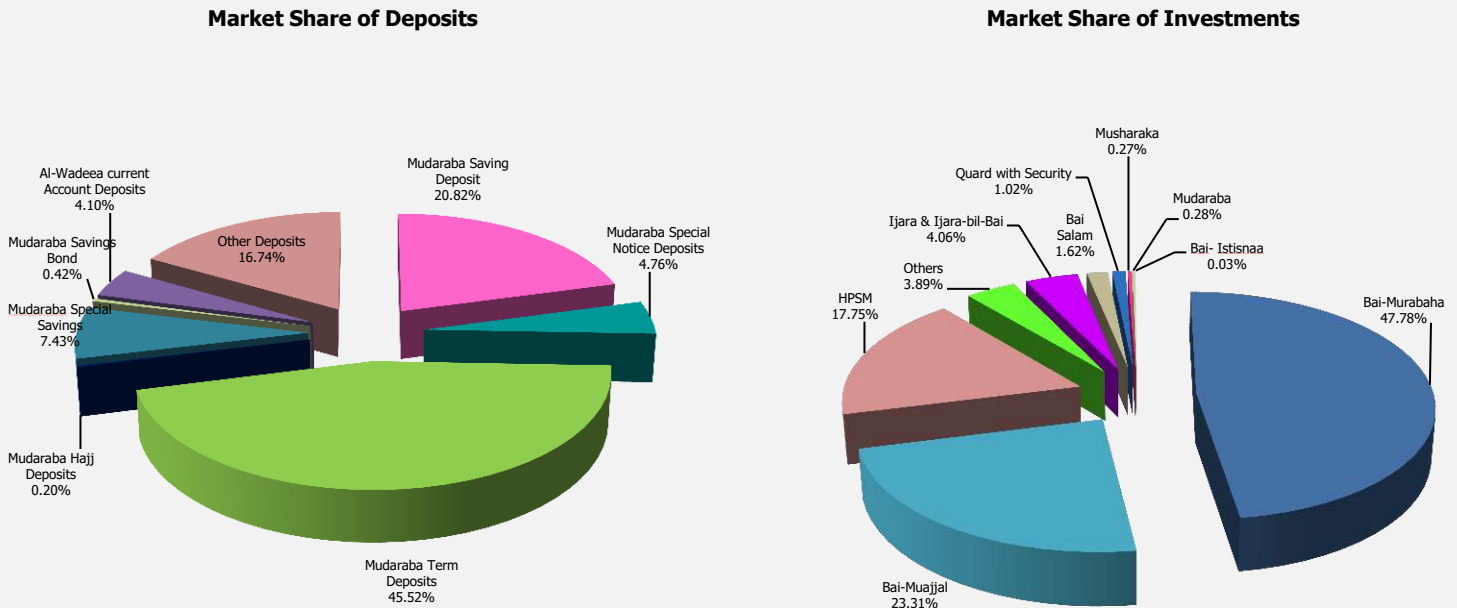
Fund Raising Mechanism of Islamic Banks

In Islamic banking, investment means using funds with the intention and expectation of earning a positive return for the owner. Capital Source of Islamic Banks

Bangladesh's Islamic banks raise money by collecting deposits from unused units and giving the money to the deposit units. Products from Islamic banks are distinct from those from traditional banks. Bangladeshi Islamic banks raise money through deposits and investments.

Figure 3 compares the market share of deposits and investments in Bangladesh's Islamic banking sector from July to September 2022, including Islamic and Conventional banks. Between July and September 2022, Mudaraba Term Deposits (MTD) secured the highest position (45.52%) among the various deposit types in the Islamic banking sector, followed by Mudaraba Savings Deposits (MSD) (20.82%), Other Deposits (16.74%), Mudaraba Special Savings (pension/profit) Deposits (7.43%), Mudaraba Special Notice Deposits (4.76%), Al-Wadeeah Current Account Deposits (4.10%), Mudaraba Savings Bond (0.42%), Mudaraba Special Savings (7.43%), Mudaraba Hajj Deposits (0.20%), and Mudaraba Term Deposits (45.52%).

Figure 3. Types of Deposits & Investments, July-September 2022



Source: Bangladesh Bank

At the end of September 2022, the analysis of investment patterns showed that Bai-Murabaha (47.78%) had received the highest investment, followed by Bai-Muajjal (23.31%), HPSM (Hire Purchase under Shirkatul Milk) (17.75%), Ijara & Ijara-bil Bai (4.06%), Others (3.89%), Bai-Salam (1.62%), Quard with Security (1.02%), Mudaraba (0.28%), Musharaka (0.27%), and Bai-Istisna (0.03%).

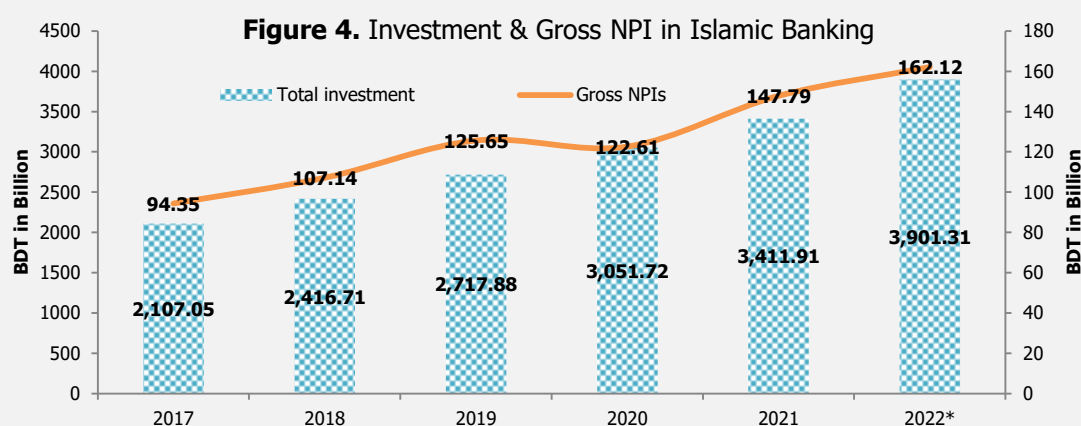
Table 01. Recent Activities of the Islamic Banking Sector in Bangladesh

Indicators of the Islamic Banking Sector	July-Sep 2022 ^P	April-June 2022	July-Sep 2021
Total Deposits (Outstanding) (BDT in Billions)	4,213.75	4,123.41	3,767.78
a) Full-fledged Islamic Banks	92.96%	93.36%	94.25%
b) Islamic Banking Branches of Conventional Banks	3.31%	3.20%	2.69%
c) Islamic Banking Windows of Conventional Banks	3.72%	3.44%	3.01%
Total Investment (Outstanding) (BDT in Billions)	3,862.21	3,818.29	3,368.2
a) Full-fledged Islamic Banks	94.47%	94.55%	95.31%
b) Islamic Banking Branches of Conventional Banks	2.97%	3.03%	2.56%

c) Islamic Banking Windows of Conventional Banks	2.56%	2.42%	2.13%
Investment-Deposit Ratio	92.00%	92.00%	89.00%
a) Full-fledged Islamic Banks	92.00%	92.00%	90.00%
b) Islamic Banking Branches of Conventional Banks	82.00%	88.00%	85.00%
c) Islamic Banking Windows of Conventional Banks	63.00%	65.00%	75.00%

*P= Provisional; Source: Bangladesh Bank

Table 01 shows important trends in Bangladesh's Islamic banking sector. It includes information on total deposits, total investments, and investment-to-deposit ratio. The recent fiscal year quarter decreased the total amount of outstanding deposits from July to September 2022, from 93.96% to 92.96%. However, the total deposit outstanding from Islamic banking branches and conventional banks' windows increased slightly from July to September. On the other hand, the total investment outstanding portion of full-fledged Islamic banks and Islamic banking branches of the conventional bank has decreased slightly.



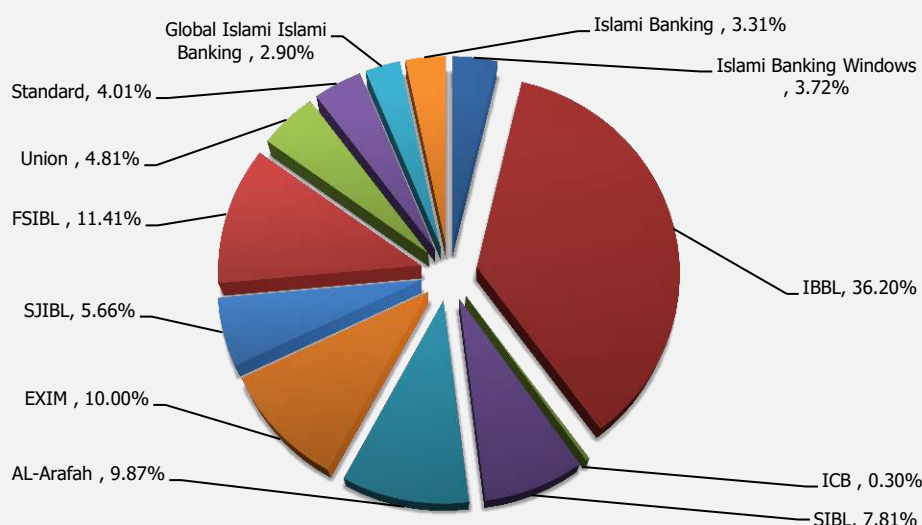
Source: Bangladesh Bank

Bangladesh Bank actively stayed involved in safeguarding the strength and adaptability of the financial sector through government initiatives for economic recovery from the stimulating domestic and global adversities caused by the COVID-19 pandemic and the Russia-Ukraine War. In FY2020, the total Investments (loans and advances) of the Islamic banking system declined and then started rising to stand at BDT 3,901.31 billion at the end of June 2022 with an increase of 14.34% from BDT 3,411.91 billion in 2021. The share of the Islamic banking system registered at 29.54% by the end of June 2022 of the whole banking sector in 2021

Comparative Performance Review of Existing Islamic Banks of Bangladesh

Figure 5 represents the share of deposits of all full-fledged Islamic banks from the July to September 2022 quarter. The total deposits of the ten fully-fledged Islamic banks made up 92.98% of the deposits in the Islamic banking system. Islami Bank Bangladesh Limited received the highest percentage of deposits among all Islamic banks (36.20%), followed by First Security Islami Bank Ltd. (11.41%), EXIM Bank Ltd. (10.00%), Al-Arafah Islami Bank Ltd. (9.87%), Social Islami Bank Ltd. (7.81%), Shahjalal Islami Bank Ltd. (5.66%), Union Bank Limited (4.81%), Standard Bank Ltd. (4.01%), Islamic banking windows (3.72%), Islamic banking branches (3.31%), Global Islami Bank (2.90%) and ICB Islamic Bank Limited (0.30 %).

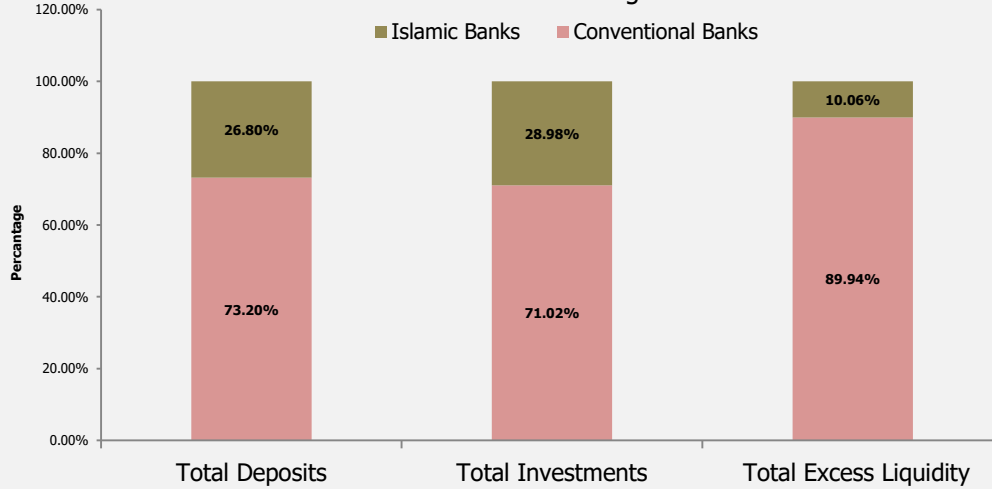
Figure 5. Share of Deposits of all Islamic Banks (July-September 2022)



Source: Bangladesh Bank

Figure 6 states the performance of Islamic banks compared to all banks in Bangladesh from July to September 2022 quarter. In the quarter from July to September, total deposits to all banks stood at BDT 18,723.88 billion; on the other hand, the deposit of Islamic banks stood at BDT 4,213.75 billion. At the end of September 2022, the market share of Islamic banks in the entire banking industry was 26.80% in deposits and 28.98% in investments. Islamic banks of Bangladesh hold 10.06% of the market's excess liquidity.

Figure 6. Performances of Islamic Banks Compared to All Conventional Banks in Bangladesh



Source: Bangladesh Bank

Contribution of Islamic Banks in Bangladesh

Islamic Banking stretches its overall activities to different sectors of the economy, contributing to economic growth, including industrialization, small & medium enterprises, agriculture, and agro-based industries, encouraging entrepreneurship & women's empowerment and poverty alleviation.

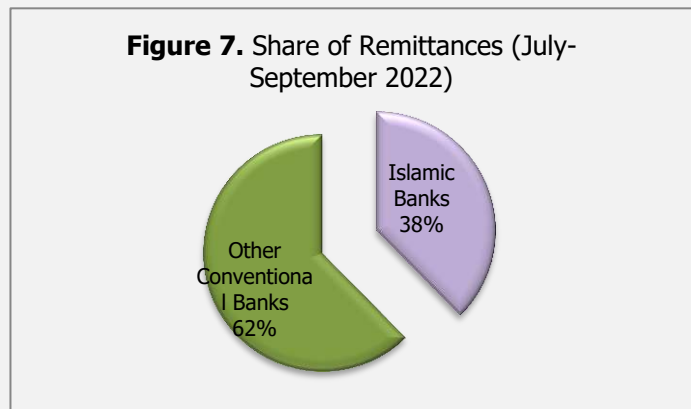
Financial Inclusion:

Recently, Islamic banks in Bangladesh have been working for financial inclusion across the country. To ensure financial inclusion, Islamic banks are taking different measures, for example, establishing branches and sub-branch in rural areas, raising awareness among people about Islamic transaction systems, helping rural people for collecting remittances, and introducing the banking system to people who were not previously aware of the banking system. Currently, 1679 branches are functioning across the country apart from 41 Islamic banking branches of 9 conventional commercial banks.

Mobilizing Foreign Remittance and International Trade:

Islamic banking has made a significant contribution to the collection and distribution of foreign remittances among beneficiaries across the country. Total remittances mobilized by the Islamic banking system stood at BDT 202.23 billion during July-September 2022, which was higher by BDT 45.06 billion or by (28.67%) than that of the previous quarter (Bangladesh Bank, 2022). Since the inception of Bangladesh, international trade has played an important role in Bangladesh's economic development. Islamic banks of Bangladesh are expediting international trade through financing and aiding foreign trade-related services. The banks also contributed to forming new export-oriented ventures domestically.

Figure 7. Share of Remittances (July-September 2022)



Industrialization, Infrastructure Development, and Employment:

Generally, Islamic banking prioritizes social development while investing in sectors. In Bangladesh, Islamic banks have invested in different industries involved in manufacturing and trading business which are contributing significantly to the GDP growth, like ready-made garments, textile, steel, pharmaceutical, and chemical industries, which is around one-fourth of the total investment of the country. This sector invested the highest investment in the trade and commerce sector is 37.57%, followed by large industry (30.08%) at the end of September 2022 as per Bangladesh Bank published report (Bangladesh Bank, 2022). Even Islamic banks are involved in infrastructural development projects, including private sector power generation. Thus, the sector contributes to the country's industrialization processes and employment generation.

Small and Medium Enterprises (SMEs) and the Agricultural Sector:

The extensive investment of Islamic banks covers the large industrial sectors and the development of the underprivileged, mostly in remote areas of the country. The Islamic banks invested 11.42% in cottage, micro, small, and medium enterprises as per Bangladesh Bank data till March 2022 (Bangladesh Bank, 2022).

The Islamic banks have made noticeable contributions in sectors and sub-sectors of agricultural and rural investment programs. The agriculture, fishing, and forestry sectors comprise 1.93% of the total investment of the Islamic banks at that date.

Special Investment Schemes:

Usually, there are different welfare schemes that Islamic banks implement to develop the low-income condition of people; for instance, the investment scheme includes areas like rural housing, home & appliance, women entrepreneurship development, small business, doctor investment scheme, etc. Moreover, a refinance scheme of BDT 250 billion by Bangladesh Bank at a low profit and easy terms for SME entrepreneurs had been made according to a circular in July 2022 (Bangladesh Bank, 2022).

Support and Policies by Bangladesh Bank:

Due to Covid-19 and Russia-Ukraine war, small and medium enterprises had a worse impact. Thus, the government of Bangladesh is introducing new policies and incentives to improve the condition. Bangladesh Bank re-fixed the LC margin for strengthening and managing money and credit. Additionally, according to a government circular (SMESPD) in March 2022, Bangladesh Bank is designated to implement an SME support project where USD 47.00 million (BDT 3.98 billion) amount will be disbursed in a Shariah Compliant method to eligible financial institutions for the supporting SME sector (Bangladesh Bank, 2022b). Another fund of BDT 300 billion stimulus package is to be implemented for industries and service sectors which have to be provided before 30th June 2023 as per July 2022 circular. Moreover, to stabilize the financial sector and manage classified loans thoroughly, new policies have been presented by Bangladesh Bank with new clustering guidelines to ensure investment for the SME sector (Bangladesh Bank, 2022).

Conclusion and Recommendation

Bangladesh's Islamic banking system has contributed significantly to attracting deposits and providing funding for various economic operations. Currently, Bangladesh Bank data suggests that the Islamic banking system accounts for more than 26% of deposits and 28% of investments in the banking industry. Islamic banks should invest more in sectors that are good for society, especially agriculture and small companies. Islamic banks still only make a small number of investments in the best Islamic

practices like Mudaraba and Musharaka. As a result, Islamic banks ought to give more thought to creating appropriate standards and regulations to encourage the use of the Mudaraba and Musharaka modes for making investments. Islamic banks may also look into untapped markets for clients in the microfinance and women's finance industries, investing in privatization projects and providing funding for governmental organizations that traditional banks do not currently serve.

If supportive policies are approved and put into practice, the other Islamic financial sectors systems, such as the Islamic stock market, Islamic insurance (Takaful), and the microfinance sector, may also grow consistently. Islamic banks should emphasize investments in productive sectors and strengthen the monitoring that the assets are used appropriately for productive purposes in the context of the Covid-19 pandemic and Russia-Ukraine war-drove domestic and international adversities. However, with the increasing use of financial technology in the banking sector worldwide, Bangladesh's Islamic banking sector must expand its use of Shariah-compliant fin-tech to increase financial transactions' efficiency and foster greater trust in the Islamic financial sector system and also help the world recover from any economic shock.

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The average call money rate experienced fluctuations and had an increasing trend in the past six months. However, the lending and borrowing rates remained constant both standing at 5.80% in December 2022.

Figure 1. Call Money Rate



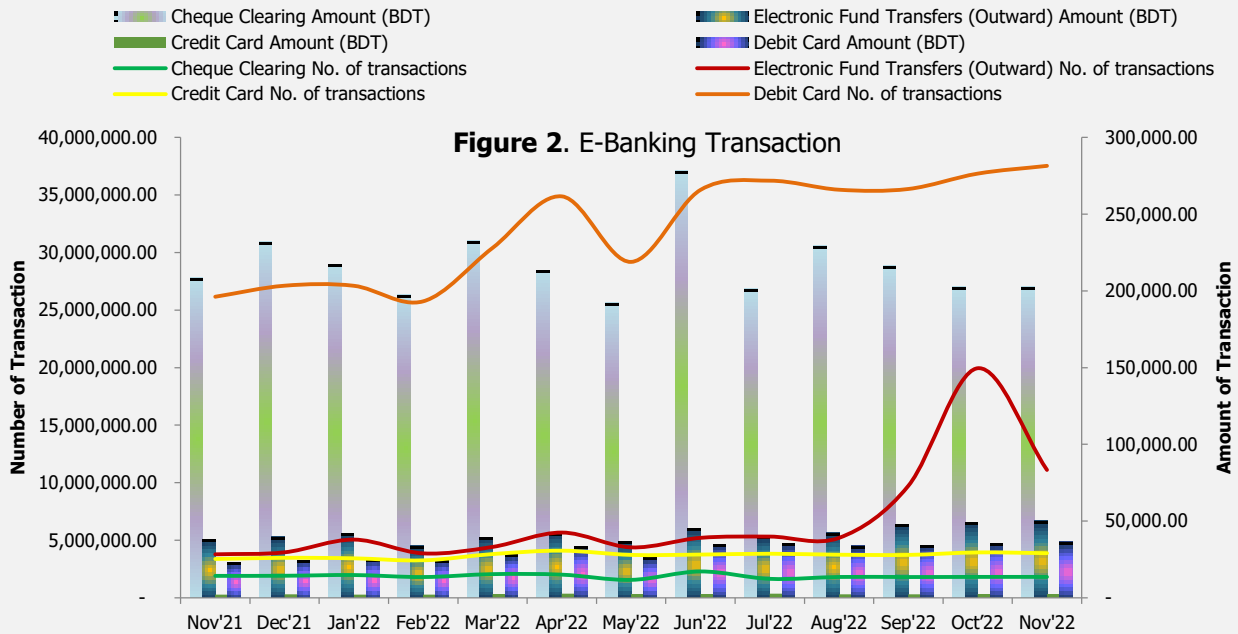
Source: Bangladesh Bank

The e-banking and e-commerce transactions have increased over the last couple of months. The Cheque and Debit Card transactions in November increased by 0.06% and 1.83%, respectively. Electronic Fund Transfers and Credit Card declined transactions by 44.31% and 1.68%, respectively.

Table 1. E-Banking and E-Commerce Statistics (BDT in Crore)

Month	Cheque Clearing		Electronic Fund Transfers (Outward)		Credit Card		Debit Card	
	Transaction	Amount (BDT)	Transaction	Amount (BDT)	Transaction	Amount (BDT)	Transaction	Amount (BDT)
Nov'21	1,931,519.00	209,887.25	15,729,267.00	46,772.19	3,370,208.00	2,092.40	26,156,395.00	23,178.52
Dec'21	1,947,769.00	233,791.40	9,608,390.00	47,253.71	3,471,872.00	2,228.98	27,117,021.00	24,356.97
Jan'22	2,011,413.00	219,424.53	21,069,894.00	51,636.26	3,429,392.00	2,138.38	27,109,022.00	24,700.99
Feb'22	1,825,714.00	199,345.69	10,139,310.00	41,696.00	3,249,764.00	2,108.77	25,759,397.00	24,410.74
Mar'22	2,081,906.00	235,939.00	9,793,064.00	48,129.23	3,798,207.00	2,513.44	30,394,108.00	28,375.01
Apr'22	2,030,371.00	215,540.88	25,290,758.00	57,900.42	4,093,995.00	2,715.28	34,878,785.00	33,317.18
May'22	1,581,373.00	193,665.33	14,915,428.00	44,385.42	3,725,590.00	2,371.06	29,186,418.00	26,050.84
Jun'22	2,314,620.00	280,544.27	36,669,413.00	62,368.64	3,752,891.00	2,491.32	35,437,558.00	34,744.66
Jul'22	1,659,033.00	202,842.74	13,398,738.00	49,119.83	3,826,773.00	2,578.10	36,241,858.00	35,407.19
Aug'22	1,823,394.00	231,302.96	10,270,841.00	51,699.03	3,741,940.00	2,302.40	35,454,401.00	33,786.20
Sep'22	1,802,221.00	216,764.37	9,730,251.00	48,008.86	3,725,173.00	2,281.77	35,519,354.00	34,355.20
Oct'22	1,813,675.00	202,943.30	19,944,569.00	49,241.20	3,941,642.00	2,458.20	36,855,390.00	35,253.60
Nov'22	1,814,731.00	202,905.46	11,106,837.00	50,322.47	3,875,289.00	2,459.20	37,528,889.00	36,356.31

Source: Bangladesh Bank



Source: Bangladesh Bank

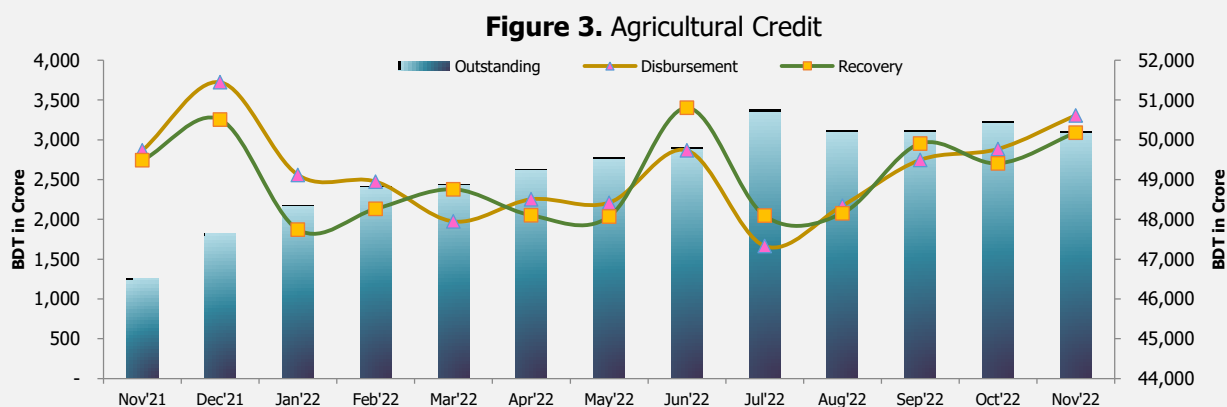
With globalization and digitization, people prefer the internet and mobile banking. In November 2022, the number of internet banking customers increased by 1.78%, and subscribers of mobile banking increased by 0.55% as compared to the previous month. Currently, agent banking has become popular in rural areas, for which the amount of money transacted through agent banking exceeded the BDT 50,000-crore mark for the first time in January 2022 and currently stood at BDT 65,062.23 crore.

Table 2. Internet, Mobile, and Agent Banking at a Glance

Month	Internet Banking			Mobile Banking			Agent Banking				
	Customer	Transaction	Amount (BDT)	Agents	Transactions	Amount (BDT)	Subscriber	Agents	Transactions	Amount (BDT)	Subscriber
Jul'21	3,822,834	3,700,893	12,768.77	1,395,455	381,554,769	77,645.90	156,026,369	13,086	11,150,939	32,523.18	12,360,576
Aug'21	3,912,195	3,611,919	15,281.32	1,421,933	369,127,935	71,229.46	159,013,728	13,160	10,557,594	37,512.94	12,605,017
Sep'21	4,025,434	3,799,414	16,862.60	1,411,192	365,210,917	74,248.53	162,095,327	13,467	11,171,328	42,370.15	12,911,018
Oct'21	4,158,419	4,070,877	15,558.28	1,431,364	376,249,253	76,725.32	164,619,367	13,591	11,513,278	42,072.36	13,189,535
Nov'21	4,306,170	3,983,288	17,009.39	1,388,741	376,260,335	78,584.12	167,005,492	13,753	13,846,787	45,381.95	13,507,106
Dec'21	4,439,938	4,299,401	20,558.93	1,412,767	391,636,834	81,099.13	169,722,031	13,951	13,984,633	49,139.29	14,047,396
Jan'22	4,554,785	4,552,127	18,623.21	1,429,850	408,094,514	84,783.41	173,267,972	14,081	14,755,323	52,121.88	14,416,227
Feb'22	4,699,459	4,496,931	17,763.30	1,445,537	368,643,121	78,545.22	176,274,230	14,168	13,291,184	47,055.91	14,777,744
Mar'22	4,826,551	5,177,824	23,140.75	1,465,032	413,268,681	89,076.99	170,251,728	14,170	13,934,578	56,640.25	15,192,980
Apr'22	4,924,682	5,860,722	22,957.60	1,482,016	444,373,921	107,460.31	172,937,294	14,188	14,189,702	53,463.58	15,485,570
May'22	5,138,554	4,819,088	20,662.97	1,495,856	413,216,473	76,311.97	175,769,859	14,240	14,020,406	48,028.71	15,720,988
Jun'22	5,355,586	5,667,084	23,770.84	1,515,665	461,609,837	94,293.70	178,639,642	14,300	22,596,105	58,534.18	16,073,962
Jul'22	5,472,264	5,703,793	23,548.54	1,526,239	431,892,765	89,169.26	181,137,763	14,412	12,448,213	52,784.44	16,287,310

Aug'22	5,716,529	5,970,748	25,543.98	1,493,398	408,059,052	87,446.37	183,224,610	14,509	12,988,273	57,542.35	16,537,969
Sep'22	5,889,226	6,024,976	26,605.39	1,500,128	408,379,707	87,635.17	185,257,932	14,716	12,732,190	59,295.22	16,781,251
Oct'22	6,019,687	6,117,675	25,965.30	1,521,803	444,062,360	93,034.98	187,523,593	14,833	15,506,520	59,770.28	17,042,562
Nov'22	6,127,001	6,201,828	27,426.64	1,531,405	415,974,768	92,125.75	188,559,736	15,056	14,627,647	65,062.23	17,251,563

Source: Bangladesh Bank



Source: Bangladesh Bank

The agricultural credit finances statistics showed that the credit disbursement and recovery amount fluctuated in the past 12 months and increased in September & November 2022 with a slight drop in October. However, credit disbursement and recovery amount followed a steady flow from January till May, then increased in June and fell again in July 2022. The disbursement amount again increased in November 2022 by 14.68%. However, recovery increased by 14.31% compared to October 2022. Nevertheless, the outstanding amount had slightly decreased in November 2022 standing at BDT 50,206.69 Crore.

Dhaka Stock Exchange (DSE)

At the end of October 2022, the total number of listed securities stood at 656. Among them, there were 352 companies, 250 government bonds, 37 mutual funds, 9 corporate bonds, and 8 debentures. The number of companies consists of 33 banks, 23 financial institutions, 55 insurance companies, and 241 other companies.

The DSE Broad Index (DSEX) stood at 6307.34 at the end of October 2022, which was 3.16% lower than those of September 2022, and 9.91% lower than the same month of the previous year (Figure 1). On the other hand, Figure 1 also shows that the market capitalization of DSE stood at Tk.7,669.18 billion at the end of October 2022, which was 47.51% higher than those of the prior month, and 37.05% higher than the same month of the preceding year.

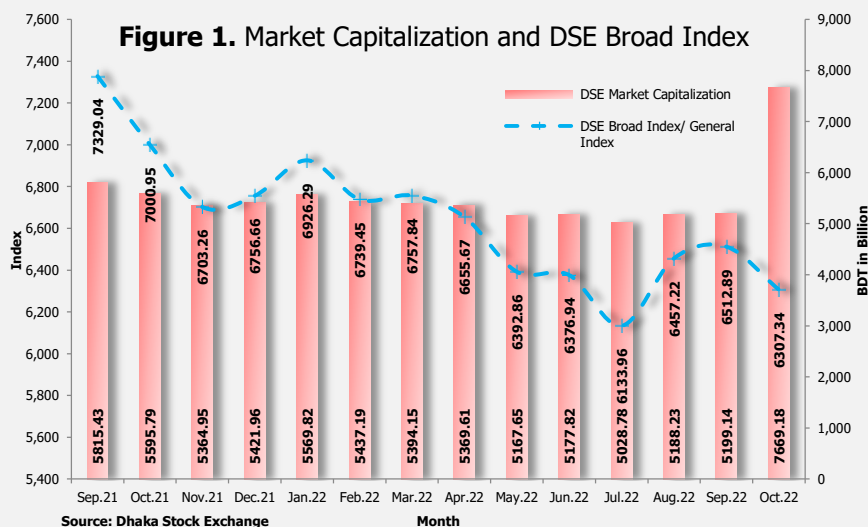
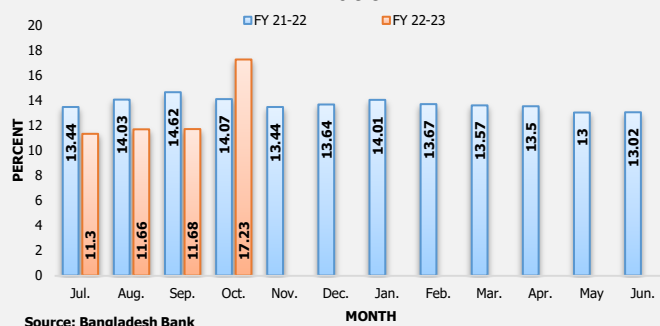


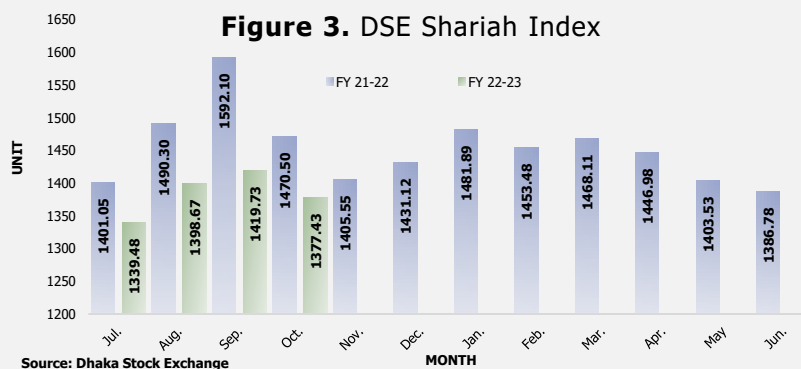
Figure 2. Market Capitalization to GDP Ratio

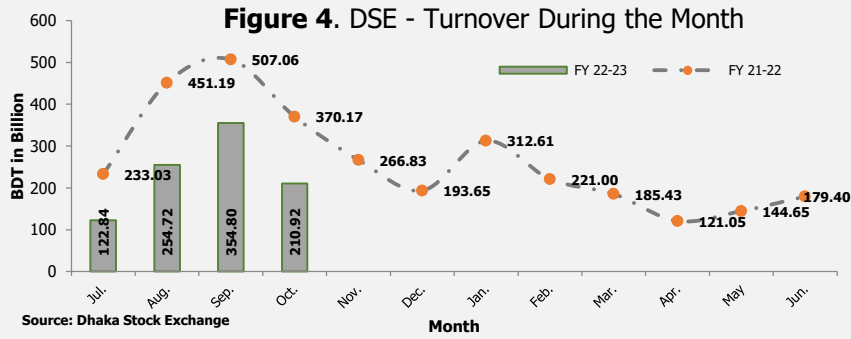


The ratio of market capitalization to GDP for a particular month is calculated as the total market capitalization of that month divided by the total GDP at the current market price in which this particular month belongs.

The ratio of market capitalization to GDP (at the current market price) stood at 17.23% at the end of October 2022, which was 11.68% at the end of September 2022 and 14.07% in the corresponding month of the previous year (Figure 2).

The DSEX Shariah Index (DSES) stood at 1,377.43 at the end of October 2022, compared to 1,419.76 at the end of September 2022 and 1,470.50 at the end of October 2021 (Figure 3).





In October 2022, the value of the total turnover of the traded securities stood at BDT 210.92 billion, which was 40.55% lower than those of September 2022, and 43.02% lower than the corresponding month of the previous year (Figure 4).

Figure 5. Month to Month Price-Earning ratio and Yield of DSE

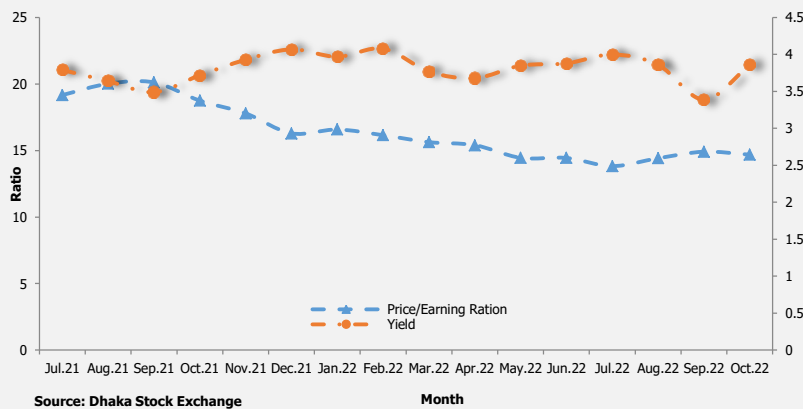
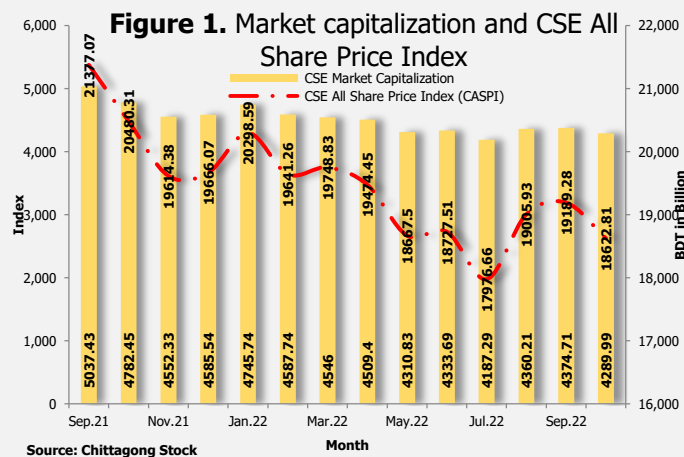


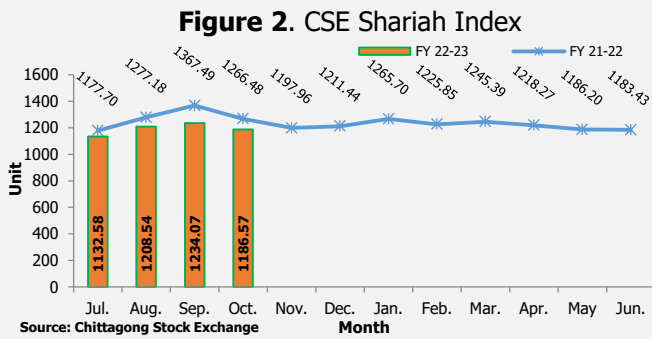
Figure 5 shows the trends in price-earnings ratio and yield. The Price-Earning (P/E) ratio of all securities stood at 14.69 at the end of October 2022, which was 14.91 at the end of September 2022, and this ratio was 18.75 at the end of October 2021. The yield of all securities decreased to 3.86 at the end of October 2022, which was 3.39 at the end of September 2022 and 3.72 at the end of October 2021.

Chittagong Stock Exchange (CSE)

Similarly, the total number of listed securities in the CSE stood at 368 at the end of October 2022. The total amount of issued capital stood at Tk.918.25 billion at the end of October 2022, which was Tk.916.70 billion at the end of September 2022, and Tk.847.20 billion at the end of the same month of the previous year.



The trends of market capitalization and all share price indexes of the CSE are shown in Figure 1. All Share Price Index of CSE (CASPI) stood at 18,622.81 at the end of October 2022, which was 2.95% lower and 9.07% lower than those of September 2022, and the same month of the previous year. The market capitalization of the CSE stood at Tk.4,289.99 billion at the end of October 2022, which were 1.94% lower than those of September 2022 and 10.30% lower than the same month of the previous year.



The CSE Shariah Index (CSI) stood at 1,186.57 at the end of October 2022, which was 1,234.07 at the end of September 2022 and 1,266.48 at the corresponding month of the previous year (Figure 2).

In October 2022, the value of the total turnover of the traded securities stood at BDT 4.91billion, which was 62.55% lower than those of September 2022, and 64.34% lower than the corresponding month of the previous year (Figure 3).

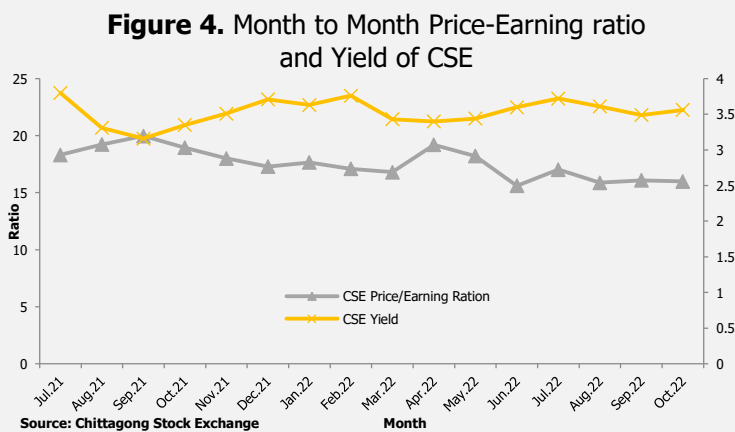
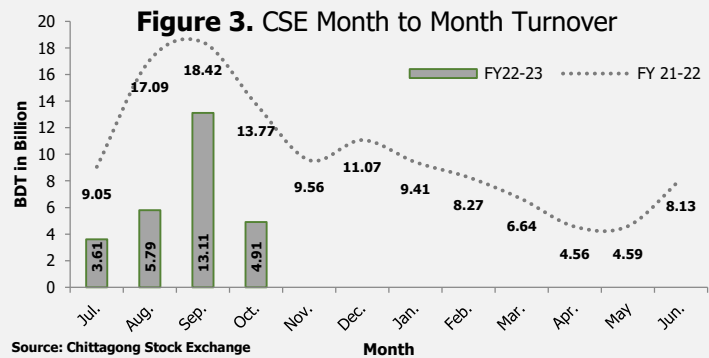


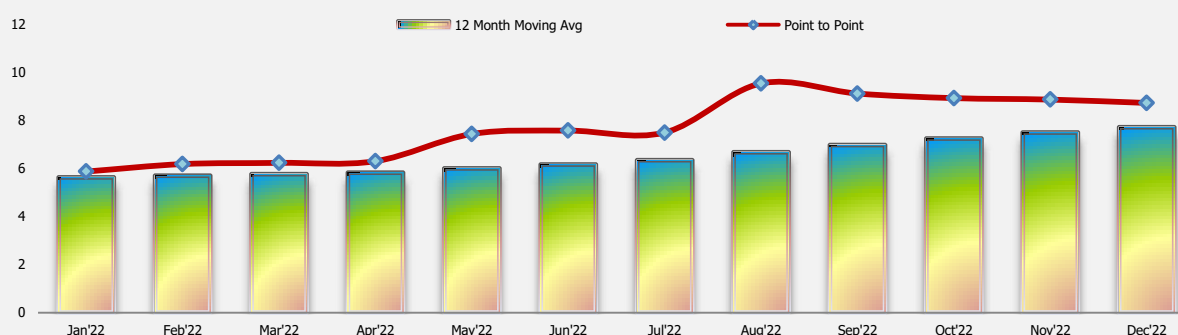
Figure 4 shows the trends in the price-earnings ratio and yield of CSE. The Price-Earning (P/E) ratio of all securities stood at 15.99 at the end of October 2022, which was 16.08 at the end of September 2022, and this ratio was 18.94 at the end of October 2021. The yield of all securities decreased to 3.56 at the end of October 2022, which was 3.49 at the end of September 2022 and 3.35 at the end of October 2021.

Real Sector Update

In December 2022, the twelve-month moving average and point-to-point inflation stood at 7.70% and 8.71%, respectively. Compared to November, the twelve-month moving average inflation had increased whereas, point-to-point inflation declined slightly. In December 2022, urban and rural inflation declined for point-to-point inflation which, however, increased in October month. In December, food and non-food inflation declined to stand at 7.91% and 10.29%. The non-food inflation in urban and rural also declined to 9.51% and 10.29%, respectively.

The categories of non-food items like Gross Rent, Fuel & Lighting, Clothing & Footwear, Furniture & House equipment, Medical Care, Transportation, and Miscellaneous Goods and Services experienced a significant decrease in the monthly percentage of CPI in December 2022 compared to items like Recreation Education & Environment which remained constant.

Figure 1. CPI Inflation, Bangladesh (2005/2006=100)



Source: Bangladesh Bureau of Statistics

Table1. CPI Inflation, Bangladesh (2005/2006=100)

Month	National			Urban			Rural		
	General	Food	Non-Food	General	Food	Non-Food	General	Food	Non-Food
Jul'21	5.36	5.08	5.80	5.06	4.01	6.24	5.53	5.56	5.47
Aug'21	5.54	5.16	6.13	5.22	4.02	6.59	5.71	5.67	5.79
Sep'21	5.59	5.21	6.19	5.25	4.03	6.65	5.77	5.74	5.84
Oct'21	5.70	5.22	6.48	5.50	4.31	6.89	5.81	5.62	6.17
Nov'21	5.98	5.43	6.87	5.59	4.37	6.99	6.20	5.90	6.78
Dec'21	6.05	5.46	7.00	5.66	4.41	7.07	6.27	5.93	6.94
Jan'22	5.86	5.60	6.26	5.47	4.85	6.17	6.07	5.94	6.32
Feb'22	6.17	6.22	6.10	5.59	5.30	5.91	6.49	6.62	6.25
Mar'22	6.22	6.34	6.04	5.69	5.49	5.90	6.52	6.71	6.15
Apr'22	6.29	6.23	6.39	5.75	5.31	6.25	6.59	6.64	6.50
May'22	7.42	8.30	6.08	6.49	7.08	5.85	7.94	8.84	6.26
Jun'22	7.56	8.37	6.33	6.62	7.11	6.08	8.09	8.93	6.51
Jul'22	7.48	8.19	6.39	6.51	6.84	6.15	8.02	8.79	6.58
Aug'22	9.52	9.94	8.85	9.18	9.87	8.42	9.70	9.98	9.18
Sep'22	9.10	9.08	9.13	9.03	9.36	8.66	9.13	8.95	9.48
Oct'22	8.91	8.50	9.58	8.90	8.75	9.07	8.92	8.38	9.98
Nov'22	8.85	8.14	9.98	8.70	7.95	9.54	8.94	8.23	10.31
Dec'22	8.71	7.91	9.96	8.43	7.45	9.51	8.86	8.11	10.29

Source: Bangladesh Bureau of Statistics; Bangladesh Bank

Table2. Monthly % Change in Consumer Price Index (Point to Point Inflation, National) (2005/06=100)

Month	Non-Food	Clothing & Footwear	Gross Rent, Fuel & Lighting	Furniture & House Equipment	Medical Care & Health Expenses	Transportation & Communications	Recreation, Entertainment, Education & Cultural Services	Misc. Goods and Services
Jul'21	5.80	0.37	0.22	0.36	0.22	1.10	0.24	0.30
Aug'21	6.13	1.05	0.41	0.59	0.08	0.41	0.24	0.41
Sep'21	6.19	1.06	1.12	1.54	0.09	0.64	1.05	0.71
Oct'21	6.48	0.27	0.44	0.05	0.04	0.85	0.08	0.18
Nov'21	6.87	0.72	0.35	0.34	0.04	2.30	0.27	0.34
Dec'21	7.00	1.15	0.11	0.25	0.03	0.29	0.39	0.30
Jan'22	6.26	0.37	0.35	0.57	0.11	0.45	1.06	1.37
Feb'22	6.10	0.60	0.05	0.48	0.05	0.45	0.30	0.41
Mar'22	6.04	0.56	0.22	0.45	0.14	0.24	0.58	1.18
Apr'22	6.39	0.88	0.21	0.75	0.27	0.61	0.80	0.67
May'22	6.08	0.37	0.15	0.76	0.18	0.30	0.43	0.36
Jun'22	6.33	0.51	0.20	0.80	0.22	1.23	1.36	1.35
Jul'22	6.39	0.57	0.17	0.18	0.24	0.22	0.71	1.85
Aug'22	8.85	0.42	4.78	1.34	9.32	2.37	0.78	1.22
Sep'22	9.13	0.85	0.37	1.56	4.66	1.38	0.39	1.66
Oct'22	9.58	0.29	0.29	0.90	0.60	1.22	0.46	2.40
Nov'22	9.98	0.81	0.12	1.53	2.64	1.68	0.33	1.75
Dec'22	9.96	0.60	0.01	1.00	0.15	0.28	0.33	0.40

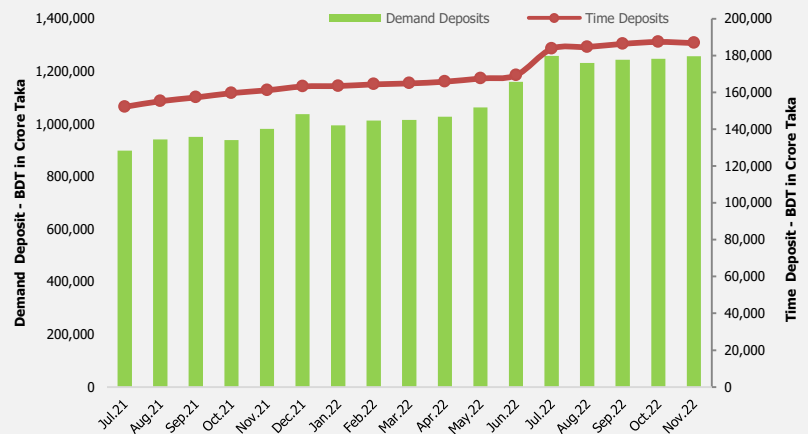
Source: Bangladesh Bureau of Statistics

Monetary Sector Update

Deposit Money in Bank

Figure 1 consists of Deposit Money Banks (DMBs) from July 2021 to November 2022 comprising 60 Scheduled Banks. In the month of November 2022, demand deposit increased to BDT 179,578 crore compared to the month of October 2022. However, time deposit decreased to BDT 1,307,310 crore in the month of November 2022 which was BDT 1,311,731 crore in October 2022.

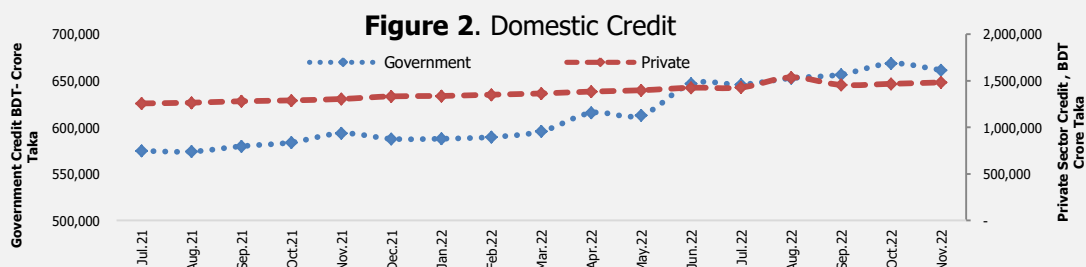
Figure 1. Deposit Money Banks (DMBs)



Source: Bangladesh Bank

Domestic Credit

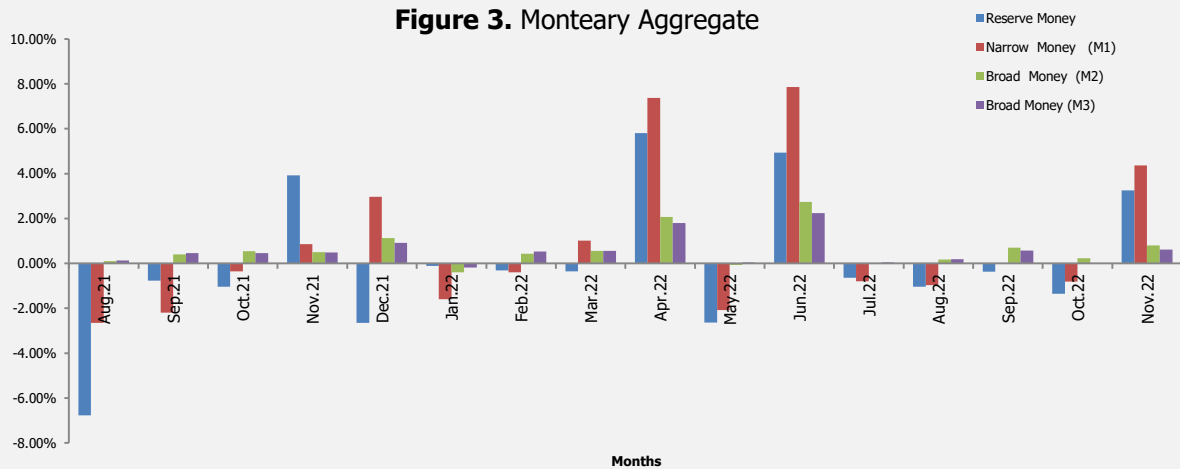
Figure 2 shows total domestic credit of government and private sector of Bangladesh. In the month of November 2022, total private credit increased to BDT 1,483,223 crore. However, in the month November, 2022 total government domestic credit decreased to BDT 661,583.



Source: Bangladesh Bank

Monetary Aggregate

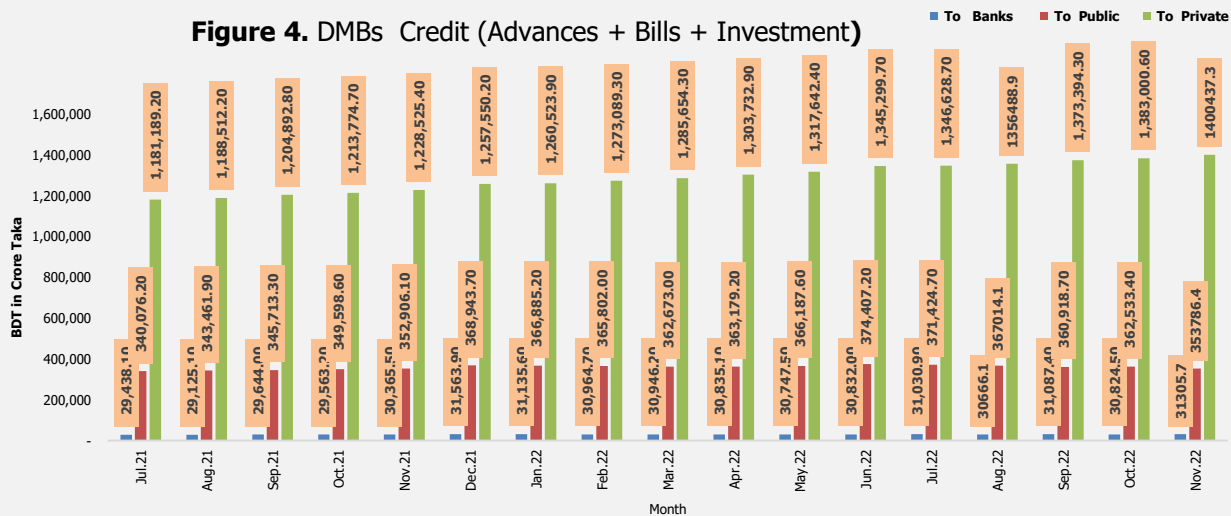
Figure 3 shows the monetary aggregate of Bangladesh Bank. In October 2022, growth of reserve money, narrow money (M1), broad money (M3) was negative and broad money (M2) growth was positive. However, in the month of November 2022 all of the indicators of monetary aggregate experienced positive growth compare to October 2022.



*Source: Bangladesh Bank

DMBs Credit (Advances + Bills + Investment)

Figure d shows DMBs' credit for advances, bills, and investments. In the month October 2022, amount of advances, bill, investment were BDT 30,824.50 crore, 362,533 crore, 1,383,000 crore. However, in the month November 2022, DMBS advance to bank, public, private increased to BDT 31,305 crore, 3,53,784 crore, 1,400,434 crore respectively



Source: Bangladesh Bank

External Sector Update

Foreign Direct Investment (FDI) in Bangladesh

Figure 1 shows that the Foreign Direct Investment (FDI) stands at US\$ 18,721.69 million at the end of April-June 2021, while it was US\$ 20,503.54 million at the end of April-June 2022. The Foreign Direct Investment increased by US\$ 1781.85 million at the end of April- June 2022 from the end of April-June 2021.

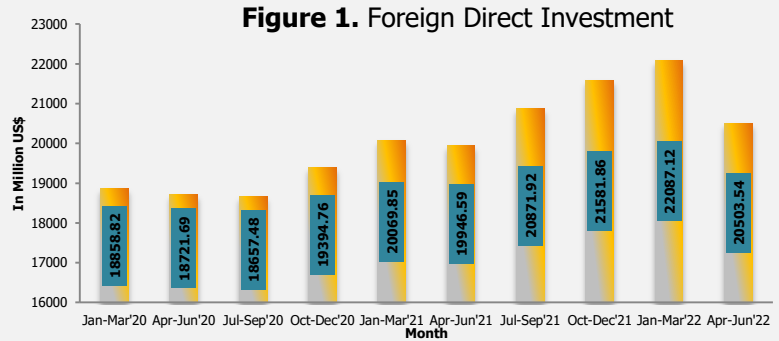
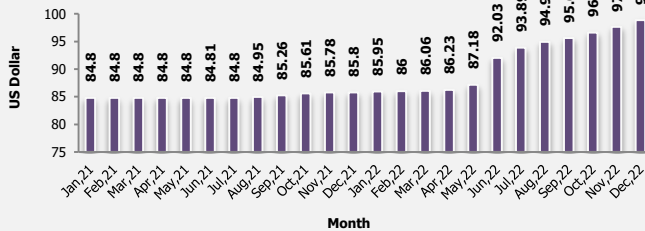


Figure 2. Exchange Rate



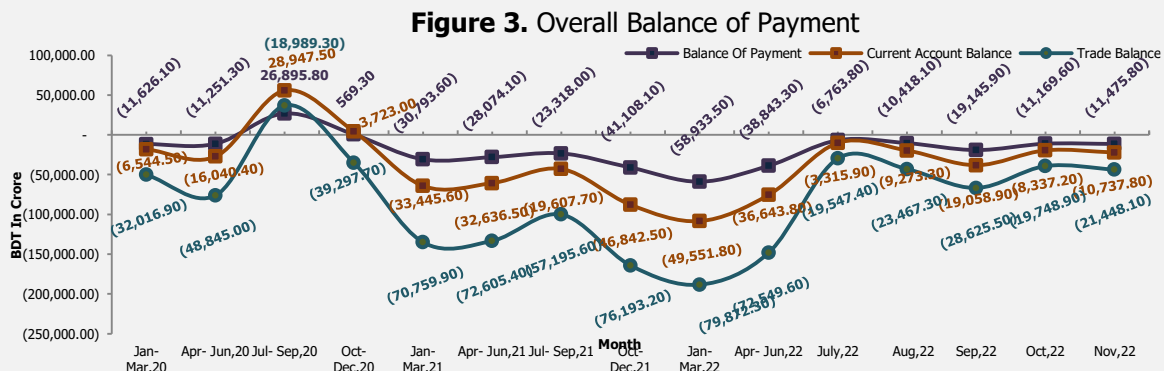
Exchange Rate

Figure 2 shows that the exchange rate according to the Bangladesh Bank data stands at US\$ 98.85 at the end of December 2022 while it was US\$ 85.8 at the end of December 2021. Figure 2 also shows that the exchange rate increased significantly from the month of December 2021 to December 2022. Thus the exchange rate increased by 13.05% from the end of December 2021 compared to the end of December 2022.

Figure 2 also shows that the exchange rate increased significantly from the month of December 2021 to December 2022. Thus the exchange rate increased by 13.05% from the end of December 2021 compared to the end of December 2022.

Balance of Payment

Figure 3 shows that the Balance of Payment stands at BDT 11,475.80 million at the end of November 2022, while it was BDT 41,108.10 million at the end of October-December 2021. Figure 3 also shows that Balance of Payment decreased at the end of October-December 2021 than the November 2022. Figure 3 shows that the Current Account Balance stands at BDT 10,737.80 million at the end of November 2022, while it was BDT 46,842.50 million at the end of October-December 2021. Figure 3 shows that the trade balance stands at BDT 76,193.20 million at the end of October- December 2021, while it was BDT 21,448.10 million at the end of November 2022. According to the Bangladesh Bank data, the Current Account Balance improved in November 2022 from the month of October-December 2021.



Current Account Balance

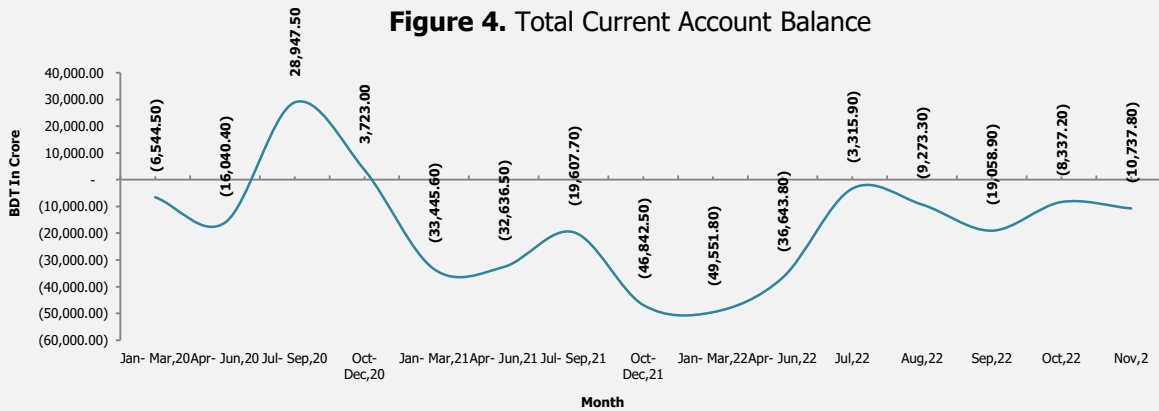
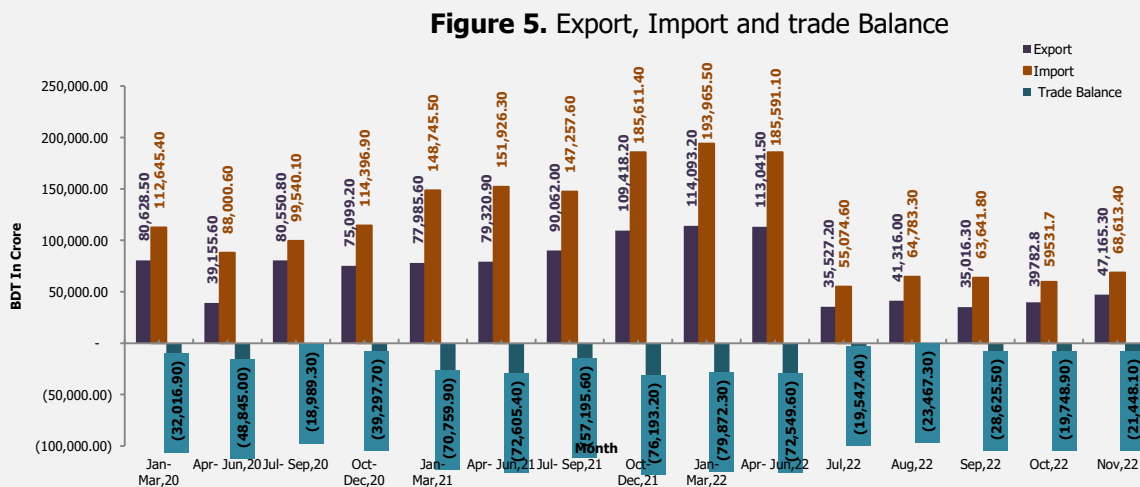


Figure 4 shows that the current account has a deficit balance of BDT 46,842.50 million at the end of October-December 2021 which in November 2022 stood at BDT 10,737.80 million. The balance of payment decreased at the end of November 2022 compared at the end of October-December 2021.

Export, Import and Trade Balance

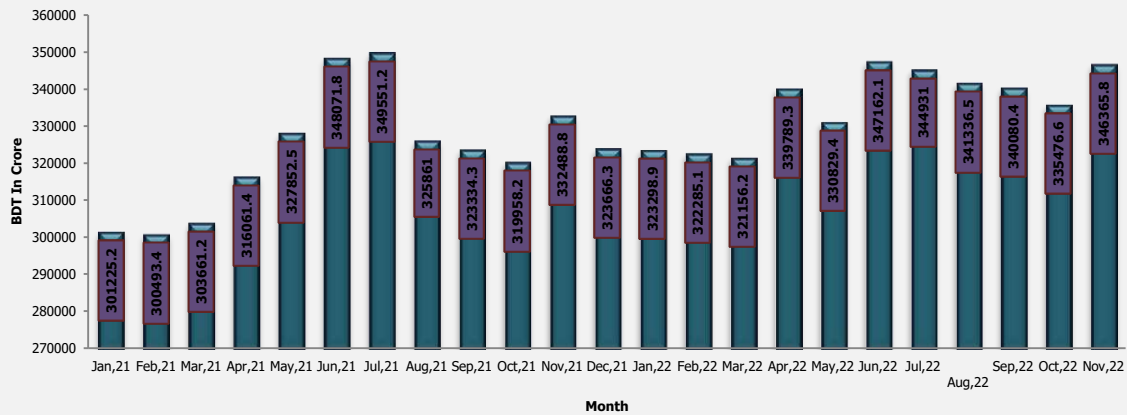
Figure 5 shows that in November 2022 Export, Import and Trade Balance receipts are recorded compared to that of October-December 2021. Export receipts in November 2022 amounted to BDT 47,165.30 million which is lower than the amount in October-December 2021 amount of BDT 109,418.20 million. Thus the export product decreased by BDT 62,252.90 million at the end of November 2022 compared to the end of October-December 2021. Import receipts in November 2022 amount to BDT 68,613.40 million which is lower than the amount in October-December 2021 amount of BDT 185,611.40 million. Thus the import product of Bangladesh decreased by BDT 116,998.00 million at the end of November 2022 compared to the end of October-December 2021. Trade Balance receipts had deficit in November 2022 amounted to BDT 21,448.10 million which is lower than the amount in October-December 2021 deficit amount of BDT 76,193.20 million. Thus the Trade Balance decreased by BDT 54,745.10 million at the end of November 2022 compared to the end of October-December 2021.



Foreign Exchange Reserve

Figure 6 show that the Foreign Exchange Reserves stood at BDT 332,488.80 million at the end of November 2021, in November 2022, it was BDT 346,365.8 million. The Foreign Exchange Reserves in Bangladesh fluctuated over the period. The Foreign Exchange Reserves increased by BDT 13,877.00 million at the end of November 2022 compared to the reserves held at the end of November 2021. Moreover, the Foreign Exchange Reserves also stood at BDT 10,889.20 million, which is lower in October 2022 than November 2022.

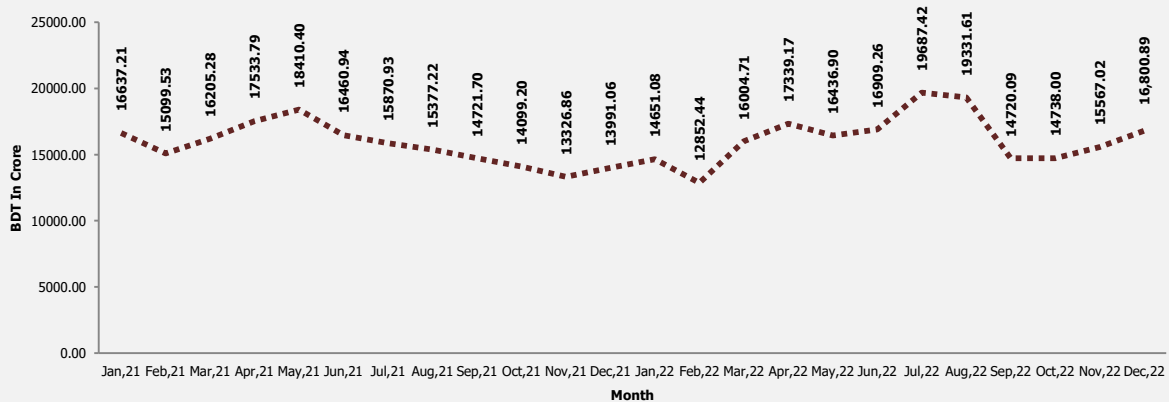
Figure 6. Foreign Exchange Resurve



Workers' Remittance

Figure 7 shows that worker's remittance stood at BDT 13,991.06 million at the end of December 2021, and it stood at BDT 16,800.89 million at the end of December 2022. Workers' remittance increased by BDT 2809.83 million at the end of December 2022 compared to the end of December 2021.

Figure 7. Worker's Remittance

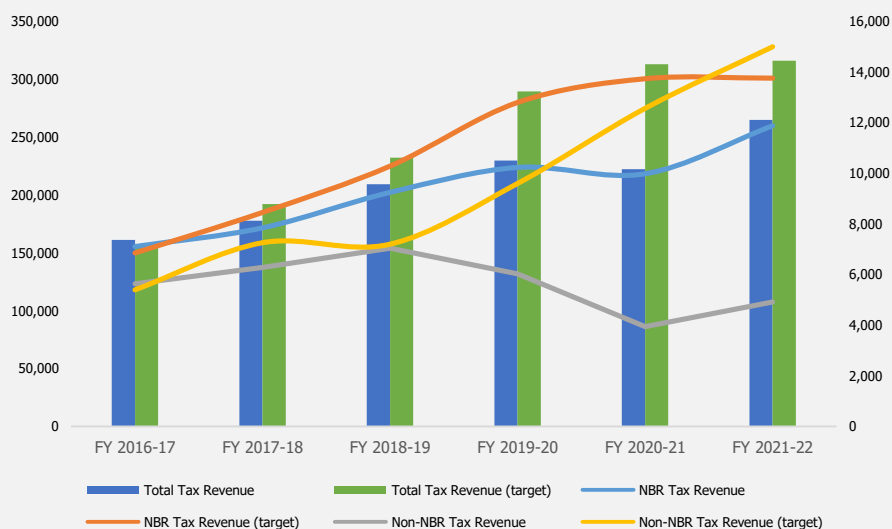


Fiscal Sector Update

The NBR tax revenue collection data shows during July to November of FY23 stood at Taka 115,637.52 crore which was higher by Taka 14,092.67 crore or 13.88% against the collection of Taka 101,595.93 crore during July-November of FY22 (Table 1).

Total tax revenue (NBR & Non-NBR) during July-November of FY23 stood at Taka 120,634.94 crore which was lower by 3.92% against the collection of Taka 103,511.76 crore during FY22 (Table 1). The collection of total tax revenue during July-November of FY23 grew by BDT 24,722.77 crore.

Figure 1. Yearly NBR and Non-NBR Tax Revenue



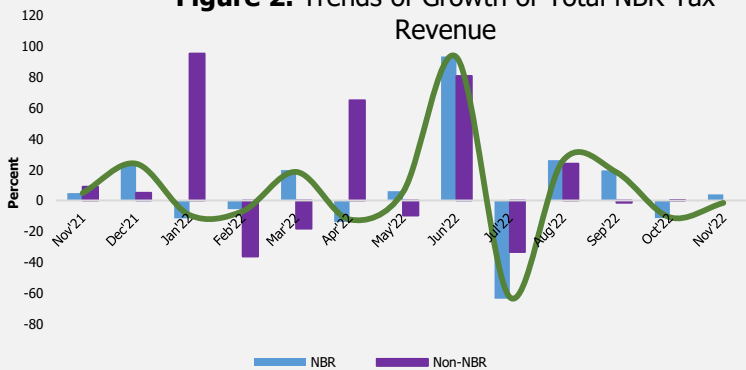
Source: Bangladesh Bank

Table 1. NBR and Non-NBR Tax Revenue, FY22 & FY23

	(Taka In Crore)													
	NBR Tax Revenue (FY23)					Non NBR Tax Revenue	Total NBR Revenue Collection	NBR Tax Revenue (FY22)					Non NBR Tax Revenue	Total NBR Revenue Collection
	Customs duties	VAT	Income Tax	others	NBR Tax Revenue Total			Customs duties	VAT	Income Tax	others	NBR Tax Revenue Total		
	1	2	3	4	5=(1+,,+4)	6	7=(5+6)	1	2	3	4	5=(1+,,+4)	6	7=(5+6)
July	2692.53	5557.52	4656.93	4911.18	17818.16	1067.18	18885.34	1933.39	6777.31	4711.41	1932.22	15354.33	217.21	15571.54
August	3330.91	13308.34	5544.96	288.15	22472.36	1320.52	23792.88	2556.05	8184.75	5242.96	3210.85	19194.61	418.54	19613.15
September	3026.84	13847.62	9606.29	353.18	26833.93	1303.47	28137.40	3230.27	9106.30	7917.00	3548.64	23802.21	215.60	24017.81
October	2979.88	13918.16	6527.94	364.32	23790.30	1306.25	25096.55	2723.41	8996.16	5669.14	3728.21	21116.92	509.62	21626.54
November	3235.26	14650.90	6473.00	363.61	24722.77	-	24722.77	2876.28	9479.29	5971.02	3801.27	22127.86	554.86	22682.72
December	-	-	-	-	0.00	-	0.00	2907.56	9616.95	9859.65	5128.61	27512.77	582.98	28095.75
January	-	-	-	-	0.00	-	0.00	2953.04	9929.24	7036.32	4429.31	24347.91	1136.25	25484.16
February	-	-	-	-	0.00	-	0.00	3080.29	9677.34	6446.87	3815.06	23019.56	726.10	23745.66
March	-	-	-	-	0.00	-	0.00	3238.22	9882.06	10252.53	4177.11	27549.92	594.83	28144.75
April	-	-	-	-	0.00	-	0.00	3153.48	10226.88	6003.38	4346.76	23730.50	979.86	24710.36
May	-	-	-	-	0.00	-	0.00	3014.08	10358.01	7411.86	4380.22	25164.17	885.52	26049.69
June	-	-	-	-	0.00	-	0.00	3597.94	18034.75	26386.02	585.89	48604.60	1597.69	50202.29
Total	15265.42	61282.54	32809.12	6280.44	115637.52	4997.42	120634.94	31666.07	102234.29	76522.14	42498.26	252920.76	4955.99	257876.75

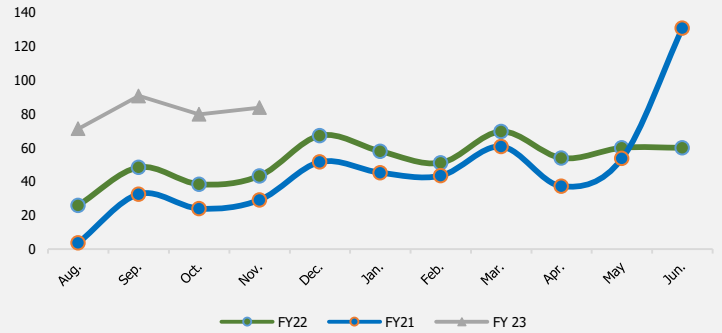
Source: Bangladesh Bank; Major Economic Indicators: Monthly Update;

Figure 2. Trends of Growth of Total NBR Tax Revenue



Source: Bangladesh Bank

Figure 03. Cumulative Growth of NBR Total Revenue

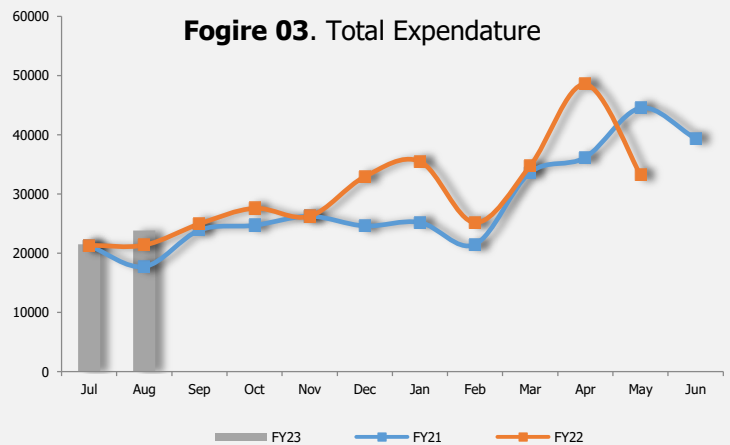


Source: Bangladesh Bank

Figure 2 shows the trends of Month-over-Month growth of NBR tax revenue. On the other hand, Figure 3 shows the cumulative growth of NBR total revenue (sum of NBR tax and non-NBR tax) where the cumulative growth up to November of FY23 was 83.74%, which is 40.40% more than the November of the previous FY22. This cumulative growth was 43.34% up to November of FY22.

The total government expenditure in Aug. FY23 was BDT 23804crore, which is 20.46% more than the previous year (FY22) in the same month BDT 21369 crore.

Fogire 03. Total Expenditure



Source: Bangladesh Bank

Table 1. Selected Economic Indicators

Country	Unemployment Rate [%]	Repo Rate [%]	Consumer Price Index [CPI]	Balance of Trade [billion \$]	Consumer Credit [billion \$]
Bangladesh	...	5.75	333.07	-2.20	171.96
India	8.00	5.90	176.50	-19.89	...
Malaysia	3.60	...	129.00	5.12	102.42
Vietnam	...	6.00	109.87	0.74	...
UK	3.70	3.00	126.69	-2.16	...
USA	3.60	...	297.71	-78.20	...

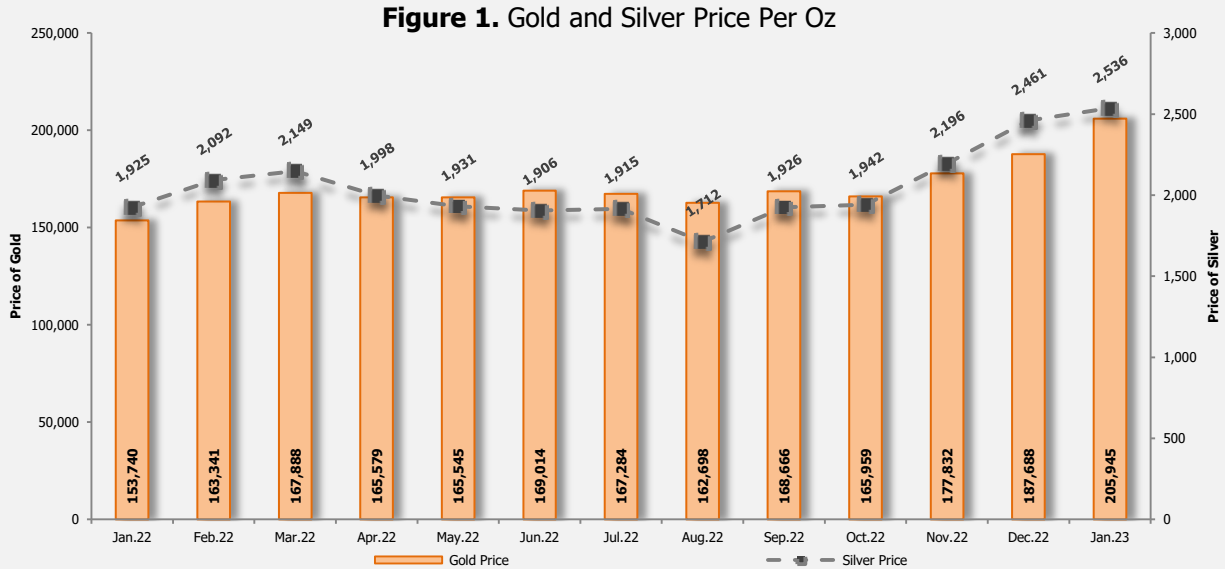
Source: Trading Economics [November 2022]

According to data, the unemployment rate of India increased where as for the USA it declined in November 2022 and stood at 8.00% and 3.60% respectively compared to the previous month. However, Malaysia’s unemployment rate remained constant as the previous month.

The repo rate of UK increased in November as compared to October 2022 which is 3.00%. The repo rate of Bangladesh, India and Vietnam remained the same as the previous month and stood at 5.75%, 5.90% and 6.00% in November 2022, respectively. The balance of trade in November 2022 for Bangladesh, India, Vietnam, UK and USA decreased standing at USD 2.20 billion, USD 19.89 billion, USD 5.12 billion (Positive balance), USD 0.74 billion (Positive balance), USD 2.16 billion and USD 78.20 billion, respectively. The consumer price index experienced a decrease whereas, for Bangladesh, India, Vietnam and UK it increased.

The consumer credit for Bangladesh and increased in November 2022 and stood at USD 171.96 billion and USD 102.42 billion.

Figure 1 show the price per ounce of gold and silver in the BDT currency (where one ounce equals 2.43 bhori). In the recent year, the highest price of gold was BDT 205,945 in January 2023, and the lowest price of gold was BDT 153,740 on January 2022. On the other hand, the highest silver selling price per ounce was BDT 2,536 in January 2023, and the lowest selling price was BDT 1,712 in August 2022. However, the latest price of gold was 33.96% higher than the previous year's price, and the price of silver which was 31.74% higher than the previous year's price.



Source: Goldprice



ECRL team celebrated traditional Bengali Pitha festival on 10th January, 2023 with the honorable Managing Director & CEO Mr. N K A Mobin, FCS, FCA, and honorable Director & COO, Mr. Arifur Rahman, FCCA, ACA attended on the festival.



Dr. Jamaluddin Ahmed, FCA
Chairman

Dr. Jamaluddin Ahmed is one of the sponsor directors of Emerging Credit Rating Ltd. (ECRL). He is also the Chairman of the company. Professionally a Chartered Accountant and the fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB) since 1990; he has been awarded PhD in Accounting from Cardiff Business School, University of Wales, under Commonwealth Scholarship in 1996, and secured First Class in Masters Degree and Bachelors with Honours from Accounting Department of Dhaka University.

He has many years of experience in the financial sector of Bangladesh and has used his expertise and experience to carryout numerous research work and publications. He is the Audit Engagement Partner of 10 banks and leasing companies, 4 energy companies, 10 listed non-bank companies and tax advisor for many local and multinational companies. He also performs the following responsibilities:

- The Board of Directors of Janata Bank Limited (2008-2013), Essential Drugs Limited, Power Grid Company of Bangladesh Limited.
- The Chairman of Board Audit Committee of Janata Bank Limited (2008-2013) and Power Grid Company of Bangladesh Limited.
- The Member of Board of Directors and Chairman of Audit Committee of Grameen Phone Limited, Advisor to the Board and Audit Committee of Bangladesh Bank.
- Previously He had been the representation of ICAB to the Board of Dhaka WASA, Dhaka Stock Exchange Ltd, Consultative Committee at the Security and Exchange Commission, Bangladesh Telecommunication Company Limited.
- From 1999 to 2013 he was a partner at Hoda Vasi Chowdhury & Co., An Independent Firm of Deloitte Touche & Tohmatsu. He has taken a number of training courses in the power and energy sector and has completed assignments at numerous banks.



Mr. N K A Mobin, FCS, FCA
Managing Director & CEO

Mr. N K A Mobin is a veteran businessman and skilled in a broad range of trade ventures. He is one of the 4 sponsor Directors of the Emerging Credit Rating Ltd, the eminent credit rating agency in Bangladesh. Mr. Mobin has completed his Bachelor of Business Administration & Masters of Business Administration from University of Dhaka majoring in Finance with first class result. He is a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB) & Institute of Chartered Secretaries and Managers of Bangladesh (ICSMB) since 1992 & since 1998, respectively. He is also a Member of Institute of Financial Consultants (IFC) of USA since 2002.

Mr. Mobin has working experience of more than 34 years in different corporate arena like financial management system including the budgeting and reporting system, Tax management and optimization in tax expenses, involved in different projects cost optimization/efficiency and revenue maximization areas, etc. He has been Director Projects & Administration and Director Finance and Company Secretary in Grameenphone Ltd. (GP). He has also been the Director Finance and Company Secretary in Novartis (Bangladesh) Limited. He also performs the following responsibilities:

- People's Leasing and Financial Services Limited – Court appointed as the Director of People's Leasing and Financial Services Limited.
- Dhaka Chamber of Commerce and Industry (DCCI) – Appointed as one of the Board members for 2020-2022 and also Senior Vice President for 2021.
- Institute of Chartered Accountants of Bangladesh (ICAB) – Elected Council member for 2019-21 and Ex Vice President (Education and Examination) for 2019.
- Unique Hotel And Resort - Appointed as the Independent Director of Unique Hotel And Resort



Mr. Arifur Rahman, FCCA, ACA,
Director & COO

Mr. Arifur Rahman is a dynamic professional representing the Emerging Credit Rating Limited as the Director and Chief Operating Officer, the distinguished credit rating agency in Bangladesh. He has completed his B.Sc. (Hons) in Civil Engineering with first class result from Bangladesh University of Engineering & Technology (BUET) and also completed BSc (Hons) achieving higher second class honors (2:1) in Applied Accounting from Oxford Brookes University.

Mr. Rahman has 21 years of expertise in the various sectors like Civil Engineering, Auditing, Financial Consultancy, Feasibility Studies, and Tax Advisory and Planning etc. He is also a Certified Sharia Adviser & Auditor (CSAA). He is actively involved in taking charge of the technical and organizational interests and advising the company in articulating current business strategies as well as future growth potentials. He is responsible to administer different departments and plays an important role in taking the managerial and operational decisions of the organization. Mr. Rahman is also the Fellow Member of the Association of Chartered Certified Accountant. Mr. Rahman is qualified as a chartered accountant from the institute of the Institute of Chartered Accountants of Bangladesh (ICAB).



Mr. Saami Alam
Chief Rating Officer

Mr. Saami Alam is a dedicated and enthusiastic professional holding the position of the Chief Rating Officer in Emerging Credit Rating Limited since 2018 having work experience of more than nine years. He joined ECRL in the year 2011 and has been actively involved in the strategic and management decision making.

Mr. Alam completed his Bachelor of Business Administration and Masters of Business Administration from North South University majoring in Finance. Along with supervising the credit rating reports, he is co-coordinating different industry analysis, feasibility studies, and other projects. He is involved in preparing and presenting financial and economic models for management, board of directors, investors and lenders. He is responsible to supervising overall operational management, co-ordinate and control the department work process to meet common target and evaluating performances of the team members. He is a member of Internal Rating Committee in ECRL.



Ms. Zenith Matin, ACCA
Deputy Chief Rating Officer

Ms. Zenith Matin completed ACCA (Association of Certified Chartered Accountants) and BSc in Applied Accounting from Oxford Brookes University, UK. She completed her Master of Business Administration majoring in Finance from Independent University, Bangladesh.

Ms. Matin joined ECRL in the year 2011 and is holding the position of the Deputy Chief Rating Officer in Emerging Credit Rating Limited since 2018. She has working experience of more than nine years in the related field. She is responsible to supervise and co-ordinate different projects which involve preparation of financial and economic models. She is a member of Internal Rating Committee in ECRL and co-ordinate and control the department work process to meet common target. She is also involved in the performance evaluation of the team members.



Mr. Md. Harun Chowdhury
Assistant Portfolio Manager

Mr. Md. Harun Chowdhury completed Bachelor of Business Administration major in Finance from Dhaka University. Mr. Chowdhury joined ECRL in the year 2013 and is holding the position of the Assistant Portfolio Manager in Emerging Credit Rating Limited since 2020. He has working experience of more than seven years in related field.

He is responsible to supervise and coordinate different projects, NBFIs and Bank Rating which involve preparation and analysis of financial models, co-ordinate training and setting strategies for meeting operational goals of the department work process to meet common target. He is a member of Internal Rating Committee in ECRL and is also involved in the performance assessment and evaluation of the team members.



Mr. Md. Nawshad Parvez
Senior Financial Analyst

Mr. Md. Parvez completed Bachelor of B.Com Honors and Master's in Accounting from National University. He also earned a BSc Honors in Applied Accounting from Oxford Brookes University, UK and has completed 12 out of 13 ACCA papers. Mr. Parvez joined ECRL in the year 2018 and is holding the position of the Senior Financial Analyst in Emerging Credit Rating Limited since 2018.

He has working experience in the accounts and finance for around ten years including in the UK. At ECRL, he is responsible to supervise and co-ordinate different projects which involve preparation of financial and economic models. He is a member of Internal Rating Committee in ECRL and co-ordinate and control the department work process to meet common target. He is also involved in the performance evaluation of the team members.

Research Team



Mr. Al Mamun
Research Fellow

Mr. Al Mamun is a Research Fellow at ECRL, working on different issues related to macroeconomic analysis, industry research, data bank development, project management, and the financial & banking sector. In addition, he is also interested in working on macroeconomic policies, energy, and environmental-related issues.

Mr. Mamun also served as a Research Fellow at the Center for Policy and Economic Research (CPER). He played a remarkable role in the industry, labor market discrimination, poverty, international trade, sustainable development, etc.

Mr. Mamun completed an undergraduate and postgraduate program in Economics from East West University, Bangladesh. He also obtained an advanced degree in Statistics from the same university.



Ms. Nabihatul Afroz
Financial Analyst

Ms. Nabihatul Afroz completed her Master of Science in Economics from City University London, UK and Bachelor of Business Administration major in Finance & Economics from East West University. She has working experience of more than four years on different projects, financial reporting and credit rating assessments.

Ms. Afroz joined ECRL in the year 2016 and had been holding the position of Financial Analyst since 2020. She is engaged in different tasks, meeting common target or completing special project assigned by the management and writing reports which involve analyzing assorted industry data (both primary & secondary) and preparation of financial and economic research. She is also responsible to prepare and analyze different research based projects, survey questionnaire, data management, etc.



Mr. Md. Asaduzzaman
Research Analyst

Md. Asaduzzaman accomplished his Master of Business Administration (MBA) in Finance and Banking from Manarat International University, BD and Bachelor of Business Administration (BBA) major in Finance and Banking from the same university. He has working experience of more than two and half years on different projects, financial reporting and credit rating assessments.

He joined ECRL in 2022 and collaborated with credit rating corporate clientele as well as research team in the preparation and analysis of various industries. He enjoys working with financial data while having academic knowledge of financial planning, analysis and projection for companies and corporations.



Mr. Md. Junaid Bogdad
Research Associate

Mr. Md. Junaid Bogdad completed Bachelor of Business Administration (BBA) & Masters of Business Administration (MBA) majoring in Finance from the University of Dhaka. Mr. Junaid joined ECRL in the year 2022 as Research Associate. He has working experience in the capital market and related fields. He is responsible for keeping track of the microeconomic and preparing analysis reports on recent macroeconomic updates.

He is also responsible for preparing industry analysis reports and involves in the document verification system of selected entities. He has experience in company valuation, IPO valuation, and financial modeling and he has research experience on capital market issues.



Mr. Md. Nahidul Islam Shawon
Research Analyst

Mr. Md. Nahidul Islam Shawon completed his Master of Science and Bachelor of Science in Applied Statistics from East West University. He has working experience of more than one and half years on different projects and Industrial reporting. He has also worked as a Graduate Teaching Assistant (GTA) and Undergraduate Teaching Assistant (UTA) Department of Applied Statistics, East West University.

Mr. Md. Nahidul Islam Shawon joined ECRL in 2022 and is still working in the ECRL. Md. Nahidul Islam Shawon is a Research Analyst at ECRL, working on different issues related to Statistical data analysis, data collection, data Input, Industry Analysis and report write, forecasting and to prepare and analysis research based projects. Additionally he is quite interested in biostatistics, data science and artificial neural Network.

About ECRL

Emerging Credit Rating Limited (hereinafter referred to as ECRL) began its journey in the year 2009 with the motive to deliver credible superior & quality credit rating opinion in various industry segments around Bangladesh. ECRL obtained credit rating license from Bangladesh Securities and Exchange Commission (BSEC) in June 2010 as per Credit Rating Companies Rules 1996 and also received Bangladesh Bank Recognition as an External Credit Assessment Institutions (ECAI) in October 2010 to do the rating of Banks, Financial Institutions and their borrowers and also from Insurance Development & Regulatory Authority (IDRA) in 2015 to do the rating of Insurance Companies & affiliated with Malaysian Rating Corporation Berhad.

Emerging Credit Rating Limited's team is oriented towards the continuous improvement of processes, striving for an important role in the leadership of the business world. Every individual in ECRL is committed to providing topmost ingenious Credit Rating Services and Comprehensive Research Services in Bangladesh. ECRL's rating services and solutions reflect independence, professional, transparency and impartial opinions, which assist businesses in enhancing the quality of their decisions and helping issuers access a broader investor base and even smaller known companies approach the money and capital markets. The Credit Rating process is an informed, well-researched and intended opinion of rating agencies on the creditworthiness of issuers or issues in terms of their/ its ability and willingness of discharging its financial obligations in a timely manner. Issuers, lenders, fixed-income investors use these risk assessments for the purpose of lending to or investment in a corporation (such as a financial institution, an insurance company, a non-banking corporation or a corporate entity) as well as evaluating the risk of default of an organization's financial obligations in terms of loan or debt.



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Dhaka Office

Shams Rangs, House 104,
Park Road
Level-A1, A2 & A5
Baridhara, Dhaka-1212
Tel: +880 2222260911,
+880 2222260897
Fax: +880 2222260828
Email: info@emergingrating.com

Chattogram Office

Al Madina Tower, 6th Floor
88-89, Agrabad C/A, Chittagong
Tel: +880 1833 330059,
+880 1833 330061

Bogura Office

MA Complex, 3rd Floor, East
Side. Tin Matha Railgate.
Bogra- 5800

Khulna Office

Mollick Shopping Complex
99 Khan –a- Sabur Road,
Khulna-9100
Tel: +880 1833 330060

Editorial Overview

ECRL Research provides insights, opinions and analysis on Bangladesh and International Economies. ECRL Research conducts surveys and produces working papers and reports on Bangladesh's different socio economic issues, industries and capital market. It also provides training programs to professionals from financial and economic sectors on a wide array of technical issues.

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