FORTNIGHTLY ECONOMIC DIGEST

AMERICAN CHAMBER OF COMMERCE IN BANGLADESH

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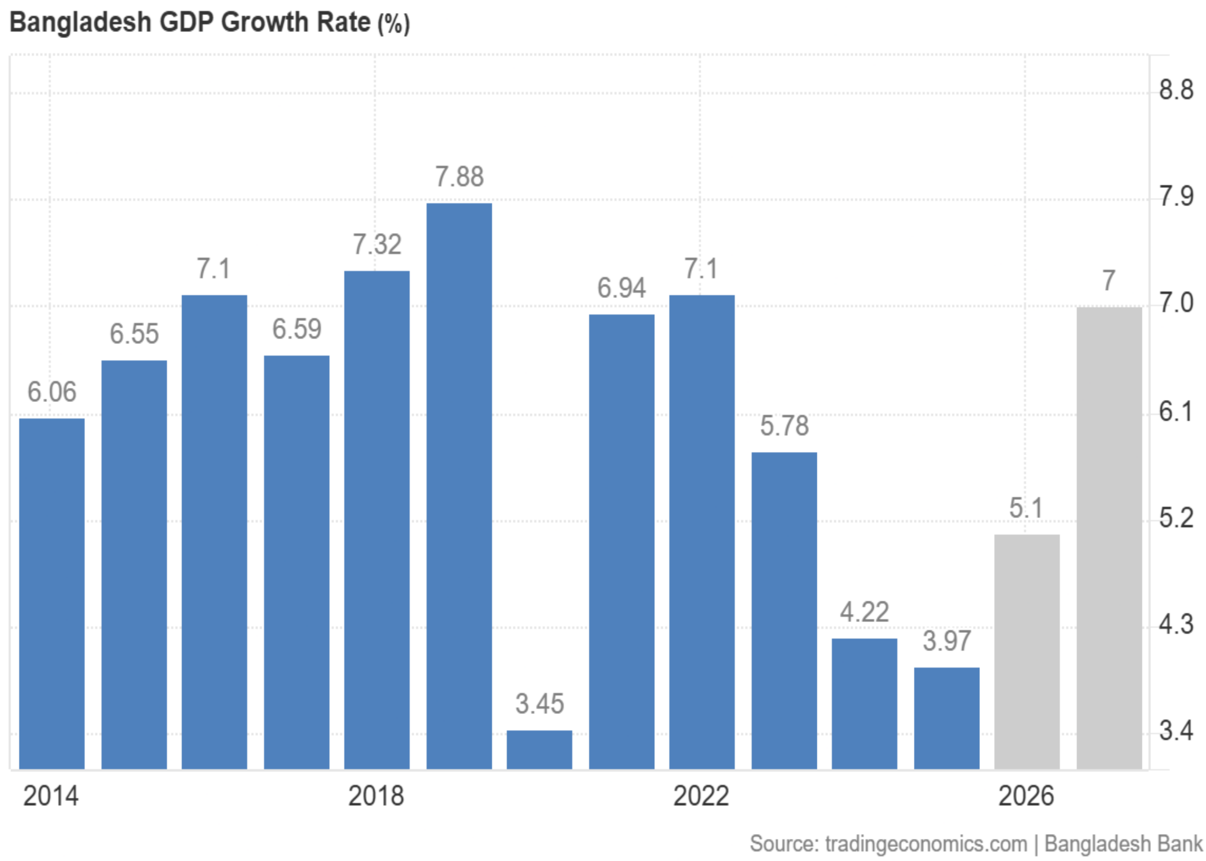
KEY INDICATORS

A SNAPSHOT OF BANGLADESH'S ECONOMIC PERFORMANCE AND DEMOGRAPHIC STRUCTURE

Key Indicators Summary

Category	Last	Previous	Highest	Lowest	Unit	Reference
Currency	122	122	124	67.2	BDT	Dec/25
Stock Market	4965	4951	7368	3604	points	Dec/25
GDP Annual Growth Rate	3.97	4.22	7.88	3.45	percent	Jun/25
Unemployment Rate	4.7	4.2	5.3	2.2	percent	Dec/24
Inflation Rate	8.17	8.36	12.72	-0.03	percent	Oct/25
Interest Rate	10	10	10	4.5	percent	Oct/25
Balance of Trade	-119	-212	0	-315	BDT Billion	Aug/25
Current Account	300	734	1526	-1638	Billion BDT	Jul/25
Current Account to GDP	-1.4	-2.6	2.3	-4	percent of GDP	Dec/24
Government Debt to GDP	32.2	31.6	50	25.7	percent of GDP	Dec/24
Government Budget	-4.6	-5	4.78	-6.23	percent of GDP	Dec/24
Corporate Tax Rate	27.5	27.5	40	25	percent	Dec/25
Personal Income Tax Rate	25	25	30	25	percent	Dec/24



GDP

Category	Last	Previous	Unit	Reference
GDP	450.12	437.42	USD Billion	Dec 2024
GDP Annual Growth Rate	3.97	4.22	percent	Jun 2025
GDP Constant Prices	34790.00	33460.20	BDT Billion	Jun 2025
GDP from Agriculture	3686.30	3621.40	BDT Billion	Jun 2025
GDP from Construction	3194.30	3148.50	BDT Billion	Jun 2025
GDP from Manufacturing	8421.90	7969.10	BDT Billion	Jun 2025
GDP from Mining	578.20	572.20	BDT Billion	Jun 2025
GDP from Public Administration	1214.30	1139.10	BDT Million	Jun 2025
GDP from Services	17400.80	16650.50	BDT Billion	Jun 2025
GDP from Transport	2481.80	2377.90	BDT Billion	Jun 2025
GDP from Utilities	391.10	373.20	BDT Billion	Jun 2025
GDP per Capita	1941.28	1885.38	USD	Dec 2024
GDP per Capita PPP	8486.78	8242.40	USD	Dec 2024
Gross Fixed Capital Formation	10984.50	10794.20	BDT Billion	Jun 2025
Gross National Product	36734.60	34901.10	BDT Billion	Jun 2025

Buisness & Trade

Category	Last	Previous	Highest	Lowest	Unit	Reference
Balance of Trade	-119	-212	0	-315	BDT Billion	Aug/25
Current Account	300	734	1526	-1638	Billion BDT	Jul/25
Current Account to GDP	-1.4	-2.6	2.3	-4	percent of GDP	Dec/24
Exports	462	485	485	0.05	BDT Billion	Aug/25
Imports	581	696	745	0.57	BDT Billion	Aug/25
Capital Flows	0.04	6.86	680	-12.72	BDT Billion	Jul/25
Remittances	2563	2686	3296	857	USD Million	Oct/25
Gold Reserves	14.28	14.28	14.28	3.29	Tonnes	Sep/25
External Debt	69.65	62.41	69.65	16.17	USD Billion	Dec/24
FDI	1697	1649	2650	276	USD Million	Dec/24
Terrorism Index	3.03	3.32	5.75	3.03	Points	Dec/24
Manufacturing Production	3.88	3.79	78.37	-25.7	percent	Sep/25
Mining Production	-13.48	-14.04	34	-31	percent	Sep/25
Consumer Spending	22914	21872	22914	13880	BDT Billion	Jun/25
Private Sector Credit	17255	17205	17255	498	BDT Billion	Aug/25
Consumer Credit	22926	22925	22926	220	BDT Billion	Aug/25

Prices

Category	Last	Previous	Highest	Lowest	Unit	Reference
Inflation Rate	8.17	8.36	12.72	-0.03	percent	Oct/25
Consumer Price Index (CPI)	144	142	144	52.53	points	Oct/25
GDP Deflator	160	150	224	115	points	Jun/25
CPI Transportation	132	131	132	110	points	Oct/25
Food Inflation	7.08	7.64	14.1	3.77	percent	Oct/25
Inflation Rate MoM	1.89	1.05	3.69	-2	percent	Oct/25

Bangladesh Demographic Overview

Category	Sub-Category	Value	Category (Right Side)	Sub-Category	Value
Age Structure	0–14 yrs	27.76% (M: 22,283,780 F: 21,521,977)	Population Growth	Population growth rate	1.04% (Rank 108)
	15–24 yrs	19.36% (M: 15,309,543 F: 15,241,971)	Migration	Net migration rate	-3.1/1,000 pop (Rank 174)
	25–54 yrs	39.73% (M: 30,094,014 F: 32,614,286)	Urbanization	Urban population	35.8% (2017)
	55–64 yrs	6.93% (M: 5,405,900 F: 5,527,330)		Rate of urbanization	3.19% (2015–20 est.)
	65+ yrs	6.23% (M: 4,666,033 F: 5,161,744)			
Major Urban Areas (2015)	Dhaka (capital)	17.598 million	Dependency Ratios	Total dependency ratio	52.6
	Chittagong	4.539 million		Youth dependency ratio	44.9
	Khulna	1.022 million		Elderly dependency ratio	7.7
	Rajshahi	844,000		Potential support ratio	13
Median Age (2017)	Total	26.7 years	Female	27.3 years	
	Male	26 years	World ranking	146	

TRADE & INVESTMENT OUTLOOK

AN OVERVIEW OF BANGLADESH'S EXTERNAL TRADE PERFORMANCE AND INVESTMENT CLIMATE

Overall Outlook: Resilience — But with Hard Questions Ahead

November 16

According to the report, as we head into 2026, the **global economy is showing greater-than-expected resilience** despite persistent uncertainty and geopolitical instability. The authors note that many of the supply-shocks, tariff risks and "noise" that worried markets have had **less impact than feared,** partly because firms, consumers, and investors have adapted more flexibly than expected. Still, the "resilience" comes with caveats: growth and social welfare in the coming years will depend heavily on how well the world manages major structural changes, including rising economic **bloc division**, rapid adoption of **artificial intelligence (AI)**, and mounting **fiscal pressures** in many countries.

Here are some of the central macroeconomic projections:

Indicator	*2024*	*2025*	*2026 (Forecast)*
World GDP (year-on-year)	3.3	3.1	3.1
US GDP (year-on-year)	2.8	1.8	1.9
Euro area GDP (year-on-year)	0.8	1.3	1.2
Germany GDP (year-on-year)	–0.5	0.2	1.1
China GDP (year-on-year)	5.0	4.6	4.0
Oil (Brent, dollars per barrel)	79.8	68.5	65.1
US inflation (year-on-year)	3.0	2.8	2.8
Euro area inflation (year-on-year)	2.4	2.1	2.0
ECB – depo rate (% end of period)	3.0	2.0	2.0
Fed – fed funds rate (% end of period, lower bound)	4.3	3.5	3.0
12M Euribor (% end of period)	2.4	2.1	2.2

1. **Factors Supporting Growth**
    a. **Adaptation & flexibility**: Firms, consumers and investors have learned to manage uncertainty — adjusting supply chains, investment plans, and expectations more rapidly than in prior decades.
    b. **Favorable financial and monetary conditions** in many countries: interest-rate and debt conditions remain supportive of activity (though with some variation across regions).
    c. **Technology & structural change (e.g. AI)**: The rapid adoption of AI and related tech investments (especially in the U.S.) are creating new growth potential and reshaping productivity.
2. **Headwinds & Risks**
    a. **Geopolitical fragmentation / bloc tensions**: The growth outlook relies heavily on how global economic blocs, trade alliances, and diplomatic relationships evolve — risks remain from renewed tariff disputes or economic fragmentation.
    b. **Fiscal strain in advanced economies**: Many countries face rising public debt and fiscal pressures; managing this while investing in green/digital transitions and defense/spending is a significant challenge.
    c. **Uneven growth across regions**: The report highlights divergence: while Asia (especially China and other emerging economies) remains relatively robust, growth in the US and Euro-area is forecast to be more modest — which could deepen global economic inequalities or structural imbalances.

d. **Uncertainty around structural transformation**: The shift driven by AI, tech, green/digital transitions, and changes in global trade architecture may lead to disruption for some sectors, labour markets, and economies — outcomes remain hard to predict.

3. **Implications — What to Watch (2026 and Beyond)**
   a. **Moderate but stable global growth**: As per CaixaBank's baseline, 2026 is likely to deliver growth near 3% worldwide — enough to avoid a recession, but not a boom.
   b. **Regional divergence**: Asia and emerging markets may continue outperforming, while advanced economies (US, Europe) might face slower growth and structural pressures.
   c. **Accelerating structural shifts**: Investment in AI and technology, combined with evolving trade blocs and fiscal constraints, could reshape long-term productivity and global competitiveness.
   d. **Need for prudent fiscal & economic policy**: To sustain growth and mitigate risks — including social inequality or sectoral disruption — governments and institutions will need to navigate carefully transitions (fiscal consolidation, green/digital investment, social safety nets).

Sources:

1. *The world economy in 2026: resilience, transition or disruption?*

Bangladesh's Port Efficiency Jump

November 24

Bangladesh's main seaport, Chattogram Port, has reported a substantial increase in cargo, container, and vessel handling during the first ten months of 2025 — and, remarkably, many days with **zero waiting time** for vessels arriving at the port.

1. **Sharp rise in throughput**
   a. From January–October 2025, the port handled **2,849,542 TEUs**, **11.50 million tons** of cargo, and **3,552 vessels**.
   b. Compared to the same period last year, this marks a **4.87% increase in container volume**, **12.64% rise in cargo tonnage**, and **10.97% more vessel calls**.
   c. In absolute terms, that's an additional **132,328 TEUs**, **1.29 million tons of cargo**, and **351 more vessels** than the prior year.

2. **Zero waiting time for vessels — a major milestone**
   a. The port authority reports that on many days in recent months, ships arriving at outer anchorage were berthed immediately without any waiting period.
   b. Specifically: **9 days in September, 18 days in October, and 19 days in November** saw zero waiting time.
   c. This improves efficiency significantly: shorter waiting times reduced lead times for importers and exporters, speeding up clearance and loading processes.
3. **Drivers of improved efficiency and performance**
   a. The gains are credited to upgraded cargo-handling equipment, expanded yard capacity, and increased use of digital technology at the port.
   b. The newly managed New Mooring Container Terminal (NCT), run by Chittagong Dry Dock Ltd, has also shown strong performance: in the first four months of fiscal 2025–26, it handled **468,871 TEUs and 253 vessels a jump of 15.5% in container volume and 19.35% in vessel traffic** compared to the previous year.
   c. External validation: a delegation from Maersk recently visited the port and reportedly praised the improved operational performance and zero-waiting-time record.

Efficient port operations and increased throughput at Chattogram Port improve Bangladesh's trade logistics significantly. Faster cargo handling reduces delays for importers and exporters, which can help lower costs, support supply-chain reliability, and boost overall export competitiveness. The recent gains suggest that infrastructure upgrades and better management can deliver tangible improvements in port performance — a positive sign for trade and economic activity going forward.

Sources:

1. *Ctg port reports higher cargo volume, zero waiting time for vessels*

Bangladesh's Investment Slump

November 25

Bangladesh is facing one of its most severe investment downturns in decades. Investor confidence has weakened, and economic pressures are rising despite some signs of macro-stabilization.

1. **Sharp decline in private investment:** Private sector credit growth is at a two-decade low. Government bank borrowing has jumped from 11.6% to 27.2% YoY.
2. **Mixed macroeconomic signals:** Remittances and foreign investment show improvement. FX reserves have stabilized due to exchange rate reforms. But export growth is weakening again.
3. **High inflation & rising hardship:** Inflation remains above 8%, among the highest in South Asia. Real incomes have dropped; poverty may be around 28%.
4. **Severe banking sector distress:** NPLs exceed 28%, one of the highest in Asia. State banks are resisting full compliance with cleanup measures.

Although some indicators have improved, deep structural problems, particularly the investment slump and banking sector stress, pose serious risks. Recovery will depend on restoring confidence, strengthening reforms, and enabling private investment to rebound.

Sources:

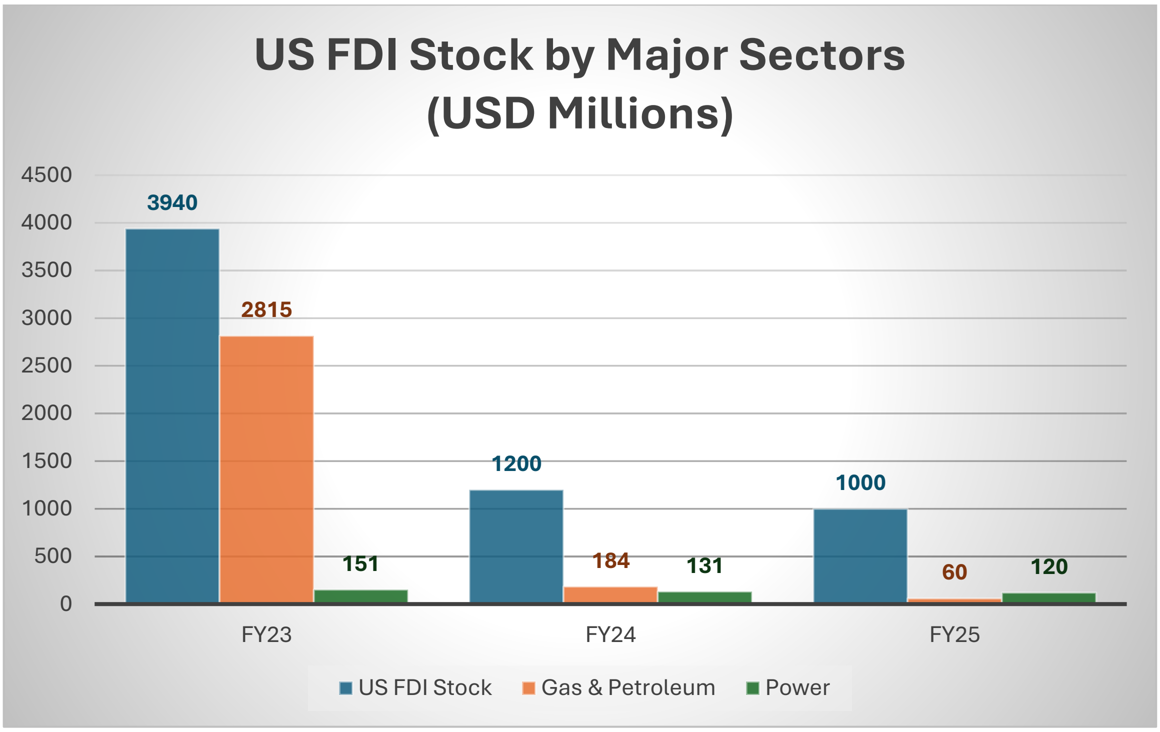
1. *Bangladesh has not seen such a severe investment slump before*

First Negative US FDI Inflow

November 25

Last fiscal year, Bangladesh Bank data shows that foreign direct investment (FDI) from United States into Bangladesh turned negative for the first time recently, mainly because U.S. firms pulled back from the energy sector, reversing years of inflows.

1. **Dramatic drop in US FDI due to energy-sector divestment**
   a. The U.S. had roughly US$ 2.8 billion invested in Bangladesh's gas and petroleum sector in FY23, but by FY25 that stock shrank sharply to only about US$ 59.5 million.
   b. Net US FDI flow for FY25 was negative US$132 million (outflow of US$ 669.3 m vs inflow of US$ 449.4 m).
   c. Major U.S. companies including longtime energy investor Chevron halted new investments, largely due to payment delays and unsettled arrears.



2. **Broader FDI shifts and mixed picture for Bangladesh**
   a. Overall net FDI into Bangladesh rose to US$1.7 billion in FY25 (from US$1.4 billion in FY24), a rise of ~19%.
   b. However, this rise was driven mainly by reinvested earnings and intra-company loans — equity investment (fresh foreign capital) declined.
   c. With U.S. investment slumping, some other countries (e.g. those investing in textiles, food products, power) stepped up — but dependency on stable, diversified foreign investment has become more critical.
3. **Underlying challenges undermining investor confidence**
   a. Historically overdue payments by state-owned energy purchasers to foreign investors accumulated over years; delayed clearance eroded trust and triggered divestment.
   b. Regulatory uncertainty, slow allocation of new gas blocks, and lack of fresh energy-sector deals discourages potential investors.
   c. The pullback by major investors exposes structural vulnerabilities especially in a sector the economy relies on for energy supply, industrial growth, and investor sentiment.

Given the sharp retreat of U.S. FDI and the broader shift in the makeup of foreign investment into Bangladesh, the country faces a critical juncture. To attract stable, long-term capital — especially in vital sectors like energy — Bangladesh needs to restore investor confidence through transparent payments, regulatory clarity, and incentives for fresh equity investment. Without such reforms, reliance on reinvested earnings may mask deeper risks of volatility and underinvestment in strategic sectors.

Sources:

1. *Bangladesh faces first negative US FDI inflow amid energy sector pullback*

Gas Supply Strains as Imports Rise

November 29

Bangladesh's domestic gas production remains weak due to slow exploration, aging fields, and inefficiencies in both extraction and consumption, forcing the country to rely increasingly on costly imports to meet industrial and household demand. The BERC chairman warned that low energy-use efficiency—hovering around 30%—is worsening supply pressure, calling for urgent improvements in efficiency, faster exploration initiatives, and greater adoption of renewable energy to reduce long-term dependency on imports.

Sources:

1. *Country's gas production remains limited, reliance on imports rising: BERC chairman*

Exports to USA from Bangladesh

November 30

The United States is Bangladesh's single largest export destination. In **FY2024-25**, Bangladesh shipped goods worth **$8.69** billion to the US accounting for **18%** of the country's total export earnings of **$48.28** billion. Bangladesh's export earnings from the US grew by **14%** in **FY25** compared to

the **$7.60** billion earned in the previous fiscal year.

Sources:

1. *What did Bangladesh export the most to US in FY25?*

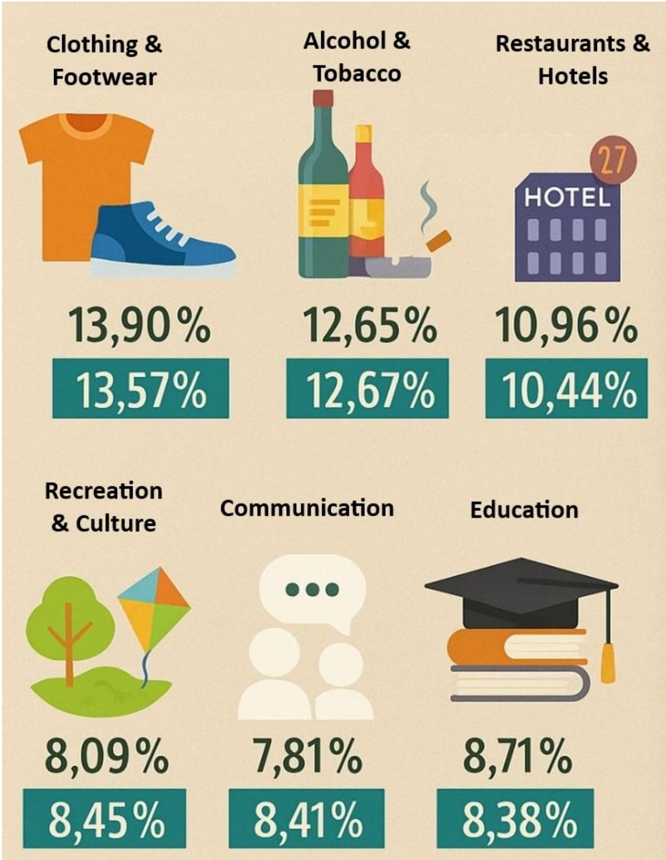
ECONOMIC DEVELOPMENTS & INSIGHTS

KEY TRENDS SHAPING BANGLADESH’S CURRENT MACROECONOMIC LANDSCAPE

Inflation insights of Bangladesh

November 16

General inflation eased to 8.17% in October, down from 8.36% in September, marking a 39-month low. Food inflation sharply fell to 7.08% in October from 7.64% in September, the lowest in 42 months, while non-food inflation rose to 9.13% from 8.98%.



Sep 25'→
Oct 25'→

Sep 25'→
Oct 25'→

Sources:

1. *Inflation insights of Bangladesh, Oct 2025*

8 lakh Jobs could be Lost at the End of 2025

November 25

Employment in Bangladesh fell sharply in 2023–24, nearly 20 lakh jobs were lost, and World Bank (WB) warns that another 8 lakh jobs could be lost in 2025.

2. **Massive job losses and labor-market distress**
   a. Across all sectors — agriculture, industry, and services — employment dropped significantly, with services suffering the biggest hit.
   b. Labor income for less-skilled workers weakened sharply, while inflation outpaced wages, especially hitting the poorest households.
   c. Women and youth bore the brunt of the job losses, with many moving into low-paid or informal jobs or leaving the labor force entirely.
3. **Rising poverty and economic insecurity**
   a. Poverty is estimated to have increased — the share of people below the poverty line rose to about 21.2%.
   b. Many working-age people — especially young women — are unable to find stable jobs; urban job creation outside major cities has stagnated.
4. **Structural challenges and weak recovery**
   a. The slowdown in private-sector growth means fewer new jobs are being created — investment remains weak, which reduces demand for labor.

b. The mismatch between job seekers' skills and available jobs pushes many into low-productivity, low-pay sectors, worsening inequality and job insecurity.

Given this sharp downturn in employment and rising economic hardship for many families, the coming period is likely to demand strong policy responses — including job-creation programs, targeted support for vulnerable groups (especially youth and women), and efforts to revive private investment. Without urgent action, the labor-market slump could deepen poverty and undermine Bangladesh's broader economic stability.

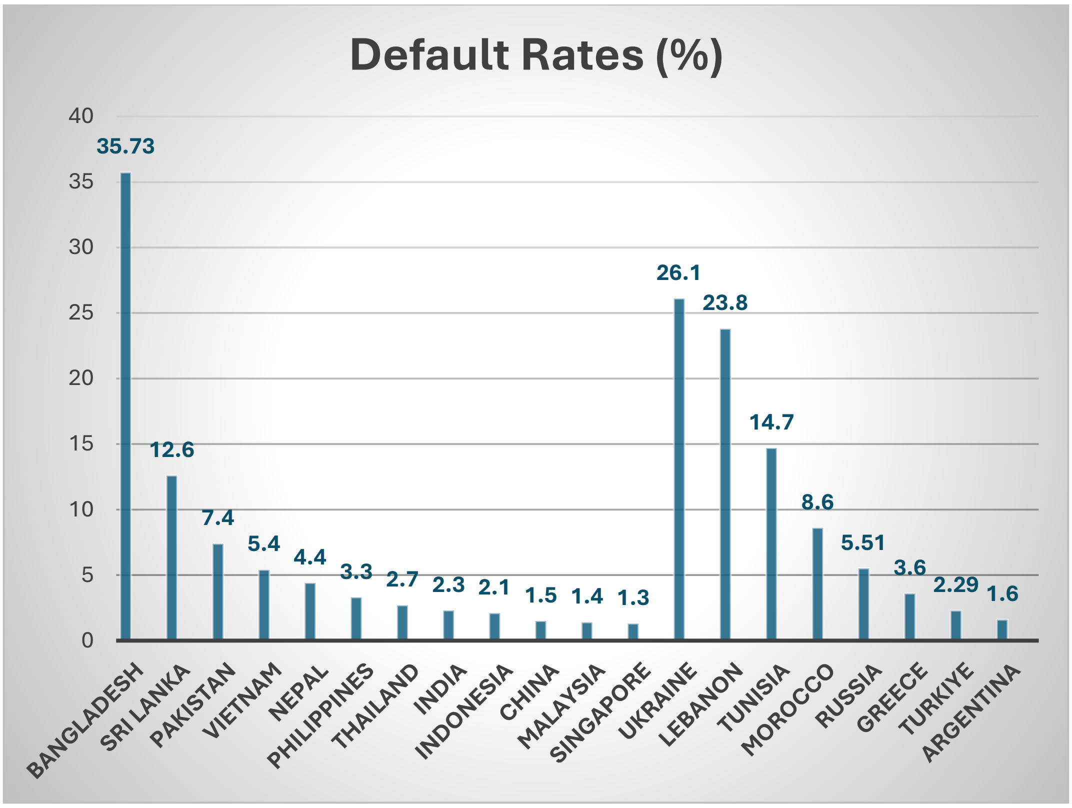
Sources:

1. [Nearly 20 lakh jobs lost in 2023-24 in Bangladesh, another 8 lakh decline expected by this year: WB]

Nonperforming Loan Ratio: Bangladesh at the Top

November 26

The nonperforming loans in Bangladesh reached a staggering BDT 6.44 trillion, representing a total of 35.73% of all distributed loans. The chart shows the details of competing, neighbouring, and in economic crisis' countries:



Sources:

1. [Bangladesh's nonperforming loan ratio now highest in the world]

All Bonded-Warehouse Services to Move Online from January

November 30

The National Board of Revenue (NBR) has announced that from 1 January, all "bonded-warehouse" services — specifically issuing Utilization Permission (UP) to license-holding companies for duty-free import of raw materials — must be conducted through the automated Customs Bond Management System (CBMS). Until now the UP module was available but not mandatory, so many companies continued manual filings; the compulsory shift is intended to modernize the process, boost transparency, speed up approvals and reduce paperwork.

Sources:

1. [All bonded-warehouse services to go online from 1 January]