

Bangladesh raises US dollar price for export proceeds to Tk 102

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The Daily Morning Voice Online Desk: Foreign exchange dealers and banks have raised the US dollar exchange rate for export proceeds by Tk 1 to Tk 102. The decision was taken at a meeting between the Bangladesh Foreign Exchange Dealers Association and the Association of Bankers, Bangladesh and the new rate came into effect on Monday, according to BAFEDA's Executive Secretary Abul Hashem. However, the exchange rate for inward remittances has been kept unchanged at Tk 107.

Bangladesh has been grappling with a foreign exchange crisis due to a supply crunch of the dollar as the value of the currency began to climb. The crisis intensified towards March 2022, prompting the central bank to come up with several measures to curb the dollar's unprecedented gains. In a meeting in May, the BAFEDA and ABB agreed to fix a ceiling to set a uniform interbank dollar exchange rate to ease the situation. On Jun 30, Bangladesh Bank reintroduced the floating rate and gradually devalued the taka against the dollar while selling large amounts of the currency to meet the demand.

As the crisis deepened, banks halted dollar transactions to make an extra profit and the interbank dollar market shifted. The banks in crisis bought dollars from other banks at higher prices to settle import payments, sometimes even looking to clients to come up with the currency. This put customers at the receiving end of the crisis. The US dollar reached an all-time high of Tk 121 in the open market in August and is currently being sold at around Tk 110. The price of the dollar in banks has risen to Tk 107, although Bangladesh Bank is selling at Tk 95. The BAFEDA and the ABB have been fixing the official exchange rates of dollars flowing into the country through the banking channel for different sectors since September 2022.