

Forex reserves fall below \$33 billion

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The Daily Morning Voice Online Desk: Bangladesh's foreign exchange reserves have fallen below US\$33 billion after the central bank had cleared import bills to the Asian Clearing Union, an arrangement to settle payments for intra-regional transactions among member countries including Bangladesh. The Bangladesh Bank paid \$1.12 billion to clear payments for its imports from other member countries of the ACU. With the payment, forex reserves stand at \$32.52 billion, said a senior official of Bangladesh Bank today.

The country's foreign currency reserves, which was \$44.95 billion early January 2021, stood at \$33.63 billion on January 4, as import payments continued to remain higher than overall receipts from exports and remittances. India, Bhutan, Iran, the Maldives, Myanmar, Nepal, Pakistan and Sri Lanka are other members of the Tehran-headquartered ACU. The member countries of the ACU clear their payments every two months.

Bangladesh's foreign exchange reserves soared to \$48 billion, the highest-ever in the country's history in August 2021. However, due to the high level of import payments resulting from high commodity prices for global supply chain interruptions caused by the Russia-Ukraine war, Bangladesh's foreign exchange reserves have been declining since May of 2022.