

Reserves drop to \$19.7b after ACU payment

Bangladesh's foreign exchange reserves fell from \$21.39 billion to \$19.7 billion yesterday after the country paid \$1.75 billion in regional import bills through the Asian Clearing Union (ACU).

The ACU, a Tehran-based organisation, facilitates payment settlements among nine member countries: India, Bangladesh, Bhutan, Iran, the Maldives, Myanmar, Nepal, Pakistan, and Sri Lanka.

Under the ACU mechanism, Bangladesh clears its import bills every two months, leading to a temporary decline in reserves after each payment.

As of March 6, the country's forex reserves stood at \$21.39 billion, calculated in accordance with the International Monetary Fund's (IMF) BPM6 manual.

Due to a growing trend in remittance inflows in recent months, the central bank has been able to mitigate the sharp decline in forex reserves, particularly since the end of the Awami League-led government's regime on August 5 in the face of mass uprising.

Last month, remittance inflows to Bangladesh rose 25 percent year-on-year to \$2.52 billion as migrant Bangladeshi workers sent larger-than-expected amounts to their families back home for Ramadan-related purchases and Eid shopping.