



Bangladesh Bank

Head Office
Motijheel, Dhaka
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Monetary Policy Department

Date: 03 November, 2025

Minutes for the 10th meeting of the Monetary Policy Committee (MPC)

The tenth meeting of the Monetary Policy Committee (MPC) was held on 03 November 2025, chaired by Dr Ahsan H. Mansur, Governor of Bangladesh Bank (BB). The meeting was attended by the MPC members— Dr Md. Habibur Rahman, Deputy Governor, Bangladesh Bank; Dr Mohammad Akhtar Hossain, Chief Economist, Bangladesh Bank; Dr A.K. Enamul Haque, Director General, Bangladesh Institute of Development Studies (BIDS); Professor Masuda Yasmeen, Chairman, Department of Economics, University of Dhaka; and Dr Md. Ezazul Islam, Executive Director (Grade-1), Monetary Policy Department, Bangladesh Bank. Additionally, Mahmud Salahuddin Naser, Member Secretary of the MPC and Director of the Monetary Policy Department, was in attendance.

02. The Monetary Policy Committee reviewed the current economic landscape, revisiting the decisions made at its ninth meeting and evaluating their implementation. The members analyzed the macroeconomic outlook in both domestic and global contexts. They also focused closely on inflation trend and projection, the pace of economic activity, growth prospect, financial market dynamics, and developments in the external sector. The Chief Economist made a short presentation with empirical evidence, on the possibility of flattening of the Phillips curve relationship in Bangladesh and its implications on the rules-based monetary policy for short-term stabilization of the economy.

03. Regarding the monetary policy stance, the Bank would continue a contractionary monetary policy stance to lower inflation from its present rate of about 8 percent. The contractionary monetary policy stance is reflected in the positive real policy rate which has moved from a negative rate of about 2 percent to 1.64 percent at the end of September 2025. Inflation is gradually declining and the rate of headline inflation eased to 8.36 percent in September 2025, down from 9.91 percent a year earlier. Food inflation fell markedly to 7.64 percent from 10.40 percent during this period, while non-food inflation edged down slightly to 8.98 percent from 9.49 percent over the same period. Furthermore, core inflation (excluding food and fuel), an important indicator closely linked to monetary policy, declined to 6.19 percent at the end of September 2025 from 8.95 percent at the end of June 2025.

The MPC observed that the weighted average call money rate declined to 9.74 percent in October 2025 from 10.01 percent in June 2024. Similarly, the interbank average repo rate decreased to 9.88 percent at the end of October 2025 from 10.07 percent at the end of June 2025. It can be observed that the interbank call money rate and the interbank repo are lower than the policy repo rate. At the same time, the yield curve shifted significantly downward, reflecting a broad-based decline in interest rates driven by increased investment demand for T-bills and bonds. Monetary aggregates are within

the projection path; however, private-sector credit grew more slowly. This subdued growth is attributed to lower credit demand from non-bank depository corporations amid ongoing uncertainties ahead of the upcoming national election.

04. Members of MPC noticed that moderate growth in exports; however, import growth surged, reflecting the BB's liberalization of LC margins on essential imports targeting the upcoming Ramadan. Meanwhile, remittance inflows thrived during the July–September period. Noting the positive outcomes of the country's flexible exchange rate regime, the MPC emphasized monitoring the U.S. dollar index as a benchmark for assessing the sustainability of Bangladesh's exchange rate stability. In addition, they advised building foreign exchange reserves, strengthening market communication, and aligning intervention strategies with international best practices to contain the competitiveness of our currency.

05. The committee anticipated some immediate inflation risks from the loss of Aman paddy in some areas due to adverse weather. Moreover, inflationary tailwinds may arise from the upcoming national election, the approaching Ramadan period, and the possible announcement of a new national pay scale, all of which typically boost demand and consumer spending.

06. Finally, the MPC expects that the current pressure of inflation is likely to moderate as the Aman harvest and winter crops bolster food supply, global commodity prices continue to soften, and the exchange rate remains reasonably stable.

07. Based on this assessment, the MPC concluded that— although inflation is gradually easing and the foreign exchange market remains stable, there is strong rationale for maintaining the existing policy stance to safeguard macro-financial stability in general and price stability in particular.

Resolution

After reviewing the current and evolving macroeconomic conditions—particularly the September 2025 inflation data, the near-term inflation and growth outlook, and the status of foreign exchange reserves—the Monetary Policy Committee (MPC) decided to:

- *Maintain the policy rate at 10.0 percent. Accordingly, the SDF and SLF rates will remain unchanged at 8.0 percent and 11.5 percent, respectively.*

08. The tightening measures will be continued until the real policy rate reaches 3.0 percent.

Sd/-

(Dr. Ahsan H. Mansur)
Governor
Bangladesh Bank