

BB instructs seven banks to clear dues with foreign airlines

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Dhaka : Bangladesh Bank on June 6 instructed seven banks of the country which failed to clear their dues with foreign airline companies on time to adjust their payments as soon as possible.

Md Abul Bashar, acting spokesperson of Bangladesh Bank, informed the media about this development at a press briefing at the central bank headquarters in the capital.

Foreign airline companies are owed USD 214 million by the seven lenders operating in the country, he said.

The central bank collected data in this regard and found that the actual amount is USD 177.79 million, Bashar added.

Even though there has been a US dollar shortage in the country, yet the seven banks were capable enough to repay the amount given their financial health, he further mentioned.

As such, he hoped the banks would settle their dues soon.

Bashar then said local banks had made payments to the tune of USD 402.18 million to foreign airlines from January 2023 till now.

On June 4, the International Air Transport Association (IATA) said Bangladesh was the second worst country in the world in terms of blocking funds of carriers after Nigeria.

Bangladesh is withholding USD 214 million of airlines' funds, it said, warning that this could result in carriers not serving Bangladesh.

"Airlines cannot continue to offer services in markets where they are unable to repatriate the revenues arising from their commercial activities in those markets," said Willie Walsh, Director General, IATA.

IATA said the global aviation industry's blocked funds increased by 47 per cent to USD 2.27 billion in April 2023 from USD 1.55 billion in April 2022.

The top five countries account for 68 per cent of the blocked funds with Nigeria owing USD 812.2 million, Bangladesh USD 214.1 million, Algeria USD 196.3 million, Pakistan USD 188.2 million, and Lebanon USD 141.2 million.