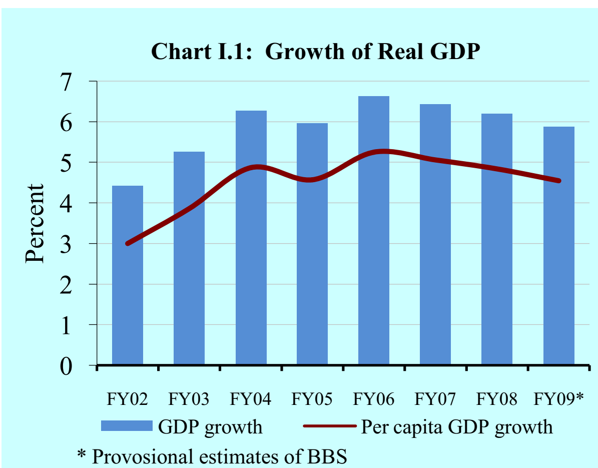
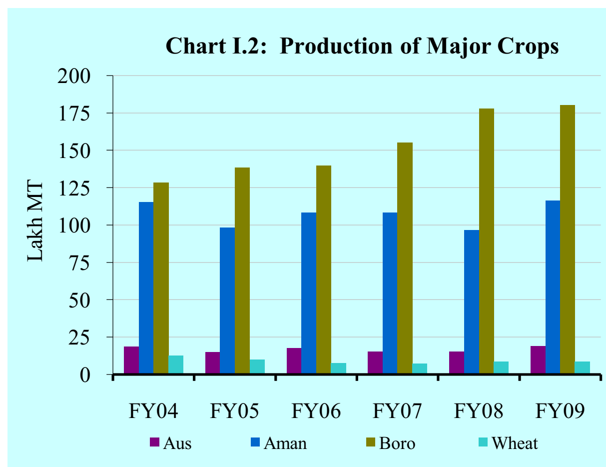
seriously hampered in the past years by lower production of rice due to natural calamities like cyclones and floods. In FY09, aus and aman have attained higher growth rates over last year and actual production reached to 1.9 and 11.6 million metric tons respectively in FY09 which was 1.5 and 9.7 million metric tons respectively in FY08. The FY10 outlook for aman rice production appears to be good as the somewhat delayed monsoon rainfall was largely compensated by more frequent spells of autumn rainfall easing the need for irrigated water. The production target of boro in FY09 (18.0 million metric ton) may likely be achieved due to the favorable weather condition with absence of any serious natural calamities.

1.6 Production of wheat (0.9 million tons) recorded modest growth in FY09, up 1.2 percent over FY08 and potato recorded modest decline from 6.5 million tons in FY08 to 5.9 million tons in FY09 due to some unfavorable weather conditions and lack of adequate storage facilities. To sustain food security, government adopted some supportive policies such as higher target for public food procurement, food distribution, and to set higher procurement price and also, to maintain higher level of food stocks. The procurement target for FY10 is set at 1.6 million tons; 0.7 million tons up from 0.9 million tons in FY09. These may ensure price incentive, create higher market demand and encourage farmers to move for higher production and also, it helps in ensuring food security during possible disaster and safeguarding government against sudden price upsurge and supply shortages in international market.



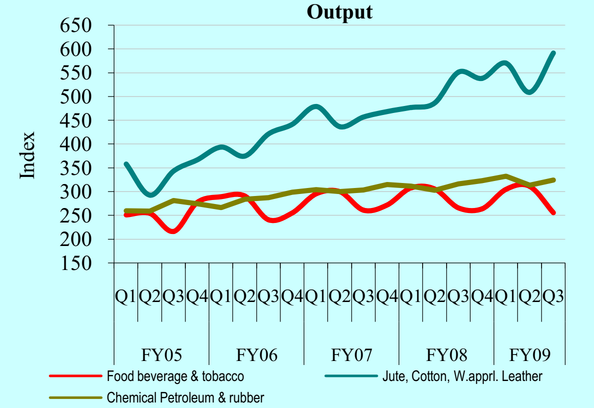


1.7 In the backdrop of relatively lower growth (8.2 percent) in agricultural credit disbursement in FY09 as compared to around 21.0 percent average annual agricultural credit growth over the last six years (FY03-FY08), the BB has set a disbursement target of 115.1 billion agricultural credit for FY10; a targeted growth rate of 24.0 percent in FY10 over actual disbursement in FY09. Over the first quarter, Q1 FY10 Tk.19.12 billion agricultural credit has been disbursed which is 27.7 percent higher than the amount disbursed over the same period of FY09 and it represents a 16.6 percent of total disbursement target of agricultural credit in FY10. Disbursement of credit to sectors like crop, irrigation, agricultural equipment and fisheries have significantly increased with a considerable improvement in loan recovery and overdue position. Government has increased the level of subsidies for fertilizer and power used for irrigation and initiated fair price for farmers in case of government procurement to facilitate agricultural production in FY10.

1.8 A recent projection of World Bank study indicates that by 2020 Bangladesh will create substantial additional demand for vegetables, spices, fruits, eggs, meat and dairy products due to changing pattern of food demand by new generation people with rising urbanization, higher per capita income and overall economic growth. However, BB introduced subsidized interest rate (only 2.0) to stimulate cultivation of essential consumption crops like maize, oilseeds, pulses and spices present domestic production level of which is much lower than domestic requirement. The government also, gives special attention towards diversification of agricultural products containing higher food values like poultry, fisheries and vegetable production.

1.9 Industry sector output grew by 5.9 percent in FY09 which was much lower than the 6.8 percent growth of FY08. The slowdown in industrial growth mainly resulted from export decline for most of the items other than apparels and textiles. However share of industry as GDP remained stable at around 30 percent in FY09 as it was in FY08 despite the fall in industry sector's growth rate. Sub-sectoral breakup of industry sector growth shows that manufacturing sector, the largest sub-sector and dominant part of overall industrial growth, experienced a decline in growth rate since FY07 and stood at 5.9 percent in FY09 which was 7.2 percent in FY08. Fall in manufacturing sector growth during FY08 and FY09 was caused by the declining activities in apparel manufacturing due to deceleration in export growth fuelled by the chain effects of demand weaknesses in North America and Europe, the main export destinations of Bangladesh, following the global financial crisis.

Chart I.3: Quantum Index of Manufacturing Output

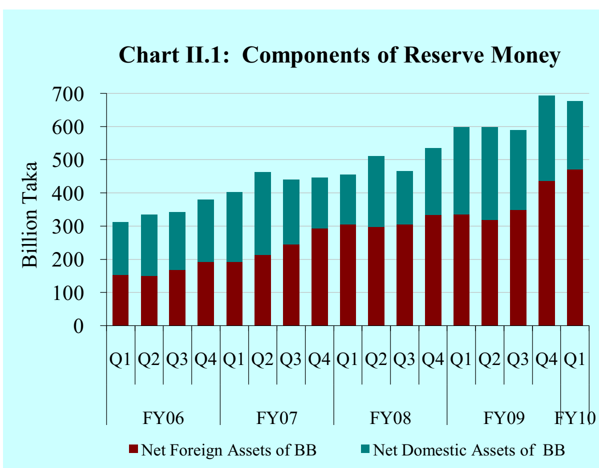


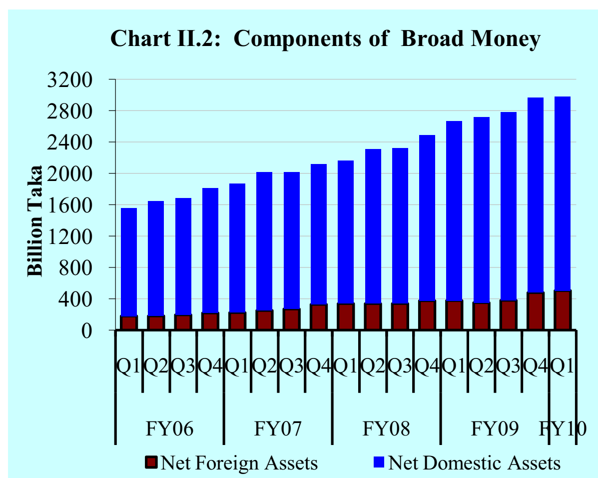
1.10 In the coming few months of FY10 the growth of industry sector may decelerate further as both the import of capital machinery and disbursement of industrial term loan declined at a high rate in FY09 compared to FY08 and the declining trend is continuing in the current fiscal, FY10; a significant decline of import of 16.63 percent in July FY10 over July FY09 and a consistently declining trend of export which recorded a decline of 3.29 percent during the July-August of FY10 over the preceding year. Also, growth of overall private sector credit has slowed down with sharp fall in fresh investment initiatives lag effect of which would likely be felt during first quarter of FY10. However, the investment climate may be improving gradually fuelled by the global growth recovery with signs of recovery in the economic activities of US and Euro area countries. Furthermore, government has announced its first financial stimulus

II. Money and Credit Market Developments

2.1 During FY09 and Q1 FY10, different monetary and credit market indicators showed steady performance in line with the Bangladesh Bank's (BB's) Monetary Policy Stance (MPS) adopted for H1 FY10. BB's monetary policy stance for July-December 2009 (announced in July, 2009) gave emphasis on continuation of easy monetary conditions to facilitate investment activities with the objective of supporting sustained high output growth while maintaining reasonable price stability; Besides regulating monetary aggregates BB's policy actions paid particular attention to sectoral flows of credit, addressing market gaps and failures in financial services to agriculture, SME and other priority economic sectors rather than to asset price speculation and consumer credit for wasteful ostentation.

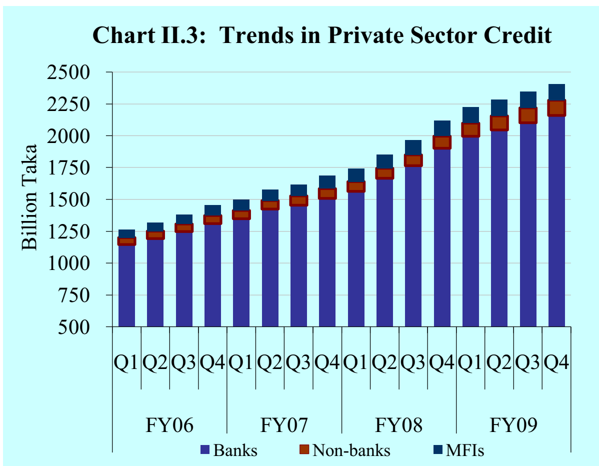
2.2 Total private sector credit by DMBs grew by 14.26 percent (y-o-y) in August, 2009 which grew by 26.14 percent during the same period of the preceding year and by 15.47 percent in FY09. Agricultural credit disbursement during Q1 FY10 increased substantially by 27.7 percent over the amount disbursed during the same period of FY09. On y-o-y basis, total credit growth to private sector from banks, non-banks and microfinance institutions increased to Tk. 2159.1 billion, Tk.119.2 billion and Tk. 127.0 billion respectively at the end of FY09 from Tk. 1901.4 billion, Tk.94.7 billion and Tk.121.5 billion at the end of FY08 reflecting increased economic activity during the period under review.

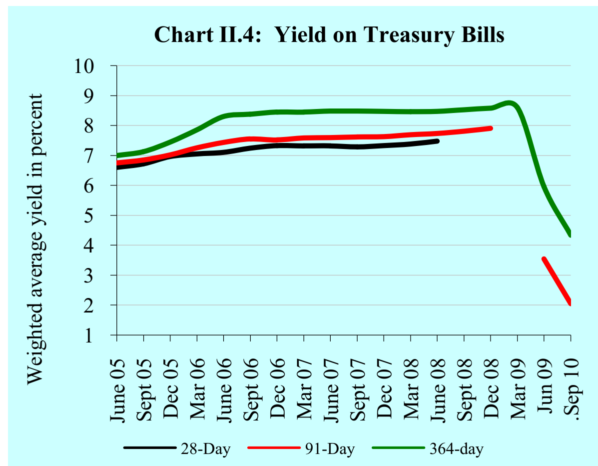




2.3 Provisional estimate shows that M2 experienced a growth of 19.13 percent (y-o-y) in August, 2009 fueled by 59.35 percent growth in NFA and 12.36 percent growth in NDA. M2 grew by 19.59 percent during the same period of the preceding year. The rise in NDA was driven by growth of public sector credit by 16.22 percent, of which credit to the Govt. sector increased by 18.39 percent in August, 2009. Private sector credit also increased by 14.26 percent (y-o-y basis) in August 2009 compared with 26.14 percent growth during the same period of the preceding year. Broad money (M2) recorded a growth of 18.94 (y-o-y basis) percent in FY09 up from 17.86 percent during the same period of the preceding year. This higher growth was caused mainly by increased growth of net foreign assets (NFA) and net domestic assets (NDA) by 27.37 percent and 17.44 percent respectively during FY09 which grew by 14.41 percent and 18.49 percent during the same period of the preceding year. The growth of M1 increased by 12.23 percent (y-o-y) in August, 2009 which increased by 16.04 percent during the same period of the preceding year.

2.4 An analysis of the components of M2 shows that currency, demand deposits and time deposits increased by 11.85 percent, 12.74 percent and 21.19 percent respectively in August, 2009 which grew by 19.20 percent and 12.16 percent and 20.69 percent respectively during the same period of the preceding year following lower inflation expectations and attractive interest rate offered by banks on term deposits. The money multiplier (M2/RM) increased to 4.43 in August 2009 from 4.27 in June 2009.



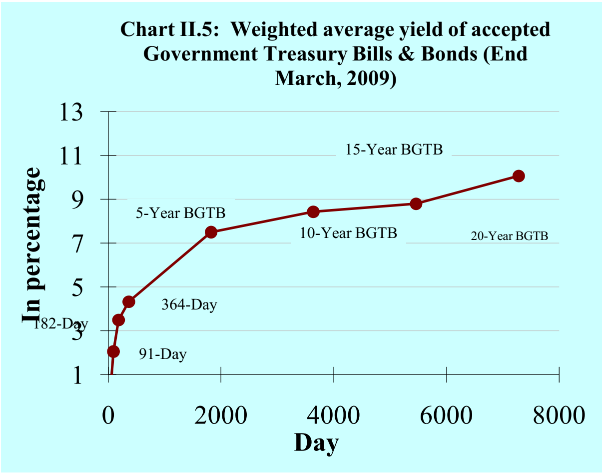


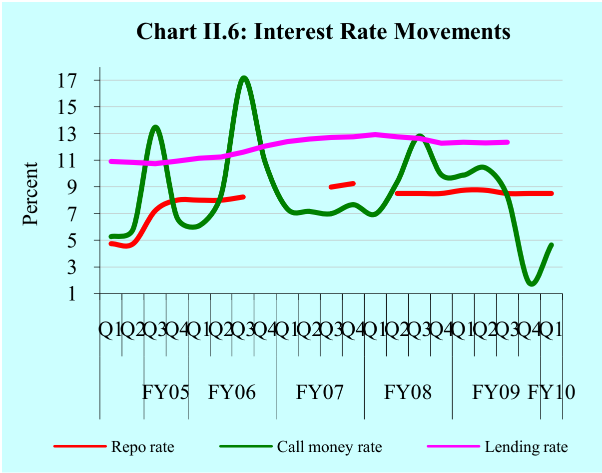
2.5 The RM grew by 29.71 percent (y-o-y) and stood at Tk. 685.30 billion in August 2009 which experienced 17.31 percent (y-o-y) growth during the same period of the preceding year. This occurred due to significant growth in NFA by 71.17 percent despite significant decline in the growth rate of NDA by 34.59 percent in August 2009[1]. The decline in NDA of BB mainly driven by a decline in BB's claims on DMBs by 15.99 percent, other public by 10.96 percent and claims on Government by 1.17 percent. The RM grew by 30.26 percent in FY09, which experienced a 20.88 percent (y-o-y) growth in FY08.

2.6 In June 2009, total advances by economic purposes increased by 3.37 percent and stood at Tk. 2090.48 billion. Bank advance by economic purposes shows that credit for trade increased by 35.42 percent, industry by 21.59 percent, working capital financing by 17.06 percent, miscellaneous purposes by 10.44 percent, construction by 6.88 percent, and agriculture by 6.58 percent, transport and communication by 1.71 percent in June FY09 (Table I.8).

[1] NFA refer to foreign exchange reserves in BB.

2.7 During Q4 FY09, the disbursement of term lending by banks and NBFIs increased by 21.85 percent and stood at Tk. 67.96 billion which was Tk.55.78 billion in Q4 FY08. Between Q4 FY08 and Q4 FY09, term lending by SCBs increased from Tk. 2.10 billion to Tk. 3.17 billion and that of PCBs increased from Tk.38.63 billion to Tk.48.12 billion, while term lending by FCBs increased from Tk. 7.51 billion to Tk. 8.12 billion. Term lending by NBFIs also increased from Tk.6.72 billion to Tk. 7.12 billion during Q4 FY08 and Q4 FY09.





2.8 In the backdrop of domestic lower inflation and global recessionary situation the rate on repo and reverse repo reduced by 25 basis point to 8.50 percent and 6.50 percent from 8.75 percent and 6.75 respectively on March 11, 2009 to ease the credit condition in the money market which reduced further significantly on October 12, 2009 and stood at 4.5 and 2.5 respectively in order to increase economic activity following lower credit demand and excess liquidity in the money market during two consecutive quarters, Q4 FY09 and Q1 FY10.

2.9 Overall, yields on short term treasury bills (e.g., 91-day, 182-day, 364-day) decreased to 2.14, 3.51 and 4.57 percent at the end of October, 2009 from 3.54, 4.24 and 5.96 percent respectively at the end of Q4 FY09 following lower actual inflation and inflation expectations. The yields on long-term bonds such as 5-year, 10-year, 15-year and 20-year BGTB also declined (Table II.3). Outstanding stock of government treasury bills including NSD certificates increased and stood at Tk.974.4 billion at the end of Q1 FY10 which was Tk. 789.6 billion during the same period of the preceding year. From early August 2009 BB resumed its auction of 30-day BB bills to mop up some of the excess liquidity that was sloshing around in the market, forcing inter -bank call money rates down to near zero levels. The call money rate increased to 2.82 percent in October 2009 from 1.79 percent at the end of FY09.

III. Fiscal Developments

3.1 The FY10 national budget projects overall revenue and expenditure 11.6 percent and 16.5 percent of GDP respectively as against 11.2 percent and 14.8 percent realized in FY 09. Overall fiscal deficit excluding grants is projected at 5.0 percent of GDP in FY 10 as against 4.0 percent in FY 09. In FY 10, total deficit financing is set at Tk. 343.6 billion, of which Tk. 205.55 billion is projected to be financed by domestic borrowing including bank financing of Tk.167.55 billion and non-bank financing of Tk. 38.0 billion and Taka 86.73 billion from foreign sources.

3.2 The FY 10 budget projects total NBR tax revenue of Tk. 639.6 billion, which is 16.1 percent higher from the actual level of FY09. The NBR projects of Taka 227.95 billion from VAT, Taka 165.60 billon from income tax , taka 104.30 billion from custom duty and taka 112.2 billion from other sources for FY10, which are 13.3 percent, 19.5 percent , 11.8 percent and 22.2 percent respectively higher than the actual level of FY 09. As against this target, NBR collected Tk. 133.2 billion during the first quarter of FY 10 which is 11.2 percent higher than the level of corresponding period of FY09. The tax revenue growth was led by income tax, value added tax (VAT), and other sources.[2] During Q1 of FY10, tax revenue collected from income tax, VAT, and other sources, increased by 28.7 percent, 15.7 percent, and 3.1 percent respectively over actual level of corresponding period of FY09. However, revenue earning from custom duty declined by 1.6 percent during the first quarter of FY10 over the same period of FY09 due mainly to fall in import volume and partly to fall of prices of imported commodities.

Chart III.1: Trend in Government Revenue and Expenditure

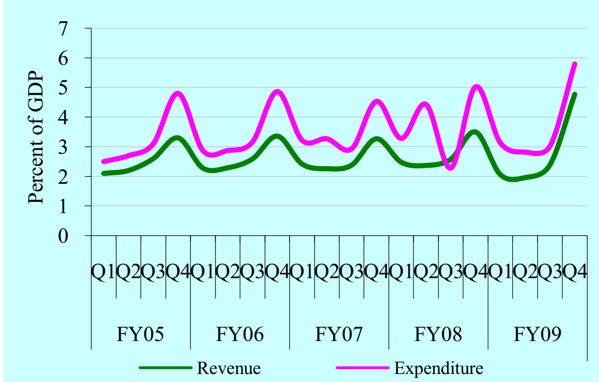
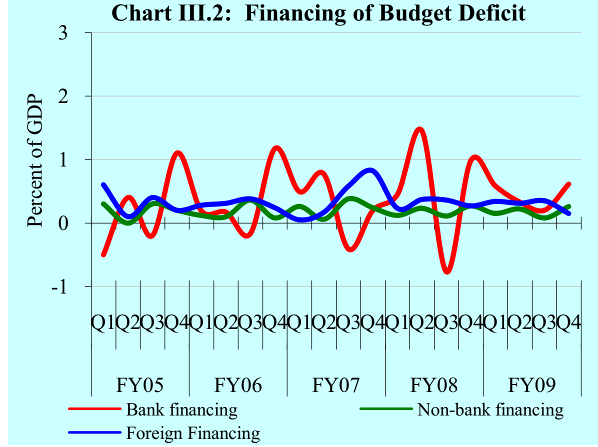


Chart III.2: Financing of Budget Deficit



3.3 In FY10, current expenditure and annual development program (ADP) expenditure set at Tk. 772.4 billion (11.25 percent of GDP) and Tk. 305.0 billion (4.44 percent of GDP), which are 15.0 percent and 54.9 percent respectively higher than the actual level of FY09. The budget FY 10 shows that the largest allocations of current expenditure are likely to go to the heads of pay and allowance (32.7 percent), subsidies and current transfer (20.3 percent) and interest payment

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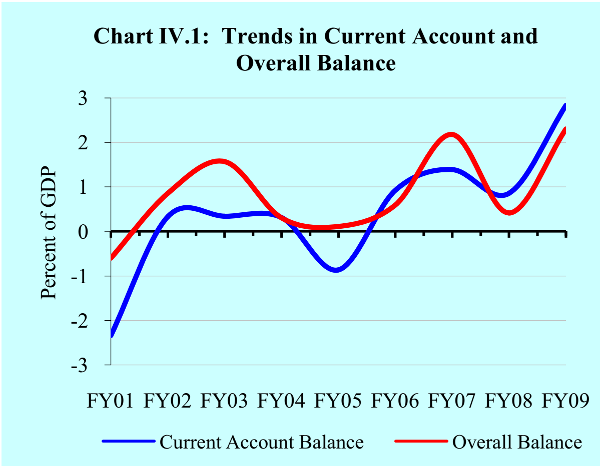
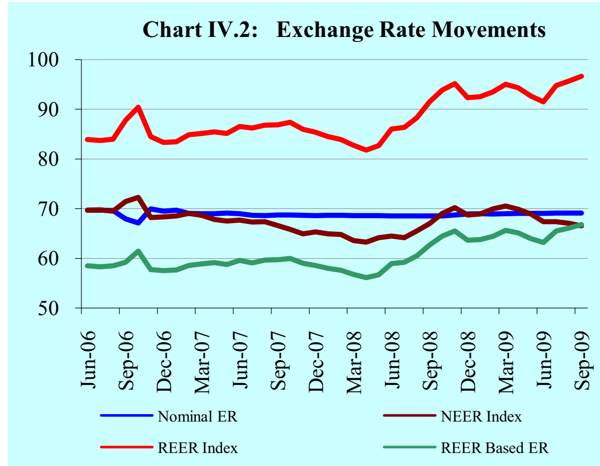
[2] Other sources include supplementary duty (local and import), excise duty, turnover tax, and travel tax.

the first month of FY09 and thus the foreign exchange reserve rose to USD 7.74 billion at the end of July'09.

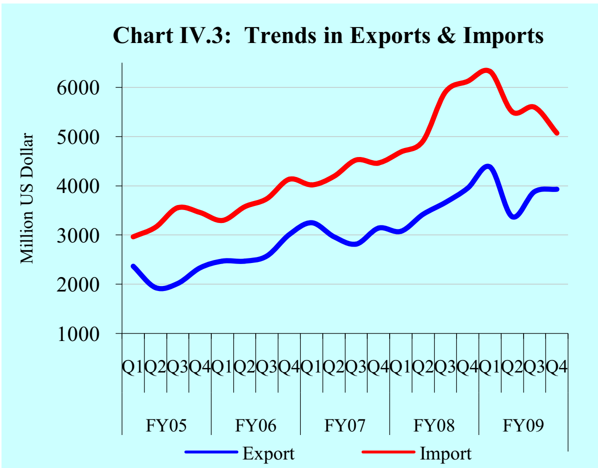


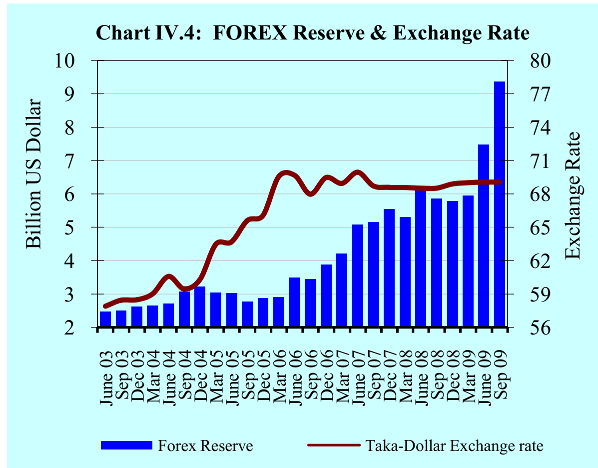


4.2 The USD 2.8 billion exports in July-August 09 were 3.3 percent lower than in the same periods of previous year, but were 12.4 percent higher than exports in first two months of the preceding quarter. The high 42.4 percent y-o-y export growth in Q1 FY 09 meant a very high base for Q1 FY 10 exports to match or outgrow in a recessionary global environment. From Q2 FY 10 onwards y-o-y export growth can be expected to rise fast from the likely near zero level of Q1, helped by lower base numbers and by the continuing gains in global demand recovery. The current quarter's decline in exports attributed mainly due to decline in exports of chemical products (-37.15%), woven garments (-2.06%), knitwear products (-0.48%), frozen shrimp and fish (-32.96%), tea (-82.88%), leather (-22.33%) and some other commodities during July-August '09.

4.3 According to the Export Promotion Bureau (EPB), several export commodities such as jute goods, electronics, terry towel, other primary commodities and some other manufacturing goods recorded higher growth during July-August '09 over the same period of last fiscal year. On the other hand, exports of woven garments, knitwear products, home textile, textile fabrics, raw jute, tea, frozen foods, leather, chemical products, foot wear, handicrafts, ceramic products, petroleum bi-products and agricultural products recorded decline over the previous year (Table IV.6).

4.4 The foreign exchange market remained stable during Q1 FY10 and Taka remained same against US dollar compared to the end of FY09. Taka remained under sustained appreciation pressure since the beginning FY09 and continued up to Q1 FY10; with slower demand of foreign exchange for imports and other purposes from the inflows of export proceeds and workers' remittances. BB acted to keep exchange rate of Taka broadly stable and to preserve external competitiveness with continuous purchase of USD funds from the local interbank market. Weighted average interbank exchange rate at the end of Q1 FY10 remained at end FY09's rate of Taka 69.06 per USD which was Taka 68.03 per USD at the end of Q3 FY09. On the other hand, the REER based exchange rate against trade weighted basket of currencies stood at Tk. 66.75 at the end of Q1 FY10, which was Tk. 63.19 at the end of FY09 and Taka 59.15 at the end of FY08. Since the nominal exchange rate remained same but REER based exchange rate against trade weighted basket of currencies appreciated, Taka lost some of its export competitiveness during Q1 FY10.





4.5 Import payments (provisional, f.o.b.) decreased by 16.9 percent to USD 1.56 billion during the first month of Q1 FY10 compared to USD 1.87 billion in the same month of previous fiscal while import payments recorded a slower 4.2 percent growth during FY09 (Table IV.1). Food grains import declined by 49.4 percent during the month which recorded a 37.4 percent decline in FY09. This declining trend was attributable mainly due to good domestic harvest of food grains and of lower global prices. During the period, import of rice, milk & cream and sugar declined by 95.0 percent, 47.8 percent and 61.5 percent respectively while imports of wheat, spices, oil seeds, edible oil and all sorts of pulses increased by 74.0 percent, 44.8 percent, 733.3 percent 8.4 percent and 102.1 percent respectively due to its sustained demand and lower domestic production. Import of intermediate goods used for further processing in manufacturing sector also decreased by 26.2 percent during July'09 which recorded a 23.5 percent decline during Q4 FY09. During July'09 period, imports of clinker, crude petroleum, POL, chemicals, pharmaceutical products, fertilizer, dyeing and tanning materials, plastic and rubber articles thereof, raw cotton, yarn and textile and articles thereof declined by 52.7 percent, 100.0 percent, 5.3 percent, 17.3 percent, 7.0 percent, 86.0 percent, 9.8 percent, 26.8 percent, 13.5 percent, 21.4 percent and 7.2 percent respectively while import of staple fibre recorded only 3.2 percent growth over the corresponding period of FY09. Imports of capital goods and other capital machineries registered a 25.8 percent decline during July'09, also recorded 7.5 percent decline during Q4 FY09. Decline in imports of capital machineries and industrial raw materials indicate sluggishness in investment in manufacturing sector. Available import LC data for July-Sept '09 indicate no significant upturn or slackening in economic activities in Q1 FY 10 relative to Q4 FY 09, but by September 09 signs started emerging that output activities will pace up from Q2 FY 10 onwards, including inter alia the onset of decline in Taka and USD liquidity overhang.

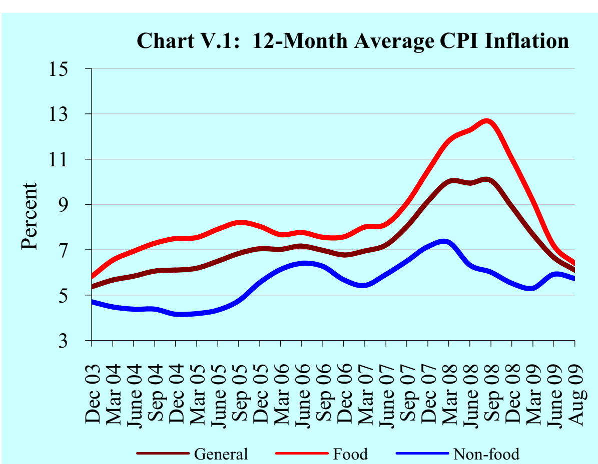
4.6 The inflow of workers' remittances, constitute more than 95 percent of current transfer, registered a strong 15.9 percent growth (USD 2.7 billion) during Q1 FY10 which recorded a 22.4 percent growth (USD 9.7 billion) during FY09. During July-August'09, the largest source of remittance was Saudi Arabia (USD 558.55 million) followed by UAE (USD 312.26 million) and USA (USD 248.94 million).

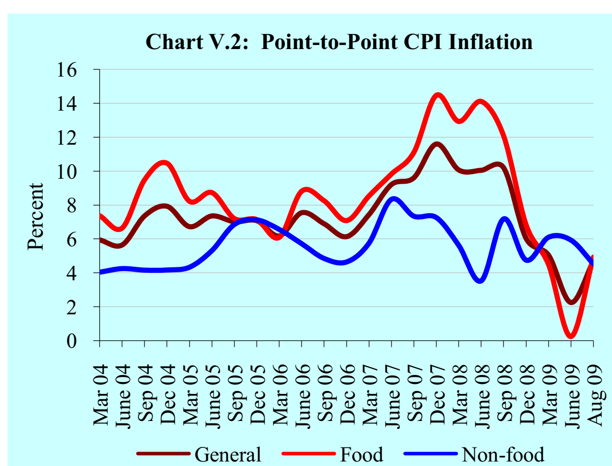
4.7 Sustained growth in inflows from export of goods and services including manpower remains important for external sector viability, the importance will heighten further over the medium term as energy import needs escalate with gradual depletion of local natural gas reserves and need for imports of added capital machineries to boost the industry sector growth. Looking for new markets in fast growing economies in Asia and South America may yield results in additional export growth. Sustaining the healthy growth in workers' remittance inflows will require similar quest of new opportunities.

V. Price Developments

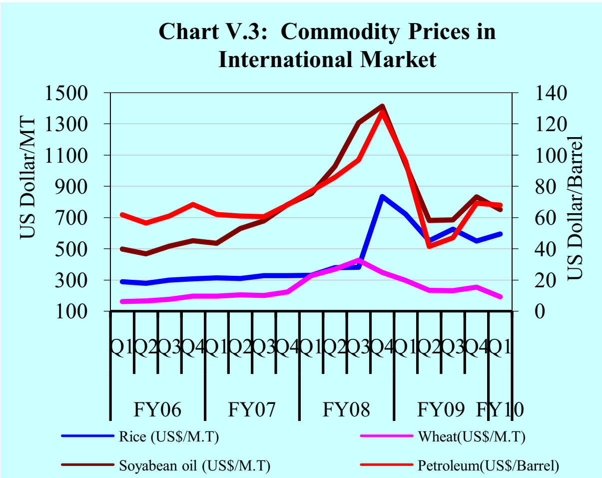
5.1 The trend of decline in point to point (p-t-p) CPI inflation started from Q2FY09 continued till Q4FY09 bottoming out at 2.25 percent in June09; helped by favourable supply situation in domestic output of food grains and stable administered prices of fuel oil. CPI Inflation (p-t-p) has edged up in Q1FY10 rising to 3.46 percent and 4.69 percent respectively in July and August 2009, with both food and non-food prices registering increase.

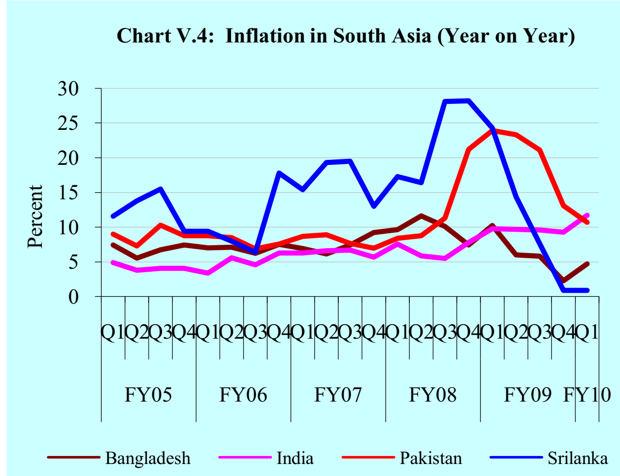
5.2 Basically, food inflation pushes the general inflation rate to a higher level in Q1FY10. Despite good domestic output of rice crop, recent surge in domestic prices of essential commodities: rice, sugar, edible oil, pulses, onion, garlic and vegetables is the reason for higher inflation in Q1FY10. Besides, increase in domestic price of energy (natural gas) from August09 contributed to the increase in non-food inflation, which reached 4.54 percent in August09 compared to 3.74 percent in July09. On the other hand, 12-month average CPI inflation keeps declining since Q2FY09 (9.80 percent, as of October08) till Q1FY10 as reached at 5.6 percent in August09. It may however continue to decline for a few more months (with earlier higher inflation months falling out in the averaging) before edging up.





5.3 The upturn in inflation may continue in the coming months mainly because of the increasing trend in international prices of petroleum, rice, sugar and other commodities; liquidity overhang in the domestic financial market may also add to inflationary risk if used by banks in excessive expansion of consumer credit.





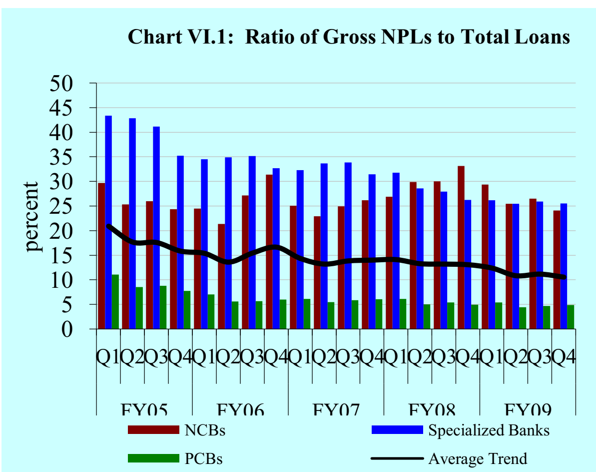
5.4 As in Bangladesh, CPI inflation in neighboring countries shows an upward trend since Q4FY09. In July09, Indian CPI inflation (point to point) has significantly increased to 11.89 percent compared to 9.29 percent in the quarter end Q4FY09 in June09, which was 8.0 percent in the end of Q3FY09. CPI inflation in Sri Lanka has slightly increased to 1.1 percent in July09 compared to 0.9 percent in the previous month of June09. On the other hand, CPI inflation in Pakistan keeps declining to 10.7 percent in August 09 compared to 13.1 percent in the end of Q4FY09 in June09.

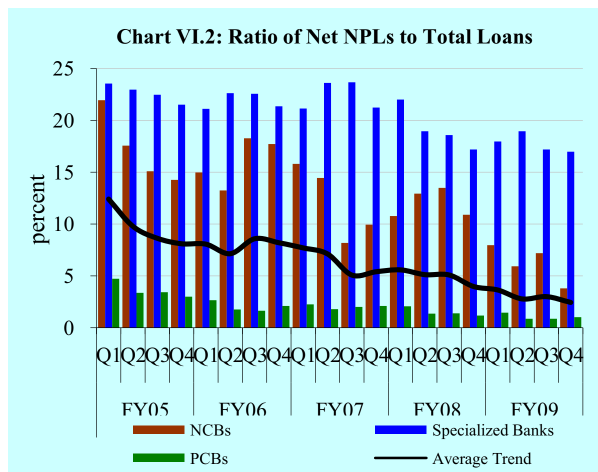
VI. Banking Sector Performance Trend

6.1 Major indicators unfolding banking sector performance showed mixed trends during the period under review. Risk weighted capital asset ratio (RWCAR) for all banks increased while the ratio of non-performing loan (NPL) to total loan for the banking sector, in both gross and net terms, decreased. On the other hand ROA and ROE, two important measures of bank profitability increased. The interest rate spread (IRS) for all banks also increased during the period. Total deposit and advances, both were increased during the period under review. The country's banking sector remained shielded from the global financial turmoil mainly due to the low level of global integration and the sectors relatively good performance in terms of asset management and profitability underpinned by prudential regulation and sound management resulting from BB's timely policy guidance. It would however be important to continue effective supervision by BB for further improvement of the country's banking sector.

6.2 There was a significant increase in RWCAR for all banks to 11.7 percent in June 2009 from 10.0 percent in December 2008 reflecting positive changes in the asset position from 6.9 percent to 9.1 percent for state owned commercial banks (SCBs); from 11.4 percent to 12.0 percent for private commercial banks (PCBs); from 23.8 percent to 28.3 percent for foreign commercial banks (FCBs); and from (-) 5.3 percent to 0.2 percent for specialized banks (SBs). It may be mentioned that the SBs showed negative RWCAR during both halves of 2008 which turned positive in June 2009 due mainly to a payment of Tk. 500 crore by the government to Rajshahi Krishi Unnaan Bank (RAKUB) during Q4FY09. The RWCAR, however, remained significantly above the regulatory requirement of 10 percent only for FCBs and marginally higher for PCBs (Table VI.1).[3] In view of the growing share of PCBs in the overall banking activities, it would be prudent to encourage the PCBs to further augment their capital ratios to acquire higher capacity to successfully weather any episode of systemic shocks in the banking sector.

6.3 The ratio of gross NPL to total loans of the banking sector decreased from 11.1 percent during end Q3FY09 to 10.5 percent in end Q4FY09. During the period, gross NPL ratio for SCBs decreased from 26.5 percent to 24.1 percent which contributed significantly in decreasing the overall ratio. The ratios for the PCBs and FCBs increased marginally to 4.9 percent and 2.4 percent respectively during end Q4 FY09 from 4.7 percent and 1.9 percent respectively at the end of Q3FY09 (Chart VI.1). For the SBs, similar ratio decreased from 25.9 percent to 25.5 percent during the period (Table VI.2).





6.4 On the other hand, the net NPL ratio for all banks decreased from 3.0 percent in Q3FY09 to 2.5 percent in Q4FY09 contributed by sharp decline in the ratio of SCBs from 7.2 percent to 3.8 percent. Similarly, during the period the ratio decreased marginally from 17.2 percent to 17.0 percent for SBs and from (-) 2.4 percent to (-) 1.8 percent for FCBs while the same increased marginally from 0.9 percent to 1.0 percent for PCBs (Table VI.3 and Chart VI.2).

6.5 Among the profitability measures, overall ROA increased from 1.2 percent to 1.4 percent during June 2009 compared with December 2008. The FCBs and SCBs were the main contributors as ROA increased from 2.9 percent to 3.6 percent for FCBs and from 0.7 percent to

[3] As per Bangladesh Bank requirements, the banks are required to maintain capital to risk-weighted asset ratio of 10 percent at the minimum with core capital not less than 5 percent.

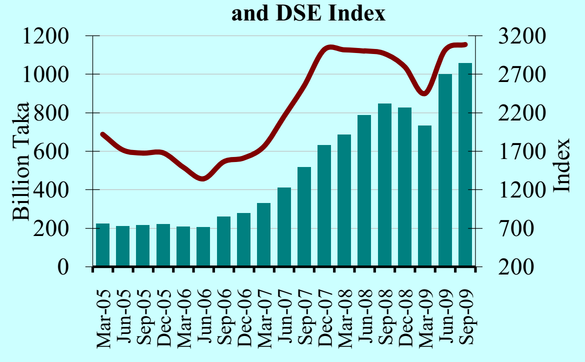
SCBs recorded the highest deposit growth of 9.4 percent over Q3FY09 which was 8.4 percent for SBs; 8.1 percent for PCBs and (-) 2.5 percent for FCBs. In the case of advances, PCBs recorded 4.8 percent growth during Q4FY09 over the Q3FY09 level compared with 3.9 percent growth for SBs; 0.3 percent for SCBs and FCBs.

6.10 With a view to preserving and bolstering domestic financial sector stability, BB has been strengthening supervisory oversight on capital adequacy, liquidity, solvency, corporate governance and risk management in banks and financial institutions; broadly in line with the best practice standards set by the Basel Committee for effective Bank Supervision (BCBS). From January 2009 banks are needed to work out effective steps to ensure their capital requirements in terms of the Basel II capital regime, initially in parallel with the earlier 'Basel-I minimum plus two percent' requirement on risk weighted assets. Overall capital requirements under the Basel II regime are not expected to be much larger than those under the current regime, however, the main benefit from Basel II capital regime will be in developing the awareness in banks about the precise quantitative risks and its management (credit risks, market risks, operational risks) associated with each of their various business lines (the Basel-I regime allocated capital solely for credit risks). However, with these various efforts by BB, most of the indicators describing banking sector performance recorded gradual improvement so far during the recent past. Therefore, as the regulator of the banking and financial sectors, it will be prudent for BB to continue effective supervision for further improvement of the country's banking sector.

VII. Capital Market Developments

7.1 After the poor performance of preceding consecutive three quarters of FY09, the country's capital market experienced robust performance during Q4 FY09 and Q1 FY10 with healthy growth recorded in all the indicators. During Q4 FY09, and Q1 FY10 DSE general index increased by 23.0 percent and 2.5 percent respectively. At the end of Q4 FY09 and Q1 FY10 market capitalization of DSE increased by 36.4 percent and 5.6 percent respectively (chart VII.1 and Table VII.1). During FY09 DSE general index and market capitalization increased by 0.3 percent and 26.9 percent respectively. Year- on- year position DSE general index and market capitalization increased by 4.0 percent and 25.0 percent respectively in the 1st quarter of FY10.

Chart VII.1: Trend in Market Capitalisation and DSE Index



7.2 The liquidity situation in the capital market improved significantly during Q4 FY09 and also Q1FY10 against the previous quarters. The volume of total turnover increased to Tk. 346.3 in Q4 FY09 billion as compared with Tk. 217.8 billion in previous quarter recording healthy growth by 59.0 percent. The volume of total turnover increased to Tk. 491.45 in Q1 FY10 billion as compared with Tk. 346.3 billion in previous quarter recording healthy growth by 41.9 percent. On a year-on-year