

Fortnightly Trends of Major Economic Indicators: Updates on 31 December 2020

As per the latest available data, **broad money** increased by Tk. 80225.10 crore or 5.84 percent in November 2020 over end June 2020 against the increase of Tk. 55865.50 crore or 4.58 percent during the same period of the preceding year. Broad money increased during the reported period due mainly to increase in net foreign assets (NFA).

Reserve money stood at Tk 303563.00 crore as on 31 December 2020 which was Tk. 306623.20 crore as on 15 December 2020. Reserve money increased by 6.94 percent as on 31 December 2020 over end June 2020 which increased by 1.89 percent during the same period of the preceding fiscal year.

Domestic credit increased by 2.83 percent and stood at TK. 1344689.00 crore in November 2020 over end June 2020 against the increase of 6.04 percent to Tk. 1216202.50 crore during the same period of the previous fiscal year. Domestic credit growth slightly subdued over the reported period due to slow growth in credit to public sector. Credit to public sector increased by 6.38 percent in November 2020 over end June 2020 against the increase of 32.03 percent during the same period of previous fiscal year. Likewise, credit to private sector increased by 2.15 percent in November 2020 over end June 2020 against the increase of 2.53 percent during the same period of previous fiscal year.

Government borrowing from the banking system including BB decreased by Tk. 5504.48 crore during the period of 16-29 December 2020 as compared to the decrease of Tk. 121.94 crore during the same period of the last year. Similarly, as per the latest available data, government overall borrowing from the banking system increased by Tk. 2022.39 crore from 01 July to 29 December, 2020 which increased by Tk. 45195.47 crore during the same period of the preceding fiscal year. Available information suggest that government borrowing from the banking system remained deliberately slow in the current fiscal year due mainly to rapid growth of borrowing from the non-bank sources, especially through issuance of national savings certificates.

NBR tax revenue collection during July-October 2020 stood at Tk. 68128.47 crore which was higher by Tk. 2321.89 crore or 3.53 percent against the collection of Tk. 65806.58 crore during July-October 2019. The gradual increase of NBR tax revenue collection indicates that overall economic activities are gaining desired momentum by mitigating the pandemic situation of COVID-19.

Inward Remittances increased by 37.59 percent and stood at US\$ 12944.75 million during July-December 2020 against the increase of 25.52 percent to US\$ 9407.93 million during the same period of the last fiscal year. The inward remittances have significantly increased due mainly to allowing 2 percent incentives for sending it through the banking channels.

Exports increased by 0.93 percent and stood at US\$ 15923.59 million during July-November 2020 against the decrease of 7.59 percent to US\$ 15777.10 million during the same period of the preceding fiscal year. The revival of exports growth reflects a sluggish recovery of external demand for Bangladeshi commodities in the global market.

Current account balance recorded a significantly surplus of US\$ 4109.00 million during July-November 2020 against the deficit of US\$ 1447.00 million during July-November 2019. Surplus in current account balance emerged from larger inflows of remittances and significantly lower deficit both in trade and service accounts.

Despite having lower surplus in financial account balance, with the support of a handsome surplus in current account balance **foreign exchange reserves** of BB increased by US\$ 10.48 billion and stood at US\$ 43.17 billion as on 30 December 2020 from US\$ 32.69 billion as on 30 December 2019.

Inflation on twelve-month average basis (Base: FY2005-06=100) decreased to 5.73 percent in November 2020 from 5.77 percent in October 2020 due to decrease of both food and non-food inflation. Point to point general inflation also decreased to 5.52 percent in November 2020 from 6.44 percent in October 2020 due mainly to decrease in food inflation.

Detailed fortnightly information up to 31 December 2020 are annexed herewith.

Detailed Information on Trends of Major Economic Indicators upto 31 December 2020**I. Money and Credit**

(Taka in crore)

Particulars	November 2019	October 2020 ^R	November 2020 ^P
1. Broad money (M2)	1275477.00	1439728.00	1453960.10
	(+4.58)	(+4.80)	(+5.84)
2. Reserve money @	250039.40 ***	306623.20 **	303563.00 *
	(+1.89)	(+8.02)	(+6.94)
3. Bank deposits[#]	1120223.50	1251671.80	1268523.20
	(+5.15)	(+5.93)	(+7.35)
4. Domestic credit (A+B)	1216202.50	1335985.20	1344689.00
	(+6.04)	(+2.17)	(+2.83)
A. Public sector (including govt.) (i+ii)	180387.30	221662.70	223787.00
i. Net credit to govt. sector	153436.30	191607.10	193146.10
	(+32.03)	(+5.37)	(+6.38)
	(+35.46)	(+5.77)	(+6.62)
ii. Credit to other public sector	26950.90	30055.60	30640.80
	(+15.39)	(+2.88)	(+4.88)
B. Credit to private sector	1035815.30	1114322.40	1120902.00
	(+2.53)	(+1.55)	(+2.15)

Source: Statistics Department, BB.

Note: Figures in the parenthesis indicate percentage changes over corresponding end June.

P= Provisional, @=excluding F.C. clearing account

*Figure is as of 31 December 2020, **Figure is as of 15 December 2020, ***Figure is as of 31 December 2019 .

Demand and time deposits (excluding inter-bank)

II. Government Financing

Particulars	As on		Flow for the period of			
	29 December 2019	29 December 2020 ^P	16-29 Decemehr 2019	16-29 Decemehr 2020	01 July-29 December2019	01 July-29 December2020
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	42868.66	15712.86	-1118.30	-8902.02	8923.93	-28640.63
B. Net outstanding position of govt. borrowing from banking sector(including BB)	153291.17	179845.40	-121.94	-5504.48	45195.47	2022.39
2. Net outstanding position of non-bank borrowing of the govt.*	As of end		Flow for the month of		Flow for the period of	
	October 2019	October 2020 ^P	October 2019	October 2020 ^P	July-October 2019	July-October 2020 ^P
	325346.19	358568.39	(+)1707.75	(+)3704.27	(+)7343.12	(+)17579.05
3. Govt.revenue collection (NBR portion)	October 2019	October 2020 ^P	July-October 2019		July-October 2020 ^P	
	17790.88 (+9.73)	18138.75 (+1.96)	65806.58 (+5.47)		68128.47 (+3.53)	

Source: Research Department & Statistics Department, BB and National Board of Revenue.

Note: Figures in the parenthesis indicate percentage changes over the same period of the previous year

P= Provisional

* Excludes saving certificates held by the banks and includes T.bills & T.bonds held by non-bank financial institutions.

(In million US\$)

III. External Sector

Particulars	November 2019	November 2020	July-November 2019	July-November 2020 ^P
1. Custom based import (c&f)	4392.40 (-13.56)	4818.40 (+9.70)	23995.70 (-5.25)	21880.70 (-8.81)
Particulars	October 2019	October 2020	July-October 2019	July-October 2020 ^P
2. Opening of Import L/C	4651.45 (-2.20)	4719.24 (+1.46)	19250.76 (-1.33)	18019.68 (-6.39)
3. Settlement of Import L/C	5102.89 (+6.05)	3970.39 (-22.19)	18438.16 (+4.50)	15471.66 (-16.09)
	December 2019	December 2020	July-December 2019	July-December 2020 ^P
4. Inward Remittances	1691.68 (+40.17)	2050.65 (+21.22)	9407.93 (+25.52)	12944.75 (+37.59)
	November 2019	November 2020 ^P	July-November 2019	July-November 2020 ^P
5. Exports	3055.85 (-10.70)	3078.95 (+0.76)	15777.10 (-7.59)	15923.59 (+0.93)
	July-November 2019		July-November 2020 ^P	
6. Current Account Balance	-1447.00		4109.00	
	30 December 2019	15 December 2020	30 December 2020	
7. Foreign Exchange Reserve [#]	32688.48 (+2.10)	42094.90 (+30.42)	43172.47 (+32.07)	

IV. Price Index

1. CPI inflation at national level (Base : FY 2005-06=100)	November 2019	October 2020	November 2020
a. Twelve month average basis	5.56	5.77	5.73
b. Twelve month point to point basis	6.05	6.44	5.52

Source: Statistics Department and Accounts & Budgeting Department, BB and Bangladesh Bureau of Statistics.

Note: Figures in the parenthesis indicate percentage changes over the same period of the preceding year.

P=Provisional, # Figures in the parenthesis indicate percentage changes over corresponding end June.