

Fortnightly Trends of Major Economic Indicators: Updates on 15 March 2022

Broad money increased by Tk 53225.00 crore or 3.41 percent over end June 2021 to Tk 1614120.30 crore in January 2022 against the increase of Tk 98735.90 crore or 7.19 percent over end June 2020 to Tk 1472470.90 crore in January 2021. Broad money increased during the reported period mainly due to the higher contribution of Net Domestic Assets (NDA).

Domestic credit increased by 6.58 percent over end June 2021 to Tk 1534711.60 crore in January 2022 against the increase of 4.19 percent over end June 2020 to Tk 1362424.50 crore in January 2021. Domestic credit growth stood higher as compared to the previous year due to positive growth of both credit to public and private sector. Growth of credit to public sector (6.94%) stood higher as compared to the previous year (5.72%) due to a higher growth of credit to other public sector. As per the latest available data, government overall borrowing from the banking system increased by Tk 11160.68 crore from 01 July 2021 to 15 March 2022 against the decrease of Tk 5793.87 crore during the same period of the preceding fiscal year. Credit to private sector increased by 6.51 percent in January 2022 over end June 2021 against the increase of 3.90 percent in January 2021 over end June 2020. Credit to private sector increased due to come back normalcy in economic activities of the country.

Reserve money stood at Tk 328423.70 crore as on 15 March 2022 which was Tk 321790.90 crore as on 28 February 2022. Reserve money however decreased by 5.49 percent as on 15 March 2022 over end June 2021 against the increase of 9.52 percent during the same period of the preceding fiscal year. Reserve money decreased due mainly to the sharp fall of the growth of the Net Foreign Assets (NFA) of Bangladesh Bank during the reported period.

NBR tax revenue collection stood higher at Tk 27512.71 crore (18.05 percent) in December 2021 compared to Tk 23306.32 crore (6.72 percent) in December 2020. In another way, NBR tax revenue collection stood at Tk 129090.11 crore in July-December 2021 which was Tk 110501.00 crore in July-December 2020.

Inward Remittances decreased by 18.90 percent to US\$ 14390.05 million in July-15 March 2022 against the increase of 32.53 percent to US\$ 17743.95 million in July-15 March 2021. Remittance declined due to many Bangladeshi migrants lost their jobs during covid-19 period. Recently Government has enhanced cash incentives from 2.00 percent to 2.50 percent which may augment inward remittances through formal legal banking channel in the near future subject to remarkable improvement of Covid-19 situation globally.

Exports increased by 30.86 percent to US\$ 33843.45 million in July-February 2022 against the decrease of 1.45 percent to US\$ 25862.32 million in July-February 2021. Exports seem to increase with the reopening of economic activities home & abroad with the rise of exports demand. However, economic fallout from the Ukraine-Russia war may create uncertainty thereby export growth fall in the near future.

Current account balance recorded a deficit of US\$ 10062.00 million in July-January 2022 against the surplus of US\$ 1556.00 million in July-January 2021. Current account balance is in deficit mainly for the larger deficit in trade balance which means import is higher than export and lower workers' remittances.

The **foreign exchange reserves** of BB stood at US\$ 44.19 billion as on 15 March 2022 which was US\$ 43.09 billion as on 15 March 2021. As per latest available data, foreign exchange reserves of BB stood at US\$ 44.30 billion as on 24 March 2022.

Inflation on twelve-month average basis (Base: FY2005-06=100) increased to 5.69 percent in February 2022 from 5.62 percent in January 2022. Point to point general inflation also increased to 6.17 percent in February 2022 from 5.86 percent in January 2022. Inflation increased in February due to supply disruptions in the global market, oil price hike and rise in domestic demand after Covid-19 situation.

Detailed fortnightly information available up to 15 March 2022 are annexed herewith.

Detailed Information on Trends of Major Economic Indicators upto 15 March 2022**I. Money and Credit**

(Taka in crore)

Particulars	June 2020	January 2021	June 2021	December 2021 ^R	January 2022 ^P	July-January 2022 ^P	July-January 2021 ^R
1	2	3	4	5	6	7	8
1. Broad money (M2)	1373735.00	1472470.90	1560895.30	1620635.00	1614120.30	53225.00	98735.90
	(+12.64)	(+7.19)	(+13.62)	(+3.83)	(+3.41)	(-46.09)	(+26.68)
2. Bank deposits[#]	1181620.60	1286728.90	1351377.60	1409911.90	1402343.10	50965.50	105108.30
	(+10.92)	(+8.90)	(+14.37)	(+4.33)	(+3.77)	(-51.51)	(+43.38)
3. Domestic credit (A+B)	1307633.80	1362424.50	1439899.10	1532188.00	1534711.60	94812.50	54790.70
	(+14.02)	(+4.19)	(+10.11)	(+6.41)	(+6.58)	(+73.04)	(-44.42)
A. Public sector (including govt.) (i+ii)	210365.90	222401.30	251043.70	268940.50	268454.10	17410.40	12035.40
	(+53.97)	(+5.72)	(+19.34)	(+7.13)	(+6.94)	(+44.66)	(-78.65)
i. Net credit to govt. sector	181150.80	191361.00	221025.90	234544.10	232076.00	11050.10	10210.20
	(+59.92)	(+5.64)	(+22.01)	(+6.12)	(+5.00)	(+8.23)	(-79.57)
ii. Credit to other public sector	29215.10	31040.30	30017.80	34396.40	36378.10	6360.30	1825.20
	(+25.09)	(+6.25)	(+2.75)	(+14.59)	(+21.19)	(+248.47)	(-71.43)
B. Credit to private sector	1097267.90	1140023.30	1188855.30	1263247.50	1266257.50	77402.20	42755.40
	(+8.61)	(+3.90)	(+8.35)	(+6.26)	(+6.51)	(+81.03)	(+1.27)
4. Reserve money @	283862.40	310895.70 ***	347485.30	321790.90 **	328423.70 *	-19061.60	27033.30
	(+15.67)	(+9.52)	(+22.41)	(-7.39)	(-5.49)	(-170.51)	(+120.76)

Source: Statistics Department, BB.

Note: Figures in the parenthesis of column no 2 to 6 of data from left indicate percentage changes over the previous June.

Figures in the parenthesis of column no 7 & 8 indicate percentage changes over corresponding period of the last year.

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

*Figure as of 15 March 2022, **Figure as of 28 February 2022, ***Figure as of 15 March 2021.

Including both demand and time deposits (excluding inter-bank)

II. Government Financing**(Taka in crore)**

Particulars	As on		Flow for the period of			
	15 March 2021	15 March 2022 ^P	01-15 March 2021	01-15 March 2022	01 July 2020 to 15 March 2021	01 July 2021 to 15 March 2022
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	11412.49	16674.45	10164.63	7174.08	-32941.01	-7867.69
B. Net outstanding position of govt. borrowing from banking sector(including BB)	172029.14	213275.77	5319.00	2874.64	-5793.87	11160.68
2. Net outstanding position of non-bank borrowing of the govt.*	As of end		Flow for the month of		Flow for the period of	
	January 2021	January 2022 ^P	January 2020	January 2021 ^P	July-January 2020-21	July-January 2021-22
	368842.80	399605.55	(+)4909.30	(+)2761.57	(+)27853.46	(+)14535.60
3. Govt. tax revenue collection (NBR portion)	December 2020	December 2021 ^P	July-December 2020-21		July-December 2021-22 ^P	
	23306.32 (+6.72)	27512.71 (+18.05)	110501.00 (+4.01)		129090.11 (+16.82)	

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	January 2021	January 2022	July-January 2020-21R	July-January 2021-22P
1. Custom based import (c&f)	7235.30 (+35.64)	8326.80 (+15.09)	34504.50 (-0.23)	50449.30 (+46.21)
2. Opening of Import L/C ^{R#}	6176.04 (+8.20)	7767.62 (+25.77)	35092.02 (+1.32)	52359.30 (+49.07)
3. Settlement of Import L/C ^{R#}	4721.77 (-5.62)	7081.48 (+49.98)	29825.38 (-8.54)	45481.07 (+52.49)
	15 March 2021	15 March 2022	July-15 March 2020-21 ^R	July-15 March 2021-22 ^P
4. Inward Remittances	1056.70 (+18.66)	949.90 (-10.11)	17743.95 (+32.53)	14390.05 (-18.90)
	February 2021	February 2022	July-February 2020-21 ^R	July-February 2021-22 ^P
5. Exports	3192.08 (-3.92)	4294.53 (+34.54)	25862.32 (-1.45)	33843.45 (+30.86)
	July-January 2020-21 ^R		July-January 2021-22 ^P	
6. Current Account Balance	1556.00		-10062.00	
	15 March 2021	28 February 2022	15 March 2022	
7. Foreign Exchange Reserve [@]	43087.19 (+19.56)	45947.76 (-0.96)	44187.27 (-4.75)	

IV. Price Index

1. CPI inflation at national level (Base : FY 2005-06=100)	February 2021	January 2022	February 2022
a. Twelve month average basis	5.63	5.62	5.69
b. Twelve month point to point basis	5.32	5.86	6.17

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 the previous June.