

Fortnightly of Major Economic Indicators: Updated up to 31 December 2022

During July-November 2022, **broad money** increased 1.89 percent to Tk 1740472.40 crore at the end of November 2022 from the level of end June 2022. The increase in net domestic assets (NDA) contributed to broad money growth during the period.

Domestic credit growth recorded 4.40 percent in November 2022 over June 2022 compared to 4.69 percent growth in November 2021 over June 2021 because of lower growth of credit to public sector. Credit to public sector decelerated to 5.66 percent at the end of November 2022 over June 2022 compared to 8.81 percent rise at the end of November 2021 over end June 2021. Credit to public sector decelerated due to deceleration of both net credit to govt. sector and net credit to other public sector. As per the latest available data, government borrowing from the banking system increased Tk 32249.35 crore during 01 July to 29 December 2022 against the increase of Tk 19128.66 crore during 01 July to 29 December 2021. However, credit to private sector grew 4.11 percent during July 2022-November 2022 against 3.82 percent rise during the same period of the preceding fiscal year.

During 01 July to 29 December 2022, **reserve money** increased 9.28 percent to Tk 379383.00 crore as on 29 December 2022 from the level of end June 2022. Reserve money increased due mainly to the higher growth in Net Domestic Assets (NDA) of Bangladesh Bank stemmed from higher government borrowing during the reported period under review.

NBR tax revenue collection rose 13.88 percent to Tk 115640.45 crore during July-November of FY23 which was Tk 101548.02 crore during July-November of FY22. Target for NBR tax revenue collection has been set at Tk 370000.00 crore in the budget for FY23. NBR tax revenue during July-November of FY23 was 31.25 percent of the target set for FY23.

Exports surged 10.58 percent to USD 27.31* billion during July-December 2022 compared to 28.41 percent to USD 24.70* billion during July-December 2021. Exports growth stood lower compared to previous year due to higher base of the last year and seemingly a fall off global demand arising from Russia-Ukraine war.

Custom based imports experienced a lower growth of 4.35 percent during July-November 2022 compared to 53.95 percent growth during July-November 2021 because of partly higher base of the previous period and partly BDT depreciation along with import restriction of luxurious items. Opening of import LCs decreased 22.52 percent during July-December 2022. On the other hand, Settlement of import LCs increased 7.71 percent during July-December 2022.

*Source: EPB

Inward Remittances surged 2.48 percent to USD 10.49 billion during July to December 2022 compared to 20.90 percent fall during the same period of the previous year. Remittances seem to increase because of the increased number of remitters in FY22, higher BDT depreciation along with Government's phenomenal 2.50 percent cash incentives for sending it through the formal banking channels, easing the remittance repatriation by allowing the mobile financial services in remittance collection and distribution process as well as waiving the remittance transaction fees by banks.

Current account balance recorded a deficit of USD 5.67 billion in July-November 2022 against the deficit of USD 6.22 billion in July-November 2021. The deficit in current account balance improved slightly compared to the same period of previous FY due mainly to slower growth in import than that of export during July-November of FY23.

Foreign exchange reserves came down to USD 33.77 billion as on 29 December 2022 from USD 46.15 billion as on 30 December 2021. As per latest available data, foreign exchange reserves stood at USD 32.54 billion as on 16 January 2023 after the ACU payment settled.

Headline Inflation (Point to point) edged down to 8.71 percent in December 2022 from 8.85 percent in November 2022. On the other hand, headline inflation (twelve-month average) went up to 7.70 percent in December 2022 from 7.48 percent in November 2022. Supply bottleneck due to Russia-Ukraine war, higher commodity price in the international market, fuel price upward adjustment in domestic market along with BDT depreciation, and rise in domestic demand were contributing factors for the increasing headline inflation (twelve-month average).

Detailed fortnightly information available up to 31 December 2022 is annexed herewith.

Detailed Information of Major Economic Indicators upto 31 December 2022

I. Money and Credit

(Taka in crore)

Particulars	June 2021	November 2021	June 2022 ^R	November 2022 ^P	July-November of FY23 ^P	July-November of FY22 ^R
1	2	3	4	5	6	7
1. Broad money (M2)	1560895.30 (+13.62)	1602532.30 (+2.67)	1708122.30 (+9.43)	1740472.40 (+1.89)	32350.10	41637.00
2. Bank deposits[#]	1351377.60 (+14.37)	1394235.90 (+3.17)	1471673.30 (+8.90)	1487490.40 (+1.07)	15817.10	42858.30
3. Domestic credit (A+B)	1439899.10 (+10.11)	1507410.20 (+4.69)	1671749.00 (+16.10)	1745373.90 (+4.40)	73624.90	67511.10
A. Public sector (including govt.) (i+ii)	251043.70 (+19.34)	273164.50 (+8.81)	320513.30 (+27.67)	338659.50 (+5.66)	18146.20	22120.80
i. Net credit to govt. sector	221025.90 (+22.01)	240082.20 (+8.62)	283314.50 (+28.18)	299232.70 (+5.62)	15918.20	19056.30
ii. Credit to other public sector	30017.80 (+2.75)	33082.30 (+10.21)	37198.90 (+23.92)	39426.80 (+5.99)	2227.90	3064.50
B. Credit to private sector	1188855.30 (+8.35)	1234245.60 (+3.82)	1351235.60 (+13.66)	1406714.40 (+4.11)	55478.80	45390.30
Particulars	15 December 2021	30 December 2021	15 December 2022	29 December 2022	01 July-29 December 2022	01 July-30 December 2021
4. Reserve money @	327870.60 (-5.80)	323088.90 (-7.18)	359477.00 (+3.55)	379383.00 (+9.28)	32220.90	-24982.90

Source: Statistics Department, BB.

Note: Figures in the parenthesis of column no 2 to 5 of data indicate percentage changes over the previous June

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

Including both demand and time deposits

II. Government Financing

Particulars	As on		Flow for the period of			
	29 December 2021	29 December 2022 ^P	16-29 December 2021	16-29 December 2022	01 July-29 December 2021	01 July-29 December 2022
1. A. Net outstanding position of govt. borrowing from Bangladesh Bank	14986.15	121471.15	-2823.94	16587.06	-9555.99	65604.75
B. Net outstanding position of govt. borrowing from banking sector(including BB)	221243.76	302434.91	-507.52	276.53	19128.66	32249.35
2. Net outstanding position of non-bank borrowing of the govt.*	As of end		Flow for the month of		Flow for the period of	
	November 2021	November 2022 ^P	November 2021	November 2022 ^P	July-November of FY22	July-November of FY23
	396556.11	414754.02	(+)1555.21	(-)199.60	(+)44280.64	(+)26934.23
3. Govt. tax revenue collection (NBR portion)	November 2021	November 2022 ^P	July-November of FY22		July-November of FY23	
	21925.32 (+15.01)	24722.77 (+12.76)	101548.02 (+16.46)		115640.45 (+13.88)	

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.

III. External Sector

Particulars	November 2021	November 2022	July-November 2021	July-November 2022
1. Custom based import (c&f)	7854.60 (+63.01)	7591.60 (-3.35)	33685.80 (+53.95)	35151.60 (+4.35)
Particulars	September 2021	September 2022	July-September 2021	July-September 2022
2. Opening of Import L/C^{R#}	7965.02 (+55.59)	6051.42 (-24.03)	20322.36 (+52.79)	18580.92 (-8.57)
3. Settlement of Import L/C^{R#}	6087.90 (+47.04)	7100.34 (+16.63)	17062.88 (+48.36)	22453.21 (+31.59)
	December 2021	December 2022	July to December 2021	July to December 2022
4. Inward Remittances	1630.66 (-20.48)	1699.70 (+4.23)	10239.53 (-20.90)	10493.26 (+2.48)
	December 2021	December 2022	July-December 2021	July-December 2022
5. Exports	4907.68 (+48.27)	5365.19 (+9.32)	24698.55 (+28.41)	27311.25 (+10.58)
	July-November 2021		July-November 2022	
6. Current Account Balance	-6223.00		-5670.00	
	30 December 2021	15 December 2022	29 December 2022	
7. Foreign Exchange Reserve[@]	46153.93 (+6.92)	34028.76 (-24.84)	33767.46 (-26.84)	

IV. Price Index

1. CPI inflation at national level (Base : FY 2005-06=100)	December 2021	November 2022	December 2022
a. Point to point basis	6.05	8.85	8.71
b. Twelve month average basis	5.55	7.48	7.70

Source: Statistics Department and Accounts & Budgeting Department, BB website, Export Promotion Bureau 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.