

# **Monthly Report On Government Domestic Borrowing<sup>1</sup>**



**February, 2020**

**Research Department  
Bangladesh Bank**

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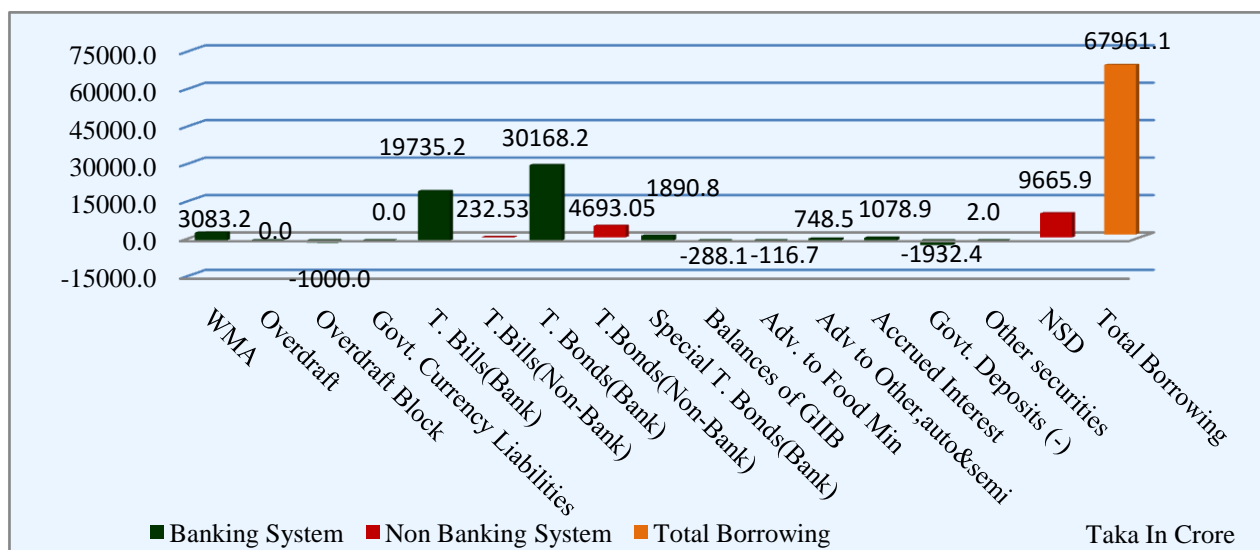
## Government Domestic Borrowing during July-February, 2020

Government borrows from two domestic sources: the banking system and the non-banking system. Banking system includes borrowing through T-Bills, T- Bonds & Special T-Bonds, ways and means advances, overdraft current & block A/C, advances to food & other ministries, accrued interest, advances to autonomous & semi-autonomous bodies, balances of GIIB fund and thereafter netting off government deposits with Bangladesh Bank and Scheduled Banks. On the other hand, the non-banking system comprises of National Savings Certificate and T-Bills & Bonds held by others (i.e. NBFIs, Insurance Companies, Individuals etc.).

In the revised budget FY20, total net domestic borrowing of government has been targeted at Tk. 97345.0 crore of which Tk. 82421.0 crore is from banking system and Tk. 14924.0 crore is from non-banking system.

During July-February, 2020, the total net domestic borrowing of government stood at Tk. 67961.1 crore which is 69.8 percent of the total revised budget target of FY20. Instrument-wise government net domestic borrowing in July-February, 2020 is depicted in Chart-1.

**Chart-1: Instrument-wise Government net Domestic Borrowing in July-February, 2020**



Source: Debt Management Department, Statistics Department, Bangladesh Bank, National Savings Directorate.

Government borrowed Tk. 56719.8 crore (net) through T-Bills, T-Bonds and Special T-Bonds in July-February, 2020. It is observed that government deposits (net) with the banking system increased by Tk. 1932.4 crore during the period under report. Through NSD instruments, government borrowed Tk. 9665.9 crore during July-February, 2020.

**Table 1: Source-wise government net domestic borrowing and comparison with previous month & the same period of the preceding year**

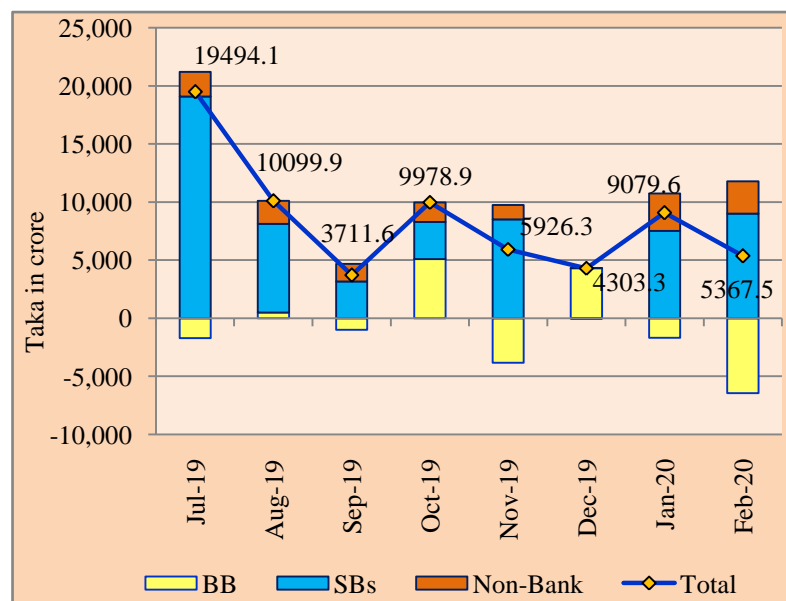
(Taka in Crore)

Sources	July-February 2019	July-January 2020	July-February 2020	Change over the month	Change over the year
	1	2	3	4=3-2	5=3-1
<b>Bank</b>	-1734.3	50802.6	53369.7	2567.1	55104.0
<b>Non-bank</b>	37759.7	11791.1	14591.5	2800.4	-23168.2
<b>Total</b>	36025.5	62593.7	67961.1	5367.5	31935.6

Source: Debt Management Department and Statistics Department, Bangladesh Bank and National Savings Directorate.

In July-February, 2020, total net domestic borrowing of government stood at Tk. 67961.1 crore which was Tk. 36025.5 crore in July-February, 2019. The amount is 88.6 percent higher than that of the same period of the preceding year.

**Chart-2: Monthly Trends in Government net Domestic Borrowing from July, 2019 to February, 2020**

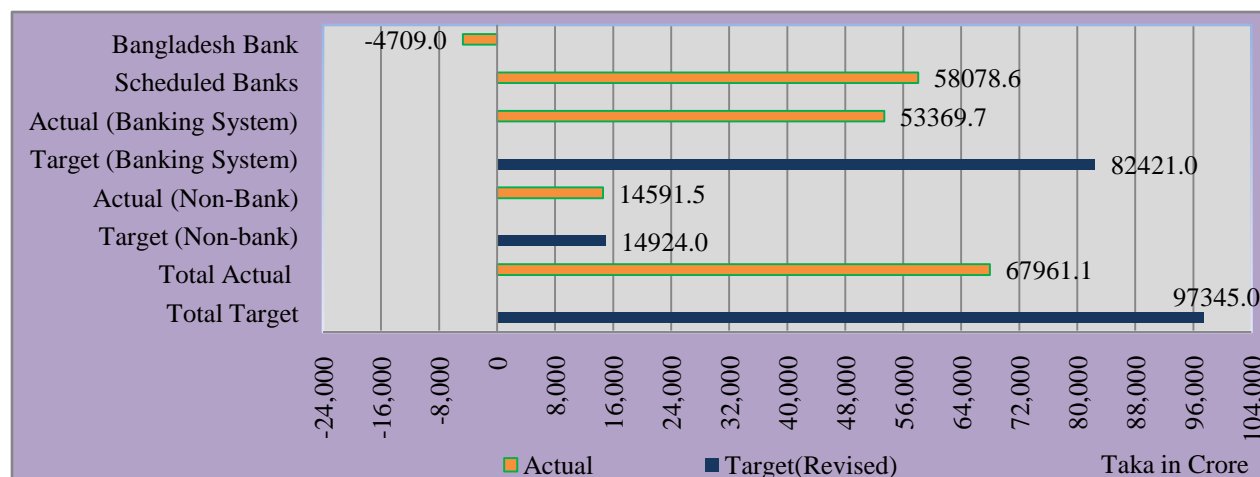


Source: Debt Management Department and Statistics Department, Bangladesh Bank and National Savings Directorate.

In the month of February, 2020, total net domestic borrowing of government stood at Tk. 5367.5 crore (borrowed Tk. 8998.3 crore from SBs and Tk. 2800.4 crore from non-bank and repaid Tk. 6431.2 crore to BB). The amount is Tk. 3712.1 crore higher than that of the month of January, 2020.

A comparative picture of government total budget target and actual domestic borrowing situation in July-February, 2020 is shown in Chart-3. During July-February, 2020, the net repayment and holding of cash balances with Bangladesh Bank stood at Tk. 4709.0 crore and the net borrowing from scheduled banks stood at Tk. 58078.6 crore. In July-February, 2020, the government net borrowing from banking system stood at Tk. 53369.7 crore which is 64.8 percent of FY20 revised budget target.

**Chart-3: Revised Budget Target and Actual net Domestic Borrowing of Government in July-February, 2020**



Source: Debt Management Department and Statistics Department, Bangladesh Bank and National Savings Directorate.

During July-February, 2020, the actual non-bank borrowing of government stood at Tk. 14591.5 crore which is 97.8 percent of the revised budget target of FY20. The total net domestic borrowings of government (banking and non-banking system) stood at Tk. 67961.1 crore during July-February, 2020 which is 69.8 percent (Chart-3) of the total revised budget target for the FY20.

### **Concluding Remarks:**

- During the period under reports, net domestic borrowings of government from the banking system stood at Tk. 53369.7 crore against the revised target of Tk. 82421.0 crore of FY20. On the other hand, government borrowed Tk. 14591.5 crore from non-banking system against revised target of Tk. 14924.0 crore.
- The net sale of Government Saving Instruments have significantly declined and stood at Tk. 9665.9 crore during July-February, 2020 as compared to Tk. 35602.5 crore in the same period of the preceding year due mainly to introduce automation in the sell process and submission of TIN certificate by the clients.
- The total net domestic borrowings of the Government (banking and non-banking system) stood at Tk. 67961.1 crore during July-February, 2020 which is 69.8 percent of the total revised budget target of FY20.

Table I : Government Domestic Borrowing from Banking System during July-February, FY20

(Provisional)  
(Taka in crore)

Sl. No.	Particulars	Issue and Maturity date	Objectives	Outstanding as on	Outstanding as on	Outstanding as on	Change (+) / (-)	
				30 June 19	31 January 20	29 February 20	February 20	July-February 20
1	2	3	4	5	6	7	8=(7-6)	9=(7-5)
<b>A. Bangladesh Bank</b>								
1.	Ways and Means Advances		To increase Government cash balance	1421.8	6000.0	4505.0	-1495.0	3083.2
2.	Overdraft			0.0	925.8	0.0	-925.8	0.0
3.	Overdraft Block			2685.0	1685.0	1685.0	0.0	-1000.0
4.	Devovement			<b>27845.4</b>	<b>32651.6</b>	<b>28276.5</b>	<b>-4375.0</b>	<b>431.1</b>
a)	Treasury Bills			14478.4	13855.8	11188.4	-2667.4	-3290.0
b)	Treasury Bonds			13367.0	18795.8	17088.1	-1707.7	3721.1
5.	Government Currency Liabilities			2026.3	2026.3	2026.3	0.0	0.0
6.	Advances to Autonomous and Semi-autonomous Bodies			0.0	0.0	0.0	0.0	0.0
7.	Accured Interest			264.7	462.4	669.6	207.2	404.9
8.	Government Deposits <sup>@@</sup> (-)			-34.9	-57.0	-63.5	-6.5	-28.6
9.	BB's Balances of GIB Fund (-)			-2458.3	-10221.8	-10057.9	163.9	-7599.6
A.	<b>Total : (1 +...+ 9)*</b>			<b>31750.0</b>	<b>33472.3</b>	<b>27041.1</b>	<b>-6431.2</b>	<b>-4709.0</b>
<b>B. Deposit Money Banks (DMBs)</b>								
<b>1. Government Treasury Bills</b>								
i)	Treasury Bills (Less than 1 year)		To increase Government cash balance	28666.1	49378.9	51691.3	2312.4	23025.2
2.	<b>Bangladesh Govt. Treasury Bonds (BGTB)</b>			<b>112565.7</b>	<b>133235.3</b>	<b>139012.8</b>	<b>5777.5</b>	<b>26447.1</b>
i)	2-years Bangladesh Govt. Treasury Bonds			11331.4	18649.4	20133.9	1484.6	8802.6
ii)	3-years(FRTB) Bangladesh Govt. Treasury Bonds <sup>2/</sup>		To increase long-term investment of different banks, non-bank financial institutions and employees GF of different companies	112.2	112.2	112.2	0.0	0.0
iii)	5-years Bangladesh Govt. Treasury Bonds			21914.9	26448.9	27325.5	876.6	5410.6
iv)	10-years Bangladesh Govt. Treasury Bonds			39364.9	43574.5	46163.6	2589.1	6798.7
v)	15-years Bangladesh Govt. Treasury Bonds			20974.1	23508.5	23924.1	415.6	2950.0
vi)	20-years Bangladesh Govt. Treasury Bonds			18868.3	20941.8	21353.5	411.7	2485.2
3.	<b>Others Treasury Bonds</b>			<b>10797.6</b>	<b>12688.5</b>	<b>12688.5</b>	<b>0.0</b>	<b>1890.8</b>
a)	<b>1 Year and above but less than 5 years (Specialized Bonds)</b>			<b>40.5</b>	<b>40.5</b>	<b>40.5</b>	<b>0.0</b>	<b>0.0</b>
i)	3-Years interest free Frozen Food Treasury Bond 2021	Issued 25 June-2018 and maturity date 25 June-2021	To repay the loan of Frozen Food Industries	40.5	40.5	40.5	0.0	0.0
b)	<b>5 Years and above (Specialized Bonds)</b>			<b>10757.1</b>	<b>12647.9</b>	<b>12647.9</b>	<b>0.0</b>	<b>1890.8</b>
i)	10-years (BJMC&BTMC) interest free Treasury Bond-2020	Issued 16 Jan-2011 and maturity date 16 January 2021	To repay the loan of BJMC & BTMC	204.0	204.0	204.0	0.0	0.0
ii)	25-years (Jute) Treasury Bond-2019 bearing 5.0 percent interest	Issued 30 Jun-1994 and maturity date 30 Jun-2019	To compensate for the liquidation of jute sector credit	0.0	0.0	0.0	0.0	0.0
iii)	25-years (Jute) Treasury Bond-2020 bearing 5.0 percent interest <sup>4/</sup>	Issued 1 Jul-1995 and maturity date 1 Jul-2020	To reimburse one-third of the debt due to jute mills' loan write-off by the private banks.	3.4	1.7	1.7	0.0	-1.7
iv)	12-years to 15-years (BPC) Treasury Bond bearing 5.0 percent interest <sup>5/</sup>	Issued 25 Sep-2007 and Maturity date from 25 Sep-2015 to 25 Sep-2022	To repay the loan of Bangladesh Petroleum Corporation	2822.5	2722.5	2722.5	0.0	-100.0
v)	9-years to 13-years BJMC Treasury Bond bearing 5.0 percent interest	Issued 23 Oct-2011 and maturity date 23 October, 2020, 22 & 24 respectively	To repay the loan of BJMC	1792.0	1792.0	1792.0	0.0	0.0
vi)	7-years SPTB-2020 bearing 7.0 percent interest	Issued 29 June-2013 and maturity date 29 June-2020		2000.0	2000.0	2000.0	0.0	0.0
vii)	8-years SPTB-2021 bearing 7.0 percent interest	Issued 29 June-2013 and maturity date 29 June-2021	To increase Government cash balance	2000.0	2000.0	2000.0	0.0	0.0
viii)	10-years SPTB-2023 bearing 7.0 percent interest	Issued 29 June-2013 and maturity date 29 June-2023		1935.1	1935.1	1935.1	0.0	0.0
ix)	07-years Hanif Flyover SPTB-2026 bearing 5.0 percent interest <sup>6/</sup>	Issued 30 Sep-2019 and maturity date 30 Sep-2026	To repay the loan of Hanif Flyover	0.0	1438.5	1438.5	0.0	1438.5
x)	07-years interest free Hanif Flyover SPTB-2026 <sup>7/</sup>	Issued 30 Sep-2019 and maturity date 30 Sep-2026		0.0	554.0	554.0	0.0	554.0
4.	<b>Sub-Total : (1+2+3)</b>			<b>152029.5</b>	<b>195302.7</b>	<b>203392.6</b>	<b>8089.9</b>	<b>51363.1</b>
5.	Prize Bond/Income Tax Bond			25.1	12.3	26.8	14.5	1.7
6.	Government's other Securities			4.4	4.6	4.7	0.1	0.3
7.	Advances to Food Ministry			1262.5	966.8	1145.8	179.0	-116.7
8.	Advances to Other Ministries			1678.5	1613.7	1622.6	8.9	-55.9
9.	Advances to Auto./Semi-Autonomous Bodies			1959.8	3335.9	2764.2	-571.7	804.4
10.	Accrued Interest			2077.3	2355.2	2751.3	396.1	674.0
11.	Deposits of Ministries and Departments (-)			-36595.3	-33590.3	-33799.3	-209.0	2796.0
12.	Deposits of Auto./Semi-Autonomous Bodies (-)			-46184.0	-52159.1	-50883.8	1275.3	-4699.8
13.	<b>SB's Balances of GIB Fund (i+ii)</b>			<b>2058.3</b>	<b>9554.6</b>	<b>9369.8</b>	<b>-184.8</b>	<b>7311.5</b>
i)	Investment to GIB Fund			10529.3	14353.0	14468.2	115.2	3938.9
ii)	Borrowing from GIB Fund (-)			-8471.0	-4798.4	-5098.4	-300.0	3372.6
B.	<b>Total : (4+...+13)</b>			<b>78316.1</b>	<b>127396.4</b>	<b>136394.7</b>	<b>8998.3</b>	<b>58078.6</b>
<b>Grand Total : (A+B)*</b>				<b>110066.1</b>	<b>160868.7</b>	<b>163435.8</b>	<b>2,567.1</b>	<b>53,369.7</b>

Notes: @/ Including other deposits.

1/ An amount of Tk. 1.7 crore was paid in July 2019 against the outstanding of Tk. 3.4 crore in June 2019.

2/ 3-Year (FRTB) Bangladesh Govt. Treasury Bond has been issued on 27th March, 2019.

3/ An amount of Tk. 100 crore was paid in September 2019 against the outstanding of Tk. 2822.5 crore in June 2019.

4/ 7-Years Hanif Flyover SPTB was issued on 30 September, 2019 with an amount of 1438.5 crore

5/ 7-Years interest free Hanif Flyover SPTB was issued on 30 September, 2019 with an amount of 554.0 crore

\*Including GIB Fund

Source: Debt Management Department, Statistics Department, Bangladesh Bank (Figures of Treasury Bills and Bonds (Including Special Bonds) are collected from DMD)

Table-II: Government Domestic Borrowing from Non-Banking system during July-February, FY20

(Taka in Crore)

Sl. No.	Particulars	July-February, 2019				July-February, 2020			
		Sale	Repayment	Interest	Net Sale	Sale	Repayment	Interest	Net Sale
			Principal				Principal		
1	2	3	4	5	6 = (3-4)	7	8	9	10 = (7-8)
	<b>NSD Instruments</b>								
1.	Defence Savings Certificate	0.0	0.7	0.9	-0.7	0.0	0.4	0.6	-0.4
2.	5-year Bangladesh Savings Certificate	6806.0	2751.0	602.5	4055.0	5220.8	2963.9	849.3	2256.8
3.	3-year Savings Certificate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.	Bonus Savings Certificate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5.	6-month interest bearing Savings Certificate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6.	Family Savings Certificate	18139.4	7186.9	7772.6	10952.5	11344.5	14190.9	10972.7	-2846.4
7.	3-month interest bearing Savings Certificate	19185.0	7326.6	4057.4	11858.4	8881.5	11952.7	4884.1	-3071.2
8.	Jamanat Savings Certificate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9.	Pensioner Savings Certificate	3479.9	1209.5	1478.5	2270.4	3292.2	1447.4	1305.1	1844.8
10.	Post Office Savings Bank	<b>12059.2</b>	<b>6383.9</b>	<b>1264.2</b>	<b>5675.3</b>	<b>18045.2</b>	<b>7630.6</b>	<b>1769.5</b>	<b>10414.6</b>
	a) General Account	2155.7	1893.9	44.8	261.8	3664.0	2391.1	275.1	1272.9
	b) Fixed Account	9903.5	4490.0	1219.5	5413.5	14381.3	5239.6	1494.3	9141.7
	c) Bonus Account	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.	Postal Life Insurance	63.2	57.6	19.0	5.6	74.1	67.6	22.3	6.5
12.	Prize Bond	56.4	30.7	17.8	25.7	68.3	33.0	19.1	35.3
13.	Wage Earners' Development Bond	898.3	165.1	628.3	733.2	1138.9	162.2	756.5	976.7
14.	3-year National Investment Bond	0.0	0.7	0.0	-0.7	0.0	0.4	0.0	-0.4
15.	US \$ Premium Bond	22.3	22.5	18.2	-0.2	29.0	32.8	18.5	-3.9
16.	US \$ Investment Bond	302.8	274.7	138.4	28.1	197.8	144.2	92.3	53.5
17.	<b>Total : (1+...+16)</b>	<b>61012.3</b>	<b>25409.8</b>	<b>15997.7</b>	<b>35602.5</b>	<b>48292.2</b>	<b>38626.3</b>	<b>20689.9</b>	<b>9665.9</b>
		Outstandings as on February 2019			Net Changes July-Feb, 2019	Outstandings as on February 2020			Net Changes July-Feb, 2020
18.	<b>Govt. Treasury Bills/Bonds</b>		<b>28482.9</b>		<b>2157.2</b>		<b>35211.9</b>		<b>4925.6</b>
	i) Government Treasury Bills		820.41		589.4		1164.43		232.5
	<b>ii) Bangladesh Govt. Treasury Bonds (BCTBs)</b>		<b>27662.5</b>		<b>1567.8</b>		<b>34047.5</b>		<b>4693.0</b>
	a) 2-year Bangladesh Government Treasury Bonds		115.25		-77.1		249.67		122.4
	b) 3-year(FRTB) Bangladesh Government Treasury Bonds		0.00		0.0		0.00		0.0
	c) 5-year Bangladesh Government Treasury Bonds		6276.89		206.4		6944.79		761.6
	d) 10-year Bangladesh Government Treasury Bonds		11510.46		592.7		14466.08		1967.0
	e) 15-year Bangladesh Government Treasury Bonds		4712.24		627.4		6104.98		972.7
	f) 20-year Bangladesh Government Treasury Bonds		5047.67		218.4		6282.00		869.4
19.	<b>Total Non-bank Government Borrowing (net) : (17+18)</b>				<b>37759.7</b>				<b>14591.5</b>

Sources : National Savings Directorate, Debt Management Department, BB.