

Monthly Report On
Government Domestic Borrowing¹



January, 2021

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Highlights of Government Domestic Borrowing during July-January, 2021

- **Target of Government Domestic Borrowing for FY21** is Tk.109983 crore of which:
Banking system: Tk. 84980 crore
Other than banks (including NSD): Tk. 25003 crore of which:
NSD: Tk. 20000 crore
- During July-January 2021, Government borrowing (net) from the **banking system** declined by Tk. 4147.5 crore. However, it increased by Tk. 50802.6 crore during same period of the previous year.
- During July-January 2021, Government borrowed (net) Tk. 27895.9 crore from **other than banks** which was Tk. 11791.1 crore during the same period of the previous year.
- Bangladesh Govt. Investment Sukuk (BGIS) was introduced for the first time on 29 December 2020 to raise fund for the project ‘Safe Water Supply to the Whole Country’. An amount of Tk. 4000.0 crore was raised in December 2020 through 05 Years Bangladesh Govt. Investment Sukuk (Ijarah Sukuk).
- The net sale of **NSD Instruments** stood at Tk. 25702.2 crore during July-January, 2021 which was Tk.7673.4 crore only during the same period of the previous year.
- **Total net domestic borrowing** of the Government (banking system and other than bank) stood at Tk. 23748.4 crore during July-January, 2021 which was Tk. 62593.7 crore during the same period of the previous year. During FY21 (till January 2021) government borrowing was 21.6 percent of the total budget target.

Government Domestic Borrowing during July-January, 2021

For financing budget, government borrows mainly from two domestic sources—banking system and other than banks. Government borrowing from banking system consists of borrowing from central bank and scheduled banks. Government borrows from the banking system mainly through advances, overdraft, issuance of treasury bills and bonds and sale of savings instruments. However, the balances of government deposits and other funds net out government borrowing. On the other hand, borrowing from non-bank sources includes savings instruments (NSD) and govt. t-bills & bonds held by non-bank financial institutions, insurance companies, individuals, etc.

1. Target of Government Domestic Borrowing for FY21

In the FY21 government budget, the target of total domestic borrowing set at Tk.109983.0 crore, of which Tk. 84980.0 crore from banking system and Tk. 25003.0 crore from other than banks. During July-January 2021, the total domestic borrowing (net) of government stood at Tk. 23748.4 crore which was 21.6 percent of the budget target of FY21.

2. Borrowing from Banking System

Government borrowed (net) Tk. 42475.2 crore from scheduled banks (SBs) during July-January 2021. On the other hand, government repaid Tk. 46622.7 crore from the outstanding balance of government borrowing from Bangladesh Bank (BB) of end June 2020. Thus, govt. borrowing (net) from the banking system (BB +SBs) declined by Tk. 4147.5 crore during the period under report.

3. Borrowing from Other than Banks

During July- January 2021, Government borrowed (net) Tk. 27895.9 crore from other than banks, of which Tk. 25702.2 crore from net sale of NSD instruments and Tk. 2193.7 crore from govt. t-bills & t-bonds.

4. Total Domestic Borrowing

During July-January 2021, total domestic borrowing (net) of government (bank and other than bank) stood at Tk.23748.4 crore which was 62.1 percent lower than Tk.62593.7 crore during the same period of the previous year (Table-1).

Table 1: Source-wise Government Domestic Borrowing (net)

(Taka in crore)

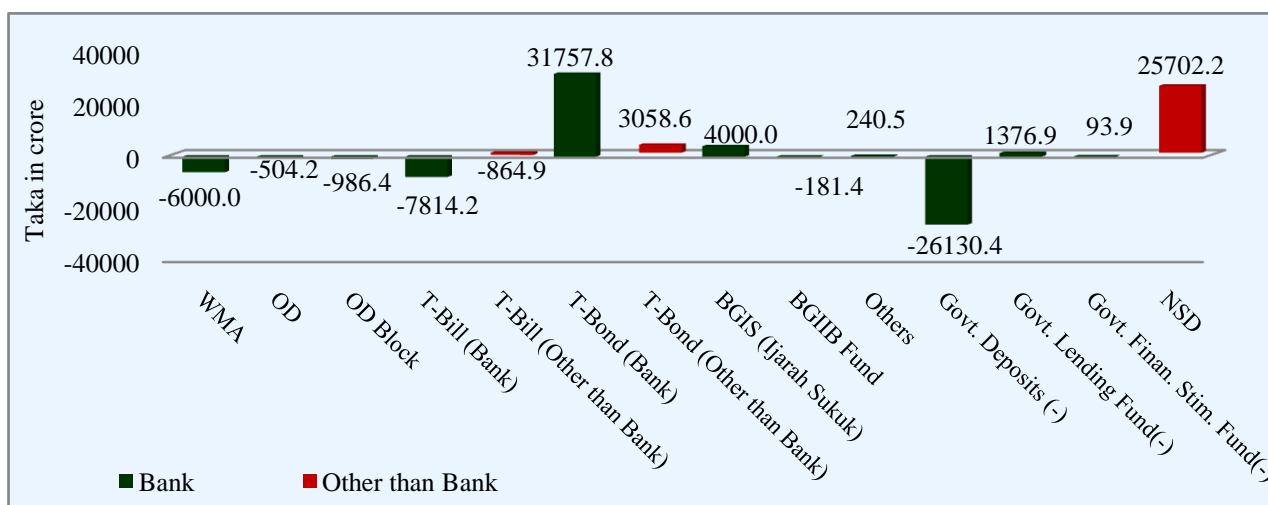
Sources	July-January 2021	July-December 2020	July- January 2020	Change (over previous Period)	Change (over corresponding period)
	1	2	3	4=1-2	5=1-3
Bank*	-4147.5	595.4	50802.6	-4742.9 (-796.6)	-54950.1 (-108.2)
Other than Bank**	27895.9	22984.2	11791.1	4911.7 (+21.4)	16104.8 (+136.6)
Total	23748.4	23579.6	62593.7	168.8 (+0.7)	-38845.3 (-62.1)

Note: *=Bank includes Bangladesh Bank and Scheduled Banks. **=Other than bank includes net sale of NSD instruments and T-bills & bonds held by Non-Bank Financial Institutions (NBFIs), insurance companies, individuals etc.

Figures in brackets indicate percentage changes.

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

Chart-1: Instrument-wise Government Domestic Borrowing (net)



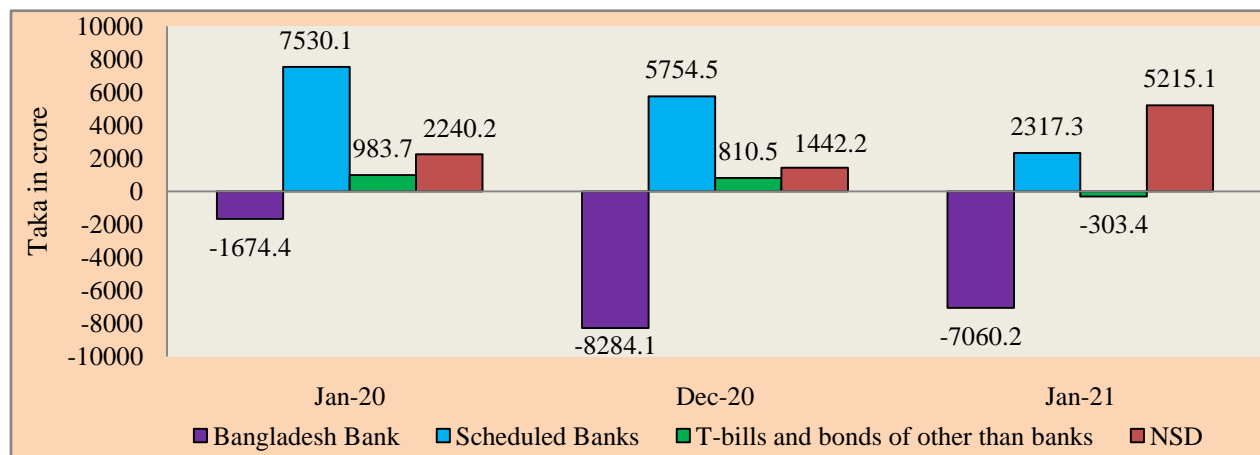
Note: WMA=Ways and Means Advances, OD=Overdraft, BGIS= Bangladesh Govt. Investment Sukuk, NSD=National Savings Directorate. Others include government currency liabilities, advances to Food & other ministries, advances to Auto & Semi autonomous bodies etc.

Source: Debt Management Department & Statistics Department, Bangladesh Bank; National Savings Directorate (NSD).

5. Monthly Situation of Domestic Borrowing (January, 2021)

In January 2021, government borrowed Tk.2317.3 crore from scheduled banks and Tk.5215.1 crore from sale of NSD savings instruments. On the other hand, Government repaid Tk.303.4 crore of outstanding debt through govt. t-bills and bonds from other than banks. At the same time, government also repaid Tk.7060.2 crore of outstanding debt from Bangladesh Bank (Chart-2).

Chart-2: Monthly Situation in Government Domestic Borrowing (net)



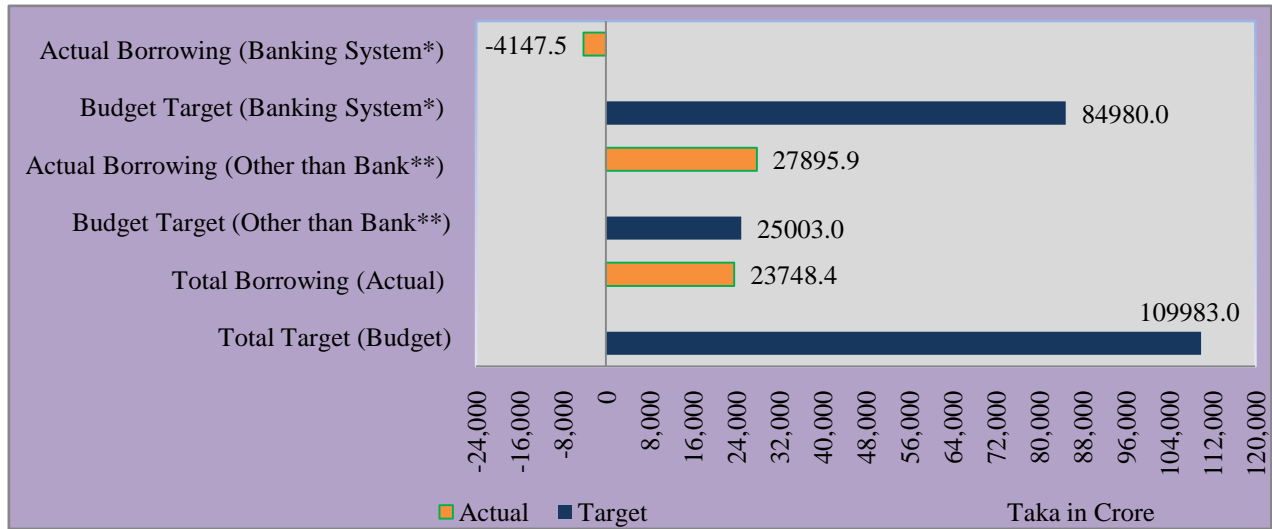
Note: NSD=National Savings Directorate.

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

6. Budget Target and Actual position of Domestic Borrowing

Government borrowing (net) from the banking system declined by Tk.4147.5 crore and government borrowing (net) from other than bank stood at Tk.27895.9 crore.

Chart-3: Budget Target and Actual Government Domestic Borrowing (net)



Note: *=Banking System includes Bangladesh Bank and Scheduled Banks,

**=Other than bank includes NSD instruments and T-bills & bonds held by other than bank.

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

Therefore, total domestic borrowing (net) of the government stood at Tk.23748.4 crore during July-January 2021 which was 21.6 percent of the budget target of FY21 (Chart-3).

Table I : Government Domestic Borrowing from the Banking System during July-January, FY21

(Provisional)
(Taka in crore)

Sl. No.	Particulars	Issue and date	Objectives	Outstanding as on	Outstanding as on	Outstanding as on	Change (+) / (-)	
				30 June 20	31 Dec 20	31 Jan 21	Jan 21	July-Jan 21
1	2	3	4	5	6	7	8=(7-6)	9=(7-5)
A. Bangladesh Bank								
1.	Ways and Means Advances		To increase Govt. cash balance	6000.0	0.0	0.0	0.0	-6000.0
2.	Overdraft			504.2	0.0	0.0	0.0	-504.2
3.	Overdraft Block			1185.0	198.6	198.6	0.0	-986.4
4.	Devolvement			34671.6	27139.4	26476.3	-663.1	-8195.3
	a) Treasury Bills			8394.2	967.5	967.5	0.0	-7426.8
	b) Treasury Bonds			26277.3	26171.9	25508.8	-663.1	-768.5
5.	Government Currency Liabilities			2025.9	2025.9	2025.9	0.0	0.0
6.	Advances to Autonomous and Semi-autonomous Bodies			0.0	0.0	0.0	0.0	0.0
7.	Accrued Interest			582.1	371.3	451.9	80.6	-130.2
8.	Government Deposits ^{@/} (-)			-33.2	-16276.0	-21729.4	-5453.4	-21696.2
9.	BB's Balances of GIIB Fund (-)			-6593.5	-15591.7	-16962.4	-1370.7	-10368.9
10.	Govt. Lending Fund(-)			-6874.5	-5962.4	-5616.0	346.4	1258.5
A.	Total : (1 +...+ 10)			31467.6	-8094.9	-15155.1	-7060.2	-4662.7
B. Scheduled Banks								
1.	Government Treasury Bills			52331.1	55110.2	51943.7	-3166.5	-387.4
	i) Treasury Bills (Less than 1 year)		To increase Govt. cash balance	52331.1	55110.2	51943.7	-3166.5	-387.4
2.	Bangladesh Govt. Treasury Bonds (BGTB)			153839.1	183341.2	187949.0	4607.8	34109.9
	i) 2-years Bangladesh Govt. Treasury Bonds			23638.5	32206.9	33247.1	1040.2	9608.6
	ii) 3-years(FRTB) Bangladesh Govt. Treasury Bonds		To increase long-term investment of different Banks, NBFIs and employees GF of different companies	112.2	112.2	112.2	0.0	0.0
	iii) 5-years Bangladesh Govt. Treasury Bonds			31528.6	41585.9	42679.5	1093.6	11151.0
	iv) 10-years Bangladesh Govt. Treasury Bonds			49749.4	55374.6	56792.2	1417.6	7042.9
	v) 15-years Bangladesh Govt. Treasury Bonds			24985.8	27263.7	27689.2	425.5	2703.4
	vi) 20-years Bangladesh Govt. Treasury Bonds			23824.6	26797.9	27428.7	630.9	3604.1
3.	Others Treasury Bonds			10688.5	9308.9	9104.9	-204.0	-1583.6
	a) 1 Year and above but less than 5 years (Specialized Bonds)			40.5	40.5	40.5	0.0	0.0
	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) 5 Years and above (Specialized Bonds)			10647.9	9268.3	9064.3	-204.0	-1583.6
	i) 10-years (BJMC&BTMC) interest free Treasury Bond-2020 ^{5/}	Issued 16 Jan-2011 and maturity date 16 January	To repay the loan of BJMC & BTMC	204.0	204.0	0.0	-204.0	-204.0
	ii) 25-years (Jute) Treasury Bond-2020 bearing 5.0 percent interest ^{1/}	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	1.7	0.0	0.0	0.0	-1.7
	iii) 12-years to 15-years (BPC) Treasury Bond bearing 5.0 percent interest ^{2/}	Issued 25 Sep-2007 and Maturity date from 25 Sep-2015 to 25 Sep-	To repay the loan of Bangladesh Petroleum Corporation	2722.5	1822.5	1822.5	0.0	-900.0
	iv) 9-years to 13-years BJMC Treasury Bond bearing 5.0 percent interest ^{3/}	Issued 23 Oct-2011 and maturity date 23 October 2020, 22 & 24	To repay the loan of BJMC	1792.0	1314.1	1314.1	0.0	-477.9
	v) 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
	vi) 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
	vii) 07-years Hanif Flyover SPTB-2026 bearing 5.0 percent interest	Issued 30 Sep-2019 and maturity date 30 Sep-2026	To repay the loan of Hanif Flyover	1438.5	1438.5	1438.5	0.0	0.0
	vii) 07-years interest free Hanif Flyover SPTB-2026	Issued 30 Sep-2019 and maturity date 30 Sep-2026		554.0	554.0	554.0	0.0	0.0
4.	Bangladesh Govt. Investment Sukuk (BGIS) [#]			0.0	4000.0	3999.97	0.00	3999.97
	i) 05 Years Bangladesh Govt. Investment Sukuk (Ijarah Sukuk) ^{4/}	Issued 29 Dec-2020 and maturity date 29 Dec-2025	To raise fund for the project 'Safe Water Supply to the Whole Country'	0.0	4000.0	3999.97	0.00	3999.97
5.	Sub-Total : (1+2+3+4)			216858.6	251760.2	252997.6	1237.3	36138.9
6.	Prize Bond/Income Tax Bond			31.4	27.7	13.3	-14.4	-18.1
7.	Government's other Securities			4.9	4.9	5.2	0.3	0.3
8.	Advances to Food Ministry			573.1	237.5	280.6	43.1	-292.5
9.	Advances to Other Ministries			1701.8	1612.2	1554.0	-58.2	-147.8
10.	Advances to Auto./Semi-Autonomous Bodies			2435.4	2865.6	3121.6	256.0	686.2
11.	Accrued Interest			2729.7	3110.0	2872.3	-237.7	142.6
12.	Deposits of Ministries and Departments (-)			-34849.6	-36163.5	-36435.5	-272.0	-1585.9
13.	Deposits of Auto./Semi-Autonomous Bodies (-)			-53249.8	-55981.5	-56098.1	-116.6	-2848.3
14.	SBS's Balances of GIIB Fund (i+ii)			6203.3	15043.2	16390.8	1347.6	10187.5
	i) Investment to GIIB Fund			12972.2	17339.0	17986.6	647.6	5014.4
	ii) Borrowing from GIIB Fund (-)			-6768.9	-2295.8	-1595.8	700.0	5173.1
15.	Borrowing from Govt. on Lending(-)			-2000.1	-1892.6	-1881.7	10.9	118.4
16.	Borrowing from Govt. Financial Stimulus Fund(-)			-4845.7	-4872.8	-4751.8	121.0	93.9
B.	Total : (5+...+16)			135930.0	175750.9	178068.3	2317.3	42475.2
Grand Total : (A+B)*				167060.6	167656.0	162913.1	-4742.9	-4,147.5

Notes: @/ Including other deposits.

1/ An amount of Tk. 1.7 crore was paid in July 2020 against the outstanding of Tk. 1.7 crore in June 2020.

2/ An amount of Tk. 900.0 crore was paid in September 2020 against the outstanding of Tk. 2722.5 crore in June 2020.

3/ An amount of Tk. 477.9 crore was paid in October 2020 against the outstanding of Tk. 1792.0 crore in June 2020.

4/ An amount of Tk. 3999.97 crore was issued in December 2020 through Ijarah Sukuk.

5/ An amount of Tk. 204.0 crore was paid in January 2021 against the outstanding of Tk. 204.0 crore in June 2020.

*Including GIIB Fund, Govt. Lending Fund and Govt. Financial Stimulus Fund.

BGIS was issued on 29 December 2020 to raise fund for the project 'Safe Water Supply to the Whole Country'.

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 Other than Bank during July-January, FY21

(Taka in Crore)

Sl. No.	Particulars	July-Jan, 2020			July-Jan, 2021			Net Sale	
		Sale	Repayment		Sale	Repayment			
			Principal	Interest		Principal	Interest		
1	2	3	4	5	6 = (3-4)	7	8	9	10 = (7-8)
	NSD Instruments								
1.	Defence Savings Certificate	0.0	0.3	0.4	-0.3	0.0	0.6	0.8	-0.6
2.	5-year Bangladesh Savings Certificate	4687.8	2474.6	721.1	2213.2	5835.6	3393.8	1560.7	2441.9
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	9412.0	12756.7	9861.0	-3344.7	24310.1	11248.8	8185.0	13061.4
7.	3-month interest bearing Savings Certificate	7401.5	10323.8	4233.7	-2922.4	18040.3	14452.5	4274.6	3587.8
8.	Jamanat Savings Certificate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9.	Pensioner Savings Certificate	2745.4	1271.9	1149.2	1473.6	4256.4	1982.1	1665.3	2274.3
10.	Post Office Savings Bank	16059.0	6622.2	1534.4	9436.8	11797.9	8386.2	2255.2	3411.7
	a) General Account	1944.2	1625.6	47.9	318.6	1403.5	1417.5	57.6	-14.1
	b) Fixed Account	14114.8	4996.7	1486.6	9118.1	10384.1	6956.4	2193.8	3427.7
	c) Bonus Account	0.0	0.0	0.0	0.0	10.3	12.3	3.7	-2.0
11.	Postal Life Insurance	65.7	60.1	19.8	5.6	67.4	76.8	23.0	-9.4
12.	Prize Bond	55.1	21.6	17.9	33.5	53.9	19.3	25.6	34.7
13.	Wage Earners' Development Bond	900.4	150.7	649.2	749.7	1068.7	258.0	862.2	810.7
14.	3-year National Investment Bond	0.0	0.4	0.0	-0.4	0.0	0.1	0.0	-0.1
15.	US \$ Premium Bond	27.9	29.9	17.3	-2.0	21.6	10.1	8.4	11.5
16.	US \$ Investment Bond	164.8	134.1	75.6	30.7	169.0	90.7	47.6	78.3
17.	Total : (1+...+16)	41519.6	33846.2	18279.7	7673.4	65621.1	39918.9	18908.2	25702.2
			Outstandings as on Jan 2020		Net Changes July-Jan, 2020		Outstandings as on Jan 2021		Net Changes July-Jan, 2021
18.	Govt. Treasury Bills/Bonds		34404.2		4117.8		40954.0		2193.7
	i) Government Treasury Bills		1086.8		154.9		1193.2		-864.9
	ii) Bangladesh Govt. Treasury Bonds (BGTBs)		33317.4		3962.9		39760.7		3058.6
	a) 2-year Bangladesh Government Treasury Bonds		234.2		107.0		1735.6		560.5
	b) 3-year(FRTB) Bangladesh Government Treasury Bonds		0.0		0.0		0.0		0.0
	c) 5-year Bangladesh Government Treasury Bonds		6821.3		638.1		8319.4		387.9
	d) 10-year Bangladesh Government Treasury Bonds		14078.7		1579.6		16322.1		1307.1
	e) 15-year Bangladesh Government Treasury Bonds		6006.7		874.4		6740.7		423.1
	f) 20-year Bangladesh Government Treasury Bonds		6176.4		763.8		6642.9		379.9
	iii) Bangladesh Government Investment Sukuk(BGIS)[#]		0.0		0.0		0.03		0.03
	a) 05 Years Bangladesh Govt. Investment Sukuk (Ijarah Sukuk) ^{1/}		0.0		0.0		0.03		0.03
19.	Total Non-bank Government Borrowing (net) : (17+18)				11791.1				27895.9

BGIS was issued on 29 December 2020 to raise fund for the project 'Safe Water Supply to the Whole Country'

1/ An amount of Tk. 0.03 crore was issued in December 2020 through Ijarah Sukuk.

Sources : National Savings Directorate; Debt Management Department, Bangladesh Bank.